



Jeffrey W Perry

Regional Director, State Government Relations: General Motors Company

TO: House Committee on Taxation

FROM: Jeff Perry, General Motors Company

DATE: February 11, 2013

RE: House Bill 2174 - WRITTEN TESTIMONY IN SUPPORT

I am writing on behalf of General Motors Company to express our support in favor of House Bill 2174, an Act to exempt manufacturer to consumer cash rebates from sales taxation.

New motor vehicle manufacturer to consumer cash rebates ("customer cash") are a common tool used by motor vehicle manufacturers to stimulate consumer interest and demand in purchasing new motor vehicles from automobile dealers in the state of Kansas. These incentives are almost always assigned by the consumer to the dealer (retailer) as an integral part of the selling agreement to be applied as a direct reduction in the final selling price of the new motor vehicle. Consumers typically regard these cash rebate offers as a direct discount off the selling price of the vehicle and are often surprised to learn that current law taxes them on the value of the incentive money. This "surprise" and additional expense can lead to customer dissatisfaction and even the complete cancellation of the sale.

House Bill 2174 re-establishes a sales tax exemption that previously existed in Kansas from 2006 to 2009 and recognizes the valuable role that customer cash plays in stimulating an important part of the Kansas economy. By stimulating the sale of new motor vehicles the Kansas economy sees benefits at many levels. Consumers benefit by being able to fully recognize the value of a discounted vehicle selling price being offered by a dealer. Dealerships benefit through increased customer satisfaction with the sale process and increased interest from buyers in purchasing new motor vehicles. The increased sale of new motor vehicles stimulates growth in a dealer service department and related new motor vehicle accessory sales, and helps to provide a sound foundation for the overall health and strength of the dealership in the community. This in turn generates local employment. In addition, increased new motor vehicle sales in turn generate greater demand for the production of new vehicles from manufacturers, creating stability and growth at manufacturing facilities like the General Motors Fairfax Assembly plant in Kansas City, KS.

The state of Kansas also benefits by encouraging the sale of new motor vehicles. Since new motor vehicles tend to have higher final transaction prices than used vehicles (even after discounting with cash rebates), the sale of new motor vehicles generates more sales tax for the state on a per vehicle basis when compared to comparable used vehicles that a consumer may purchase in the alternative.

For these reasons, General Motors respectfully encourages your support of House Bill 2174.

House Taxation
Date: 2/14/13
Attachment: 3

House Taxation

Date:

Attachment:

risson, Myers, Neufeld, Newton, O'Neal, Owens, Patterson, J. Peterson, Pottorff, Powers, Schwartz, Showalter, Shultz, Sloan, Stone, Storm, Tafanelli, Tanner, Tomlinson, Vickrey, Weber, Welshimer, Wilk, J. Williams.

Nays: Barnes, Burroughs, Cook, Crow, DeCastro, Dillmore, Faber, Feuerborn, Flaharty, Flora, Garner, Gatewood, Gilbert, Goering, Grant, Henderson, Howell, Huebert, Huy, Kauffman, Kirk, Klein, Kuether, Landwehr, Larkin, Levinson, Loganbill, M. Long, P. Long, Mayans, McClure, McCreary, McLeland, Miller, Minor, Nichols, Novascone, Osborne, Ostmeyer, Palmer, Pauls, E. Peterson, Phelps, L. Powell, T. Powell, Pyle, Reardon, Rehorn, Ruff, Sharp, Shriver, Spangler, Thimesch, R. Toelkes, Toplikar, Wells, D. Williams, Wilson, Winn.

Present but not voting: None.

Absent or not voting: O'Brien, Ray, Swenson.

