

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Barbara Allen at 10:38 A.M. on February 20, 2008 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Gordon Self, Office of Revisor of Statutes
Chris Courtwright, Kansas Legislative Research Department
Scott Wells, Office of Revisor of Statutes
Ryan Hoffman, Kansas Legislative Research Department
Judy Swanson, Committee Assistant

Conferees appearing before the committee:

Bev Metcalf, The Mirror, Inc.
Marilyn Harp, Kansas Legal Services
Patti Glass, Wayside Waifs
Mickey Edwards, State CASA Association
Fr. Ed Felhauer, St. Francis Community Services
Senator Pat Apple
Kathy Niehoff, Franklin County Agriculture Society (Written only)
Roger Maxwell, Franklin County Fair Board (Written only)
Danny Troth, Linn County Fair Association (Written only)
Richard Jackson, East central Kansas Economic Opportunity Corporation

Others attending:

See attached list.

Chairman Allen called the meeting to order for the purpose of hearing sales tax exemption bills.

SB 592—Sales tax exemption for The Mirror, Inc.

Bev Metcalf, Mirror, Inc. testified Mirror, Inc. provides statewide chemical dependency services and community-based correctional housing services. (Attachment 1) A sales tax exemption would free up additional funding to provide more services to help keep Kansas communities safe and drug free.

SB 593—Sales tax exemption for Kansas Legal Services, Inc.

Marilyn Harp, Kansas Legal Services (KLS), testified KLS is a private not-for-profit corporation with a mission to provide equal access to justice and to assist low income persons in meeting their basic needs for economic support, shelter, and employment preparation and training. (Attachment 2) She requested Committee support for **SB 593**.

SB 602—Sales tax exemption for Wayside Waifs, Inc.

Patti Glass, Wayside Waifs, testified Wayside Waifs purpose is to improve the quality of animal welfare and to provide education to elementary school children on safety around animals. (Attachment 3) **SB 602** would only apply to the annual fundraising event of Wayside Waifs. She gave a brief review of their fundraising event, the “Fur Ball”.

SB 631—Sales tax exemption for Kansas CASA Association, Inc.

Mickey Edwards, State CASA Association, testified the CASA mission is to promote and support the development and growth of the CASA programs in Kansas. (Attachment 4) She requested the bill be amended to ensure the exemption extends to its program members.

SB 632—Sales tax exemption for St. Francis Community Services, Inc., and its subsidiaries

Fr. Ed Fellhauer, St. Francis Community Services, testified St. Francis provides a range of services from family preservation, reintegration/foster care, drug and alcohol services, foster care homes, residential services and community supports. (Attachment 5) He requested language be included in the bill to provide St. Francis the same project exemption certificate granted to other organizations similarly situated. Melissa Ness, St. Francis Community Services, Inc., said the proposed amendment would broaden the exemption

CONTINUATION SHEET

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granted in **SB 632** to include construction projects.

SB 633—Sales tax exemption for Franklin County Agricultural Society, Paola Senior Center, Anderson County Fair Association, Linn County Fair Association, Miami County Fair Association and Douglas County Senior Services, Inc.

Senator Pat Apple testified county fair associations are groups of people that volunteer countless hours for their community. (Attachment 6) A sales tax exemption for the Paola Senior Center would help provide additional services at a time where additional funding is difficult to find. He requested the sales tax exemption to Paola Senior Center be retroactive to January 1, 2007, and grant a refund. Senator Apple questioned how Kansas Department of Revenue (KDOR) came up with such a large fiscal note.

Discussion was held about including all county fair associations in **SB 633**, but it was noted not all fair associations are organized in the same manner. Some are 501(c)(3) organizations, and some are not. **SB 633** is intended to exempt sales tax for ticket sales and purchases.

Written testimony was received supporting **SB 633** from:

Kathy Niehoff, Franklin County Agricultural Society (Attachment 7)

Roger Maxwell, Franklin County Fair Board (Attachment 8)

Danny Troth, Linn County Fair Association (Attachment 9)

SB 635—Sales tax exemption for East Central Kansas Economic Opportunity Corporation (ECKAN)

Senator Apple testified ECKAN services include Community Food and Nutrition, FEMA, Head Start Program, Housing Choice Voucher Program, Housing Counseling and Rentals, Outreach and Referral, Volunteer Youth, Weatherization Program and Youth Services. (Attachment 10) A sales tax exemption will allow ECKAN to provide additional services to those needing help.

Richard Jackson, CEO, ECKAN, testified in support of **SB 635**. (Attachment 11) He said ECKAN was tax exempt until the mid-80s.

Mark Desetti testified for Kansas National Education Association (KNEA) and the Kansas Association of School Boards (KASB). (Attachment 12) He said KNEA and KASB were not advocating for either the passage or defeat of the sales tax exemption bills, but wanted to point out that with each sales tax exemption granted, the state revenue stream is reduced.

Senator Lee remarked the sales tax exemption bills heard today totaled \$399,000 worth of exemptions.

Being no further business, the meeting adjourned at 11:18 a.m. The next Committee meeting will be February 25.