

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 9:00 A.M. on February 10, 2005 in Room 519-S of the Capitol.

All members were present except:

Representative Paul Davis- excused
Representative Pat George- excused

Committee staff present:

Chris Courtwright, Legislative Research Department
Martha Dorsey, Legislative Research Department
Gordon Self, Revisor of Statutes
Mark Beck, Department of Revenue
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:

Representative Otto, Legislator
Eileen King, Riley County Treasurer & Rep of KCTA
Charles M. Yunker, Adjutant, The American Legion Department of Kansas

Others attending:

See attached list.

The Chairman opened the floor for bill introductions.

Representative Wilk made the motion to introduce a bill regarding technical clean-up to the Angel investor tax credit act. Representative Huff seconded the motion. The motion carried.

HB 2187 - Taxation of motor vehicles; certain military exemptions

Staff stated that the bill would change language on page 2, line 29 to strike ~~regular and and~~ from line 30 and add *is absent from this state solely by reason of military orders on the date of such individual's application for registration and such motor vehicles are maintained by such individual outside of this state; or*, line 33 add, *a member of the military service of the United States and is*, line 34 strike ~~and~~, add *or*; line 36 add *The provisions of this subsection shall be applicable on and after December 31, 2004.*

The Chairman opened the public hearing on **HB 2187**.

Representative Otto, sponsor of the bill, explained the rationale for the bill. Last year there was a bill presented that would give Kansas National Guard troops the same break on motor vehicle taxes that was given to regular military Kansans stationed outside Kansas. The problem was that in this effort, the exemption for regular military was repealed. State officials did not collect the tax in 2004, but unless the bill is corrected, it is still the law to collect the tax from our regular military troops (Attachment 1).

Representative Goico rose in support and reviewed the history of the bill. He spoke of his personal experiences regarding those specific taxes. He stated that **HB 2187** provided the technical changes necessary to meet the intent of the original bill passed in 2004.

Eileen King, Riley County Treasurer testified in support of **HB 2187** (Attachment 2). She stated that there was misunderstanding over the language in the bill and the interpretation by several attorneys created confusion over the intent of the bill. She spoke of the two vehicle limitation and suggested that the Committee might want to consider the ramifications of that limitation to military personnel. Due to a perceived lack of clarity regarding the law there are several counties that have been enforcing what they understood to be the intent of the law.

The Chairman stated that there are very specific ways to handle interpretation differences and city, county or state officials should advise Legislative members when there are laws that need clarification. It is not the role of any entity to enforce the laws according to their individual interpretation.

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on February 10, 2005 in Room 519-S of the Capitol.

Charles M. Yunker, rose in support of **HB 2187**. He believed the bill was a very simple proposal with minimum impact on tax revenue thus making vehicle ownership a little more affordable for Kansas citizens serving on active duty (Attachment 3).

Discussion followed regarding the intent of the original bill, distinction over terminology i.e., activation, mobilization and deployment. Representative Goico stated the reason the current language was used in the bill was to exclude Active Guard Reserves.

Mark Peck stated Lt. Col. Bruce Woolpert worked with the Department regarding the language in **HB 2187**. He also offered to return to help write an explanatory memo with the JAG corp, after it passed. He stated that under federal terms the definition of "deployed" meant being taken out of where a person normally sleeps and mobilized meant activated. He explained the two reasons for the language of *or* instead of *and* on page 2, line 34.

The Chairman closed the public hearing on **HB 2187**.

After questioning whether anyone had objections to working the bill and seeing none, the Chairman asked the Committee to consider **HB 2187**.

The Chairman questioned Mrs. King whether the bill was executable the way it was drafted. She responded that they could work with the bill, however asked for clarification on one point. Was Kansas military, stationed outside the state of Kansas, only exempt on two vehicles. Staff responded affirmatively, stating that was the way the bill was written in 2004.

After delineation of various circumstances in which the bill applied, Representative Kinzer made the motion that **HB 2187** be moved out favorably for passage. Representative Goico seconded the motion.

Representative Goico made a substitute motion that **HB 2187** be passed out favorably and be put on the consent calendar. Representative Kinzer seconded the motion. The motion carried.

A Press Release and Policy Statement regarding the grace period for military deployed for recent war effort and for returning deployed military personnel were distributed to the Committee (Attachment 4)

HB2082 - Property tax exemption for property owned by community housing development organizations

Representative Huff reviewed the intent of the bill and how it would serve the communities of Kansas.

Representative Huff made the motion that **HB 2082** be passed out favorably. Representative Treaster seconded the motion. The motion carried.

The meeting adjourned at 10:30 a.m. The next meeting is scheduled for February 11, 2005.