EXPLANATIONS OF VOTE

MR. SPEAKER: I vote no on SB 39. We have had two primary options to solve this budget shortfall. Raise taxes or cut spending. We have a spending problem, not a taxing problem. It's time we think about Kansas taxpayers and allow them to have an ending balance in their bank account. We are at war and the agricultural economy has been in a recession for five years. We can no longer deficit spend and then punish taxpayers for legislative fiscal irresponsibility. We are confirming what many have said before, it is impossible for the legislature to restrain spending.—RALPH OSTMEYER

MR. SPEAKER: I vote no on SB 39 the largest tax increase in Kansas history just as the following should have: "I, Mary Compton, Don Dahl, Jene Vickrey, Bob Tomlinson, Ted Powers, John Ballou, Bill Mason, Melvin Neufeld, a candidate for the Kansas Legislature, pledge to the taxpayers of my House District and to all the people of Kansas, that I will oppose and vote against any and all efforts to increase taxes in Kansas." Except today.—R. J. WILSON

MR. SPEAKER: I vote no on these outrageous tax increases. The House should have held firm in efforts to truly reduce the waste, inefficiency and mismanagement in the budget. The Governor got us off on the wrong foot when he proposed a terrible budget bill that even he said he would not sign. Then the legislature compounded this appalling mistake by not eliminating the unnecessary and wasteful spending.

These activities of the Republicans have resulted in the passage of the most regressive tax increase in the history of this legislature. Taxes on purchases by working families to finance corporate pork and government waste. I vote NO on SB 39.—NILE DILLMORE, BRODERICK HENDERSON

MR. SPEAKER: This Legislature has struggled greatly over the past 106 days to address the fiscal crisis. We have been told repeatedly in recent weeks that the only solution to this Republican crisis is to increase taxes that hurt working families most while also making some cuts to vital state programs. Somehow, in the midst of this "solution" Republicans have still found millions of dollars to dole out in corporate welfare to venture capitalists. Have we really done the best that we could possibly do for the people of Kansas? I vote NO on SB 39.—TOM BURROUGHS, NANCY A. KIRK, BILL REARDON

MR. SPEAKER: Four short years ago, our state enjoyed a record budget surplus. Instead of using part of that windfall to prepare for an economic downturn, Republicans chose instead to distribute the bounty among large corporations and wealthy individuals. The average Kansan, however, would be hard pressed to notice their share of the 1998 tax relief.

Unfortunately, now that the bill for their unwise fiscal planning has come due, Governor Graves and Republicans in the Legislature have decided that the cost should be placed firmly on the backs of those Kansans least able to pay—working families and those living on fixed incomes. I vote NO on SB 39.—DOUG SPANGLER, ANNIE KUETHER

MR. SPEAKER: I vote no on this regressive tax package which fails to fund schools and fix the real problems of State government. My constituents wanted the legislature to fix K-12 education funding and improve opportunities for our children. What they got was a shell game of Enron accounting and budget tactics that will sink state government. When the historians dig up the archives of mismanagement I will not have the stain on my hands. I

be applicable to the statement of foreign qualification of any foreign limited liability partnership which fails to file its annual report or pay the franchise tax within 90 days of the time prescribed in this section for filing and paying the same. Whenever the statement of foreign qualification of a foreign limited liability partnership is forfeited for failure to file an annual report or to pay the required franchise tax, the statement of foreign qualification of the foreign limited liability partnership may be reinstated by filing a certificate of reinstatement, in the manner and form to be prescribed by the secretary of state and paying to the secretary of state all fees and taxes, including any penalties thereon, due to the state. The fee for filing a certificate of reinstatement shall be the same as that prescribed by K.S.A. 17-7506, and amendments thereto, for filing a certificate of extension, restoration, renewal or revival of a corporation's articles of incorporation.

Sec. 50. On and after July 1, 2002, K.S.A. 2001 Supp. 56a-1203 is hereby amended to read as follows: 56a-1203. No limited liability partnership or foreign limited liability partnership shall be required to file its first annual report under this act, or pay any annual franchise tax required to accompany such report, unless such partnership has filed its statement of qualification or foreign qualification at least six months prior to the last day of its tax period. If any such partnership files with the secretary of state a notice of change in its tax period and the next annual report filed by such partnership subsequent to such notice is based on a tax period of less than 12 months, the annual tax liability shall be determined by multiplying the annual franchise tax liability for such year by a fraction, the numerator of which is the number of months or any portion thereof covered by the annual report and the denominator of which is 12, except that the tax shall not be less than \$20 \$40.

