

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Barbara Allen at 10:40 A.M. on March 14, 2006 in Room 519-S of the Capitol.

All members were present except:

Greta Goodwin- excused

Janis Lee- excused

Committee staff present:

Chris Courtwright, Kansas Legislative Research

Martha Dorsey, Kansas Legislative Research

Gordon Self, Revisor of Statutes Office

Judy Swanson, Secretary

Conferees appearing before the committee:

Representative Jerry Henry

Derek Franklin, Atchison Chamber of Commerce

Others attending:

See attached list.

Written testimony was received in opposition to **HB 2619**, property tax exemption for certain commercial and industrial machinery and equipment, materials and supplies and **Sub HB 2525**, property tax exemption for certain telecommunications machinery and equipment and railroad machinery and equipment from Mayor Joseph Reardon, Wyandotte County/Kansas City, Kansas (Attachment 1) and Duane Mathes, Kansas Legislative Policy Group (Attachment 2). Hearing on both bills was closed.

Hearing was opened on **HB 2681**—Authorizing countywide retailers' sales tax for Atchison County.

Representative Jerry Henry testified the Atchison community has been working on a sports complex project for many years, and this bill would allow the citizens of Atchison County to vote on a sales tax for the sports complex. (Attachment 3) Derek Franklin, Atchison Chamber of Commerce, testified Atchison County is long overdue for a sports complex, and to date the community has raised a total of \$38,000 for the project. (Attachment 4) The hearing was closed on **HB 2681**.

Senator Donovan moved to have staff make needed technical amendments to **HB 2681**, then recommended the bill as amended favorably for passage. Senator Jordan seconded the motion, and the motion passed.

Committee discussion was held on reinstating demand transfers to counties. Senator Apple suggested a soft phase-in of reinstating demand transfers through the LAVTRF, and linking the LAVTRF phase-in to the machinery and equipment exemption on an annual basis. Chris Courtwright presented information on the restoration of the LAVTRF property tax relief. (Attachment 5) In response to Senator Pine, Chris said county-by-county reimbursement for LAVTRF does not match up precisely by county with what would be lost if the M/E exemption is passed, because the LAVTRF is not targeted to loss of M/E revenue. If the LAVTRF was fully funded (statutory rate), it would cost the state more than implementing the slider amendment. Chris said schools do get some of the slider funds, but they do not receive any LAVTRF funds.

Senator Schmidt moved to approve the Minutes of the March 7, March 8 and March 9 Committee meetings. Senator Bruce seconded the motion, and the motion passed.

Being no further business, the meeting adjourned at 11:10 a.m.