

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 9:00 A.M. on March 20, 2008 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Legislative Research Department
Gordon Self, Office of Revisor of Statutes
Ryan Hoffman, Legislative Research Department
Scott Wells, Office of Revisor of Statutes
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:

Senator McGinn
Patty Dengler, Inter-Faith Ministries
Chris Wilson, Kansas Builders Industries Association

Others attending:

See attached list.

HB 2928 - Enacting the Senior Citizen Property Tax Deferral Act.

The Chairman reminded the Committee that the Holland balloon had been amended into the bill and they are back on the bill.

Representative Brown made a substitute motion to table HB 2928. Representative Schroeder seconded the motion. The motion failed.

Representative Dillmore made a motion to move HB 2928 out, as amended, favorable for passage. Representative Treaster seconded. After discussion, Representative Dillmore closed his motion. The motion carried.

HCR 5015 - State constitutional amendment, taxation; watercraft

Representative King made a motion the committee move HCR 5015 out, favorable for passage. Representative Goyle seconded. The motion carried.

SB 444 Property tax exemption for certain tangible personal property with purchase price less than \$1,500.

Representative Siegfried made a motion to amend the language of HB 2500 into SB 444. Representative Carlson seconded. Representative Siegfried reviewed the history of the bill and closed his motion. The motion carried.

Representative Carlson said HB 2500 is 2007 legislation, and requires a technical amendment to bring it into 2008. He moved that amendment Representative Owens seconded. The motion carried.

Representative Whitham made a motion to change the amount of \$1,500 to \$750, as listed on page 1, line 23 of SB 444. Representative Menghini seconded the motion. The motion carried.

Representative Davis made a motion to remove the "tangible" reference, listed on page 4, lines 36-37 that states; and all intangible property including moneys, notes and other evidences of debt, and the income derived therefrom, Representative Whitham seconded the motion. The motion carried.

Representative Owens made a motion to amend and change the word mother to parent. Representative Menghini seconded the motion. The motion carried.

Representative Carlson made a motion that the Taxation Committee pass out SB 444, as amended.

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on March 20, 2008 in Room 519-S of the Capitol.

favorable for passage. Representative Siegfroid seconded the motion. The motion carried.

Substitute SB 383 - Property tax exemption for the elderly, persons with disabilities or low income housing owned by certain organizations.

Chris Courtwright, Legislative Research Department, said housing for the elderly, persons with disabilities, and low income individuals is exempt from property tax, if the residences are owned and operated by an organization recognized as a community housing development organization by the Kansas Housing Resources Corporation. **Sub for SB 383** would extend this tax exemption for these types of residences if they are owned and operated by a limited partnership or limited liability company formed for the purpose of developing low income housing to access federal income tax credits. Passage of **Sub for SB 383** would decrease property tax revenues by creating another tax exemption. The Department of Revenue is unable to provide a precise estimate of the reduction in revenue, because it does not know the number of additional residences that would be exempted from property tax if **Sub for SB 383** were enacted.

The Chairman opened the public hearing.

Senator McGinn, said **Sub. for SB 383**, was approved unanimously by the Senate on February 28, 2008. This bill has been narrowed considerably to address issues raised by BOTA. She urged the Committee to adopt this bill and invited Patty Dengler to the podium to provide details of the bill (no written testimony).

Patty Dengler, Inter-Faith Ministries, said that the current statute has limited application and only assists not-for-profit community housing development organizations (CHDO) recognized by the Kansas Housing Resource Corporation (Attachment 1) She requested that they pass the amendment included in **Sub for SB 383**. She explained the bill changes the statute in three respects but preserves the purpose for the exemption, development of property for low income housing.

It was noted that testimony from Chris Wilson, Kansas Builders Industries Association, in support of **Sub for SB 383**, was distributed (Attachment 2).

The Chairman recessed the meeting at 9:55 A.M. for the House session. Upon adjournment of the House, the Chairman reconvened the Taxation Committee meeting at 11:20 A.M.

Chairman Wilk advised the Committee that, by consent, they have parked **Sub. for SB 383**, and advised the conferees, it is not their intent to take up **Sub. for SB 383**. The Chairman requested proponents of the bill get together with Sedgewick County Committee members in order to determine where they stand on a conference report.

SB 510 - Property tax exemption; certain farm machinery and equipment.

Gordon Self, Office of the Revisor of Statute, distributed a balloon amendment on **SB 510** and said the balloon adds New Section. 2 that provides classification language for property tax purposes (Attachment 3).

Representative Wilk moved the adoption of the balloon. Representative Carlson seconded. The motion carried.

Rep Carlson made the motion that the Taxation Committee move out **SB 510**, as amended, favorable for passage. Representative Siegfroid seconded the motion. The motion carried.

The Chairman adjourned the meeting at 12:15 P.M. The next meeting is March 24, 2008.