Sec. 51. On and after July 1, 2002, K.S.A. 17-4634, 17-7507, 79-3310 and 79-3312 and K.S.A. 2001 Supp. 17-2036, 17-7503, 17-7504, 17-7505, 17-76,139, 56-1a606, 56-1a607, 56a-1201, 56a-1202, 56a-1203, 79-3311, 79-3603, 79-3603, as amended by section 1 of 2002 Senate Bill No. 372, 79-3620, 79-3635, 79-3703 and 79-3710 are hereby repealed.

Sec. 52. K.S.A. 12-187, 12-189, 12-189e, 79-2401a, 79-2803a, 79-3226, 79-3271 and 79-3279 and K.S.A. 2001 Supp. 79-201w, 79-1476, 79-3295, 79-32,100a, 79-32,205, 79-32,206 and 79-32,211 are hereby repealed.

Sec. 53. This act shall take effect and be in force from and after its publication in the Kansas register.;

In the title, in line 14, by striking all after "to"; by striking all in lines 15 through 17 and by inserting the following: "taxation; amending K.S.A. 12-187, 12-189, 17-4634, 17-7507, 79-2401a, 79-2803a, 79-3226, 79-3271, 79-3279, 79-3310 and 79-3312 and K.S.A. 2001 Supp. 17-2036, 17-7503, 17-7504, 17-7505, 17-76,139, 56-1a606, 56-1a607, 56a-1201, 56a-1202, 56a-1203, 79-201w, 79-1476, 79-3295, 79-32,100a, 79-32,205, 79-32,206, 79-32,211, 79-3311, 79-3603, 79-3620, 79-3635, 79-3703 and 79-3710 and repealing the existing sections; also repealing K.S.A. 12-189e and K.S.A. 2001 Supp. 79-3603, as amended by section 1 of 2002 Senate Bill No. 372.;"

And your committee on conference recommends the adoption of this report.

JOHN T. EDMONDS
DAVID HUFF
Conferees on part of House

DAVID R. CORBIN
LYNN JENKINS
JANIS K. LEE
Conferees on part of Senate

On motion of Rep. Edmonds, the conference committee report on SB 39 was adopted.

On roll call, the vote was: Yeas 63; Nays 59; Present but not voting: 0; Absent or not voting: 3.

Yeas: Aday, Aurand, Ballard, Ballou, Beggs, Benlon, Bethell, Boston, Campbell, Compton, Cox, Dahl, DiVita, Dreher, Edmonds, Findley, Freeborn, Glasscock, Gordon, Hayzlett, Henry, Hermes, Holmes, Horst, Huff, Humerickhouse, Hutchins, Johnson, Krehbiel, Lane, Light, Lightner, Lloyd, Loyd, Mason, Mays, McKinney, Merrick, Jim Morrison, Judy Mor-

The fee for filing a certificate of reinstatement shall be the same as that prescribed by K.S.A. 17-7506, and amendments thereto, for filing a certificate of extension, restoration, renewal or revival of a corporation's articles of incorporation.

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And your committee on conference recommends the adoption of this report.

JOHN EDMONDS
DAVID HUFF
Conferees on part of House

DAVID R. CORBIN
LYNN JENKINS
JANIS LEE
Conferees on part of Senate

Senator Corbin moved the Senate adopt the Conference Committee Report on **SB 39**.

On roll call, the vote was: Yeas 23, Nays 15, Present and Passing 0, Absent or Not Voting 2.

Yeas: Adkins, Allen, Barnett, Brungardt, Corbin, Donovan, Downey, Emler, Jackson, Jenkins, Jordan, Kerr, Lee, Morris, Oleen, Praeger, Salmans, Schmidt, Schodorf, Taddiken, Teichman, Umbarger, Vratil.

Nays: Barone, Brownlee, Clark, Feleciano, Gilstrap, Gooch, Haley, Harrington, Hensley, Huelskamp, Lyon, O'Connor, Pugh, Tyson, Wagle.

Absent or Not Voting: Goodwin, Steineger.

The Conference Committee report was adopted.

