

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman John Edmonds at 1:30 p.m. on March 24, 2004 In Room 519-S of the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Legislative Research Department
Martha Dorsey, Legislative Research Department
Gordon Self, Revisors of Statutes
Carol Doel, Committee Secretary

Conferees appearing before the committee:

None

Others attending:

See Attached List.

Chairman Edmonds opened the meeting directing the committee's attention to **HB 2491** and recognized Representative Goering.

*Representative Goering moved that **HB 2491** be amended in the manner that of the amendment that he circulated for review. The motion was seconded by Representative Goico.*

Representative explained his amendment stating that when testimony was heard on **HB 2491** it was his understanding that the intent of all parties as that the change in the tax code was intended to be revenue neutral. It is revenue neutral in the sense that whatever taxing authority is being taken away from the school districts is being given to the technical college, but he further stated that it seemed to him that it was only revenue neutral if the school districts don't then go out and create an adult basic education and then continue collecting property tax for those programs and basically, at that point, the school districts are providing the same kind of product that the technical colleges do only now there are two property taxing entities which would not be revenue neutral. He related that his proposed amendment is found on page 2, subsection c and the amended says that "to the extent that the technical college is maintaining and operating an adult basic education program and collecting property taxes to operate that program that the school districts in the territory of the technical college would not be permitted to levy and collect taxes for adult basic education." In his opinion, the amendment is necessary to insure that this is truly a revenue neutral change.

Representative Kirk questioned the area where the amendment would fit into the bill.

Gordon Self of the Revisor's Office explained that the entire statute would be inserted on page 2 following line 33. It is a separate statute.

Representative Powers questioned what this amendment would do to 259 mil levy and money.

Representative Goering explained that 259 it would reduce or eliminate the ability to collect property taxes for adult basic education programs and the justification for that is that we are giving that authority to the Wichita Area Technical College which is in the same county as 259. What we are doing now is transferring the funding that is a permanent transfer.

Representative Larkin related that this is an issue that needs to be dealt with this year and he supports the amendment and the bill.

Representative Sawyer also spoke in support of the amendment.

Vote was taken. Amendment moved.

Representative Goering moved the bill be moved out favorably as amended. Representative Huntington made a second to the motion. Vote was taken. Motion passed.

The Chairman next directed attention to **HB 2703** which is a bill dealing with salvaged vehicles, taxation thereof. The Chair wished to entertain a motion to amend **HB 2703** line 42 striking 50% and adding 75%.

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*Representative Thull made a motion to amend **HB 2703** line 42 striking 50% and adding 75%. The motion was seconded by Representative Goico. Vote was taken. Bill amended.*

*Representative Thull made a motion to pass out **HB 2703** as amended favorable for passage. Representative Jack made a second to the motion. Vote taken. Motion adopted.*

Next attention was turned to **HB 2921**. The Chairman advised that this bill had to do with bed and breakfasts being taxed as residential properties rather than commercial properties and this applied to bed and breakfasts having 7 or fewer rooms.

Representative Powers made a motion that the bill be passed out favorably. There was a second by Representative Goico.

In discussion, Representative Larkin related that we had this bill last year and we agreed on 5 beds instead of 7. *Representative Larkin made a substitute motion to amend **HB 2921** to reduce the number from 7 to 5. Representative Siegfried seconded the motion.*

Representative Brunk questioned whether this was 7 bedrooms or 7 or fewer rooms.

As a clarification, Gordon Self, Revisor, said that it is rooms available for overnight guests.

Representative Owens opined that he felt the wording should be clarified regarding five rooms for rent or five bedrooms. He stated that rooms could become an arguable point.

Chairman Edmonds explained that there are two courses of action that can be taken. If Representative Larkin agreed with Representative Owens, he might choose to amend his substitute motion. Alternatively, as soon as the substitute motion was disposed of, Representative Owens could be turned to for some tightening language for the bill.

Vote was taken. Bill was amended.

*Representative Owens moved that the words 5 or fewer bedrooms for overnight guests be amended into **HB 2921**. Representative Brunk made a second to the motion. Vote was taken. Bill was amended.*

*Representative Brunk made a motion to pass out **HB 2921** favorable as amended. The motion was seconded Representative Schwab.*

Representatives Jack and Larkin spoke in opposition to **HB 2921**. Representatives Brunk and Siegfried announced their support of the bill.

Vote taken. Motion adopted.

Chairman Edmonds called attention to **HB 2893** which is one of three bills brought to the committee by April Holman representing Action for Children and asked Chris Courtwright, from Legislative Research to brief the committee on the bill.

Mr. Courtwright stated that **HB 2893** would require that the Secretary of Revenue make annual reports to the Legislature and the Governor on the effect of exemptions, special evaluations etc. for various taxpayers.

Secretary of Revenue, Joan Wagnon stood to say the Department supported **HB 2893**.

Representative Siegfried questioned a fiscal note on the bill. The answer was no.

Representative Jack noted that the bill calls for a 6 year period to analyze the fiscal impact, a good number is really not received beyond 2 to 3 years.

*Representative Jack made a motion to amend **HB 2893**, line 27 to read a 6 year period rather than a 3 year*

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period. Representative Goico made a second to the bill.

Representative Schwab opined that the bill is not needed.

Vote was taken. Bill amended.

Representative Kirk offered an amendment to Section 1 (a) of 2892 and place that in 2893. Representative Thull seconded the motion.

Mr. Courtwright and Mr. Self proposed that possibly Representative Kirk intended to also include subsection c along with section (a).

Representative Kirk did intend to add subsection c along with section 1 (a) into her motion.

Representatives Siegfroid and Representative Schwab expressed the fact that they cannot support this bill.

*Vote was taken. **HB 2893** was amended.*

*Representative Kirk made a motion to move **HB 2893** favorable for passage as amended. Representative Gilbert made a second to the motion. Vote was taken. Motion adopted.*

Attention was turned to **HB 2896**.

Representative Larkin moved that Franklin County be added to the bill. Representative Goering seconded the motion. Vote taken. Bill amended.

Representative Larkin moved the bill be passed out favorably as amended. Representative Davis made a second to the amendment. Vote was taken. Motion adopted.

Chairman Edmonds directed the committee's attention to **HB 2648**.

Representative Larkin made a motion that the word "withholding" be added to the bill. Representative Flora seconded the motion. Vote was taken. Bill was amended.

*Representative Larkin moved that **HB 2848** be passed out favorably as amended. Representative Flora made a second to the motion. Vote taken. Motion adopted.*

With no further before the committee, the meeting was adjourned at 2:30 p.m.