

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE.

The meeting was called to order by Chairperson Senator Audrey Langworthy at 11:08 a.m. on February 7, 2000, in Room 519-S of the Capitol.

All members were present except:

Committee staff present: Chris Courtwright, Legislative Research Department  
April Holman, Legislative Research Department  
Don Hayward, Revisor of Statutes Office  
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Don Moler, League of Kansas Municipalities  
Anthony Fadale, Coordinator, American Disabilities Act

Others attending: See attached list.

The minutes of the February 2 and 3, 2000, minutes were approved.

Continued hearing on: **SB 474—Enacting the city and county development activity excise tax act**

Don Moler, League of Kansas Municipalities, testified in strong opposition to **SB 474**. He noted that, although the bill appears to grant cities and counties the ability to levy an excise tax, it is actually restrictive rather than permissive. He believes **SB 474** undermines local control and constitutional home rule and, in effect, it will essentially eliminate the ability of cities and counties to impose excise taxes on builders. Furthermore, Mr. Moler believes the bill is unnecessary because cities in Kansas currently have clear authority to impose an excise tax, and the current law works well. (Attachment 1)

Committee discussion followed. Senator Lee commented that **SB 474** is a new act and that it does not eliminate excise taxes but ensures that an appropriate amount is charged to do the necessary work. Senator Bond began a discussion regarding the extent of the Legislature's responsibility to "referee" local political issues which apparently can be worked out at the local level as was the case in Derby, Kansas. Senator Langworthy noted that a city which does charge an excise fee still has the ability to do a benefit district if it chooses. With this, the hearing on **SB 474** was closed.

Senator Langworthy called attention to a copies of an article entitled "Telecommunications and the Tangle of Taxes" written by Scott Mackey, chief economist for the National Conference of State Legislatures (NCSL). She explained that Senator Ranson felt the article would be of interest to the Committee and asked that copies be distributed to all members. (Attachment 2)

**SB 428—Property taxation; exempting motor vehicles used for not-for-profit entities in coordinated transit districts**

Anthony Fadale, Kansas coordinator of the American Disabilities Act, testified in support of **SB 428**. He reminded the Committee that the 1999 Legislature passed the Kansas Coordinated Public Transportation Assistance Act to deal with the issue of accessible public transportation for the disabled. Coordinated transit districts were directed to transport the elderly, the disabled, and the general public. Mr. Fadale explained that the Board of Tax Appeals (BOTA) informed him last summer that non-profit entities such as the Red Cross may be in danger of losing their state tax exempt status if they participate in a program that transports the general public. Thus, BOTA recommended that its statutes be amended to be consistent with the transportation bill passed in 1999. (Attachment 3) He noted that the Department of Transportation has no objection to **SB 428**.

Mr. Fadale distributed copies of a proposed clarifying amendment to **SB 428** suggested by BOTA's legal staff.

CONTINUATION SHEET

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE  
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The amendment clarifies that an entity must demonstrate to BOTA that it has been approved as a participant in the Kansas Coordinated Public Transportation Assistance Act. (Attachment 4) He defined “participant” as a non-profit entity which assists the coordinated transit district on a regular basis. With this, the hearing on **SB 428** was closed.

Senator Langworthy began a discussion of a previously heard bill, **SB 408** –confidentiality requirements concerning income tax returns. She reminded the Committee that, currently, the State Gaming Commission cannot access income tax returns when doing a background check. The bill would allow the State Gaming Commission to work with the Department of Revenue to look at income tax returns when conducting a background check.

Senator Lee moved to report **SB 408** as favorable for passage, seconded by Senator Bond. The motion carried.

Senator Langworthy opened consideration of another previously heard bill, **SB 411** which was introduced at the request of BOTA and which concerns the publication of Board orders. She recalled that BOTA would prefer to publish the orders rather than sending them to the Director of Printing because it would save money.

She noted that another issue in the bill deals with single-family residential appeals. She explained that current law allows persons to bypass the Small Claims Division and appeal directly to BOTA. BOTA prefers that owners of single-family residential property appeal through the Small Claims Division prior to appealing to the regular division. In this regard she called attention to a letter of concern submitted for the Committee’s consideration by Freda Culver, a private citizen who believes this provision would take away her right to go to BOTA. (Attachment 5) Senator Lee said she also had visited with Ms. Culver, and Ms. Culver raised the question whether counties are required by law to notify citizens in writing on their tax statement that they can appeal to the Small Claims Division. Ms. Culver does not believe that most people understand that they can appeal to the Small Claims Division. Staff was uncertain if written notification is required by law.

There being no further time, Senator Langworthy continued the discussion on **SB 411** to a future meeting.

The meeting was adjourned at 12:00 p.m.

The next meeting is scheduled for February 8, 2000.