EXPLANATION OF VOTE

MR. PRESIDENT: I vote no on **SB 39**.

There are several things which happen in this Capitol that I do not appreciate.

I don't appreciate the bubble gum approach to tax policy this bill represents, I don't appreciate the unwillingness of my colleagues in this chamber and the other to compromise

on tax policy, and I don't appreciate raising taxes willy-nilly, putting together packages as if you were throwing out the garbage.

Most of all, I don't appreciate the attack on working Kansas families this bill represents, nor do I appreciate the attacks leveled at those of us who find this bill completely and utterly unacceptable nor the blatantly false, grossly exaggerated claims that this bill solves the budget disaster facing Kansas.

My constituents know the difference between fair and unfair, and they are not fooled by the lies about next year's budget. They know this tax package is unfair to working Kansas families. Mr. President, I am proud to stand here and vote my conscience and to stand on my principles—I am proud to stand up for Kansas families by voting no on this unfair, unbalanced, and unacceptable tax bill.—JIM BARONE

Senators Feleciano and Gilstrap requests the record to show they concur with the "Explanation of Vote" offered by Senator Barone on SB 39.

Mr. President: I vote no on SB 39 because we are attempting to tap a well which is already dry. Our unemployment benefit payments are up by more than 50% compared to a year ago. Our corporate income tax collections are one third of what they should be. Kansans are struggling and the Kansas Senate has taken the lead in piling on the pain. This is shameful. There is no more blood in the turnip. It is time to stop taking more and more money from the people.—KARIN BROWNLEE

Senators Haley, Harrington, O'Connor and Tyson requests the record to show they concur with the "Explanation of Vote" offered by Senator Brownlee on SB 39.

MR. PRESIDENT: I vote NO on SB 39.

Some will say I am blind to reality, that I don't understand the gravity of our state's budget shortfall. Others will say I don't support public education or the many other priorities within our state's budget. Still others will say I didn't face the tough choice of raising taxes to solve the shortfall and meet our needs.

None of this is true.

In reality, by passing this bill the Legislature didn't balance our state's budget, but simply made it harder for working families to balance theirs. The Legislature didn't provide more money for our children's education, but instead gave away money to millionaire investors. Even worse, the Legislature didn't choose fair and balanced tax increases, but chose unfair and regressive taxes that hit hardest on low and middle income Kansans.

My biggest concern with this bill is that it doesn't come close to resolving the budget shortfall. Nor does it provide adequate funding in the future for K-12 and higher education, public safety, or services for aging and disabled Kansans.—ANTHONY HENSLEY

Mr. President: After years of out-of-control spending by Kansas state government, the difficult decision came due in 2002: hold the line on government spending or ask you to pay more. And after the longest session in the history of Kansas, this Legislature made the typical political choice: send you the bill, a big tax bill. This one will cost Kansans \$1.4 BILLION in the next five years. Higher taxes on everything you buy, new death taxes, doubling of franchise fees, another 2 cents more for every gallon of gasoline and diesel. More out of your pocket, more into government's pockets. More state buildings, new parking garages, new state jets, more state buildings, more welfare spending. This new pot of your money will not only further fuel the fire of state government growth, it will further extend and deepen our economic recession. I therefore must vote "No" on this huge tax increase.—TIM HUELSKAMP, ROBERT TYSON, ED PUGH

Senators Pugh and Tyson requests the record to show they concur with the "Explanation of Vote" offered by Senator Huelskamp on SB 39.

I vote for SB 39 in order to fund schools, universities and programs for our state's most vulnerable citizens. Without these new revenues, schools would lose nearly \$300 per pupil. That is not acceptable. We have made budget cuts. We have used one-time monies and now we must finish the unpleasant but necessary task of balancing this budget by passing a tax package.—DAVE KERR

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to SB 363, submits the following report:

REVISED
SESSION OF 2004

CONFERENCE COMMITTEE REPORT BRIEF ON
SENATE BILL NO. 384

As Agreed to April 1, 2004

Brief*

SB 384 would provide a funding mechanism for the Comprehensive Transportation Program (CTP). The bill provides for issuance of revenue bonds and changes in the sales tax rate and disposition of resulting revenue.

