

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Richard Carlson at 9:00 a.m. on March 20, 2009, in Room 535-N of the Capitol.

All members were present.

Committee staff present:

Gordon Self, Office of the Revisor of Statutes
Scott Wells, Office of the Revisor of Statutes
Chris Courtwright, Kansas Legislative Research Department
Kathy Beavers, Committee Assistant

Conferees appearing before the Committee:

Richard Cram, Kansas Department of Revenue
Representative Julie Menghini

Others attending:

See attached list.

The Chairman opened the meeting and asked Representative King to brief the committee on the results of the subcommittee studying **HB 2150**.

HB 2150 - Property taxation; 2% limit on valuation increases.

Representative King summarized the subcommittee report (Attachment 1). He thanked the members of the subcommittee for their hard work and diligence in the process. Representative King stated that the subcommittee recommended that a request be made to the Legislative Coordinating Council (LCC) to make **HB 2150**, and reform of the property tax valuation system as a whole, a topic for further study by an Interim Taxation Committee. The subcommittee members also made two recommendations to the Interim Committee. They are:

- Use a rolling average in order to decrease valuation volatility
- Use **HB 2150** or similar alternatives to address overall valuation concerns

Representatives McCray-Miller and Hawk thanked the subcommittee for their hard work. Representative King made a motion to adopt the subcommittee report. Representative Schwartz seconded the motion. The motion carried.

Representative King made a motion to recommend the subcommittee report to the Legislative Coordinating Council (LCC) for an Interim Study this year. Representative Powell seconded the motion. The motion carried.

HB 2388 - Qualifying investments under the county business restoration assistance program.

The Chairman opened the hearing on **HB 2388**.

Richard Cram, Kansas Department of Revenue, testified in support of **HB 2388** (Attachment 2). Mr. Cram stated that **HB 2388** would amend K.S.A. 2008 Supp. 75-3713e(c) to extend the date by which investments must be made in order to qualify for business restoration program assistance payments in connection with repairing, replacing or rebuilding a business facility damaged or destroyed during the Greensburg tornado in Kiowa County on May 4, 2007. He stood for questions.

The Chairman closed the hearing on **HB 2388**.

Representative Brown introduced his son, Alex.

Representative Goyle introduced his friend, Edward Nolan.

HB 2379 - Valuation of land devoted to agricultural use under Kansas estate tax act.

CONTINUATION SHEET

Minutes of the House Taxation Committee at 9:00 a.m. on March 20, 2009, in Room 535-N of the Capitol.

Chris Courtwright, Kansas Legislative Research Department, briefed the members on **HB 2379**.

Gordon Self, Office of the Revisor of Statutes, explained the balloon to **HB 2379** in which a statement was added to clarify that the provisions of this section shall be part of and supplemental to the Kansas estate tax. (Attachment 3). Richard Cram and Jim Weisgerber, Tax Specialist, Kansas Department of Revenue, stood for questions relating to **HB 2379**.

Chairman Carlson stated that it was the intent of the committee that tax payers qualifying for refunds are required to file an amended return.

Representative Schwartz moved to remove the contents of SB 98 and insert the contents into HB 2379. Representative King seconded the motion. The motion carried.

Representative Schwartz made a motion to adopt the balloon to HB 2379. Representative George seconded the seconded the motion. The motion carried.

Representative Lukert made a motion to remove the retroactive clause from HB 2379. Representative Menghini seconded the motion. The motion failed. Discussion followed.

Representative Schwartz made a motion to move HB 2379, as amended, favorably for passage. The motion was seconded by Representative Powell.

Representative Brown made a substitute motion to make the contents of SB 98 and HB 2379 a substitute bill instead of an amendment and move HB 2379, as amended, favorably for passage. Representative Schwartz seconded the motion. The motion carried.

HB 2365 - Creating the promoting employment across Kansas act.

Representative Kleeb briefed the committee on **HB 2365** (Attachment 4) and stood for questions. The information that was handed out to the committee members explained the changes that were made to the original bill and stood for questions. Discussion ensued.

Representative Kleeb, at the March 19, 2009 meeting, made a motion to amend HB 2365 in the form of a substitute bill. Seconded by Representative Powell. The motion carried. Discussion followed.

Representative Dillmore made a motion to reconsider. Representative Goyle seconded the motion. The motion carried. Discussion followed.

The chairman recommended that **HB 2365** be referred to Legislative Coordinating Council (LCC) for an Interim Study. Discussion followed.

Representative Goico made a motion to move substitute bill HB 2356, as amended, favorably for passage. Representative Peck seconded the motion. Discussion followed.

Representative Menghini made a substitute motion to table HB 2356 for further study. Representative Goico seconded the motion. Division was requested. Eight members in favor and thirteen members opposed. The motion failed.

Back to the Goico motion to move substitute bill HB 2356, as amended, favorably for passage. Representative Peck seconded the motion. The motion carried.

The meeting was adjourned at 10:25 a.m.