Bonding. The bill would:

- ! authorize the Kansas Development Finance Authority (KDFA), subject to approval of the Secretary of Transportation and the State Finance Council, to issue revenue bonds in an amount not to exceed \$150,000,000, plus amounts to pay the costs of the bonds, including credit enhancements, and provide reserves required for the bonds, to finance the CTP. Revenue from those bonds would be credited to the State Highway Fund (SHF);
- ! authorize issuance of additional bonds, subject to approval of the State Finance Council, to offset any shortfall in anticipated federal receipts for state fiscal years 2005 - 2009 in an amount that is the lesser of the federal shortfall or \$60,000,000. Any such issuance would be subject to review and recommendation to the Finance Council by the Legislative Budget Committee; and
- ! require the revenue bonds and interest to be payable from money appropriated from the State General Fund.

Sale Tax Rate and disposition of revenue provisions. The bill also would extend indefinitely the current 5.3 percent state sales and compensating use tax rate which is scheduled by law to be reduced to 5.0 percent on July 1, 2006. An increased portion of the

*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. The conference committee summary report may be accessed on the Internet at <http://www.kslegislature.org>

sales and use tax rate also would be earmarked for deposit in the SHF. Under current law, 5/106 (one quarter cent) is deposited in the SHF. The bill would expand the earmarking to 19/265 (0.38 cents) in FY 2007, and 13/106 (0.65 cents) in FY 2008 and thereafter. Finally, the bill would repeal a statute that provides for a transfer to the SHF 12 percent of sales and use taxes which are deposited initially in the SGF.

Conference Committee Action

The Conference Committee agreed to delete all provisions of SB 384 and to amend the bill to include provisions of HB 2918, as amended by the House Committee of the Whole, with one change. That change reduces from \$90 million to \$60 million the maximum amount of supplemental bonding authority available to compensate for a shortfall in federal funds.

Background

Conferees who testified in support of one or more of the funding plans for the CTP included representatives of Economic Lifelines of Kansas; KDOT; Kansas Aggregate Producers' Association and Kansas Ready Mixed Concrete Association; Kansas Society of Professional Engineers; Kansas Consulting Engineers; The Heavy Constructors Association; and Kansas Contractors Association.

Fiscal implications: The total change in revenues relative to current law based on the tax rate extension and the additional diversion of receipts to the State Highway Fund would be as follows, based on the November 2003 consensus estimate:

	Total New Revenue	SGF	SHF
FY 2007	\$111.419	\$58.748	\$52.671
FY 2008	\$125.802	(\$41.934)	\$167.735
FY 2009	\$130.204	(\$43.401)	\$173.605
FY 2010	\$134.762	(\$44.920)	\$179.682
FY 2011	\$139.479	(\$46.492)	\$185.971
5-Year Total	\$641.666	(\$117.999)	\$759.664

Based on the November, 2003 consensus estimate, the repeal of the transfer would be expected to have the following impact:

(\$ in millions)

	<u>SGF</u>	<u>SHF</u>
FY 2005	\$200.179	(\$200.179)
FY 2006	\$207.508	(\$207.508)
FY 2007	\$206.192	(\$206.192)
FY 2008	\$209.082	(\$209.082)
FY 2009	\$216.400	(\$216.400)
FY 2010	\$223.974	(\$223.974)
FY 2011	\$231.813	(\$231.813)
Thru FY 2011	\$1,495.149	(\$1,495.149)

On motion of Rep. Hayzlett, the conference committee report on SB 384 was adopted.
On roll call, the vote was: Yeas 121; Nays 4; Present but not voting: 0; Absent or not voting: 0.

Yeas: Aurand, Ballard, Barbieri-Lightner, Beggs, Bethell, Boyer, Brunk, Burgess, Burroughs, Campbell, Carlin, Carter, Compton, Cox, Craft, Crow, Dahl, Davis, DeCastro, Decker, Dillmore, Dreher, Faber, Faust-Goudeau, Feuerborn, Flaharty, Flora, Freeborn, Gatewood, Gilbert, Goering, Goico, Gordon, Grant, Hayzlett, Henderson, Henry, Hill, Holland, Holmes, Horst, Howell, Huebert, Huff, Humerickhouse, Huntington, Hutchins, Huy, Jack, D. Johnson, E. Johnson, Kirk, Klein, Krehbiel, Kuether, Landwehr, Lane, Larkin, Light, Loganbill, M. Long, Long-Mast, Loyd, Mason, Mays, McCreary, McKinney, McLeland, Merrick, F. Miller, J. Miller, Minor, Jim Morrison, Judy Morrison, Myers, Neighbor, Neufeld, Newton, Novascone, O'Malley, O'Neal, Osborne, Ostmeyer, Owens, Patterson, Pauls, Phelps, Pottorff, Powell, Powers, Reardon, Rehorn, Reitz, Ruff, Sawyer, Schwab, Schwartz, Scoggins-Waite, B. Sharp, S. Sharp, Showalter, Shriver, Shultz, Siegfried, Sloan, Storm, Svaty, Swenson, Tafanelli, Thimesch, Thull, Toelkes, Vickrey, Ward, Wilk, D. Williams, J. Williams, Wilson, Winn, Yoder, Yonally.

Nays: Ballou, Edmonds, Kassebaum, Kauffman.

Present but not voting: None.

Absent or not voting: None.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to SB 461, submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with House Committee of the Whole amendments, as follows:

On page 9, in line 25, by striking "compensation and"; in line 26, after "damages" by inserting "and compensation";

On page 10, in line 15, before the semicolon by inserting ". Relocation payments shall not be required until title to the real property vests in the condemning authority"; in line 36, after the period by inserting "Payment of such relocation advances shall not be required until title to the real property vests in the condemning authority.";

On page 11, in line 3, after the period, by inserting "Relocation payments shall not be required until title to the real property vests in the condemning authority."; in line 24, after the period, by inserting "Payment of such relocation advances shall not be required until title to the real property vests in the condemning authority.";

On page 1, in the title, in line 18, by striking "58-2502" and inserting "58-3502";

And your committee on conference recommends the adoption of this report.

JENE VICKREY
RALPH OSTMEYER

JOE SHRIVER
Conferees on part of House

JOHN VRATIL
EDWARD W. PUGH
GRETA GOODWIN
Conferees on part of Senate

On motion of Rep. Vickrey, the conference committee report on SB 461 was adopted.
Call of the House was demanded.

On roll call, the vote was: Yeas 112; Nays 13; Present but not voting: 0; Absent or not voting: 0.

Yeas: Aurand, Ballard, Barbieri-Lightner, Beggs, Bethell, Boyer, Brunk, Burgess, Carlin, Carter, Compton, Cox, Craft, Dahl, Davis, DeCastro, Decker, Dillmore, Dreher, Faber, Faust-Goudeau, Flaharty, Flora, Freeborn, Gilbert, Goering, Goico, Gordon, Grant, Hayzlett, Henderson, Henry, Hill, Holland, Holmes, Horst, Howell, Huebert, Huff, Humerickhouse, Huntington, Hutchins, Huy, Jack, D. Johnson, E. Johnson, Kassebaum, Kauffman, Kirk, Krehbiel, Kuether, Landwehr, Lane, Larkin, Light, Loganbill, M. Long,

(c) (1) The state treasurer shall credit $\frac{5}{100}$ of the revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 4.9%, and deposited as provided in subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(2) The state treasurer shall credit $\frac{5}{100}$ of the revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 5.3%, and deposited as provided in subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(3) On July 1, 2006, the state treasurer shall credit $\frac{1}{20}$ $\frac{19}{100}$ of the revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 5.3%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(4) On July 1, 2007, the state treasurer shall credit $\frac{1}{20}$ $\frac{19}{100}$ of the revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 5.3%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(d) The state treasurer shall credit all revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, as certified by the director, from taxpayers doing business within that portion of a redevelopment district occupied by a redevelopment project that was determined by the secretary of commerce and housing to be of statewide as well as local importance or will create a major tourism area for the state as defined in K.S.A. 12-1770a, and amendments thereto, to the city bond finance fund created by subsection (d) of K.S.A. 79-3620, and amendments thereto. The provisions of this subsection shall expire when the total of all amounts credited hereunder and under subsection (d) of K.S.A. 79-3620, and amendments thereto, is sufficient to retire the special obligation bonds issued for the purpose of financing all or a portion of the costs of such redevelopment project.

This subsection shall not apply to a project designated as a special bond project as defined in subsection (z) of K.S.A. 12-1770a, and amendments thereto.

Sec. 6. K.S.A. 79-34,148 and K.S.A. 2003 Supp. 79-34,147, 79-3603, 79-3603c, 79-3620, 79-3620c, 79-3703, 79-3710 and 79-3710a are hereby repealed.

Sec. 7. This act shall take effect and be in force from and after its publication in the statute book.”;

In the title, by striking all in lines 12 through 14 and inserting:

“AN ACT relating to the comprehensive transportation program; concerning the financing thereof; amending K.S.A. 2003 Supp. 79-3603, 79-3620, 79-3703 and 79-3710 and repealing the existing sections; also repealing K.S.A. 79-34,148 and K.S.A. 2003 Supp. 79-34,147, 79-3603c, 79-3620c and 79-3710a.”;

And your committee on conference recommends the adoption of this report.

GARY HAYZLETT
JOHN FABER
MARGARET E. LONG
Conferees on part of House

LESLIE D. DONOVAN
NICK JORDAN
GRETA GOODWIN
Conferees on part of Senate

Senator Donovan moved the Senate adopt the Conference Committee Report on **SB 384**.

On roll call, the vote was: Yeas 35, Nays 5, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Goodwin, Haley, Helgerson, Hensley, Jackson, Jordan, Journey, Kerr, Lee, Morris, O'Connor, Oleen, Salmans, Schmidt, Schodorf, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

Nays: Gilstrap, Huelskamp, Lyon, Pugh, Steineger
The Conference Committee report was adopted.

EXPLANATION OF VOTE

MR. PRESIDENT: While I support SB 384, this bill guarantees that the state will have to raise several hundred million of dollars in taxes to pay for this program in future years.—
HENRY HELGERSON

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to SB 461, submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with House Committee of the Whole amendments, as follows:

On page 9, in line 25, by striking "compensation and"; in line 26, after "damages" by inserting "and compensation";

On page 10, in line 15, before the semicolon by inserting "Relocation payments shall not be required until title to the real property vests in the condemning authority"; in line 36, after the period by inserting "Payment of such relocation advances shall not be required until title to the real property vests in the condemning authority";

On page 11, in line 3, after the period, by inserting "Relocation payments shall not be required until title to the real property vests in the condemning authority"; in line 24, after the period, by inserting "Payment of such relocation advances shall not be required until title to the real property vests in the condemning authority";

On page 1, in the title, in line 18, by striking "58-2502" and inserting "58-3502";

And your committee on conference recommends the adoption of this report.

JENE VICKREY

RALPH OSTMEYER

JOE SHRIVER

Conferees on part of House

JOHN VRATIL

EDWARD W. PUGH

GRETA GOODWIN

Conferees on part of Senate

Senator Vratil moved the Senate adopt the Conference Committee Report on SB 461.

On roll call, the vote was: Yeas 39, Nays 0, Present and Passing 1, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerston, Hensley, Huelskamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil.

Present and Passing: Wagler

The Conference Committee report was adopted.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to HB 2201, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with Senate Committee of the Whole amendments, as follows:

On page 1, by striking all in lines 31 through 43;

By striking all on pages 2 through 39;

On page 40, by striking all in lines 1 through 17 and inserting:

"Section 1. K.S.A. 2003 Supp. 60-1111 is hereby amended to read as follows: 60-1111.

(a) *Bond by contractor.* Except as provided in subsection (c) this section, whenever any public official, under the laws of the state, enters into contract in any sum exceeding \$40,000