

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 9:00 A.M. on January 13, 2005 in Room 519-S of the Capitol.

Committee members absent: Representative Goico - excused  
Representative Siegfried - excused

Committee staff present: Chris Courtwright, Legislative Research Department  
Martha Dorsey, Legislative Research Department  
Gordon Self, Revisor of Statutes  
Richard Cram, Department of Revenue  
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:  
Representative Bob Bethell, Legislator  
Mike Taylor, Unified Government Wyandotte County  
Representative Brunk, Legislator

Others attending:  
See attached list.

The Chairman opened the floor for bill introductions.

Representative Bethell requested a bill be introduced concerning *salvage titles on vehicles that have been totaled*. Representative Huff made a motion, that Representative Bethell's request be introduced as a committee bill, seconded by Representative Owens and the motion carried.

Mike Taylor, Public Relations Director, Unified Government Wyandotte County requested a bill introduction concerning *the collection of delinquent taxes*. Representative Dillmore made a motion that Mr. Taylor's request be introduced as a committee bill, seconded by Representative Hill and the motion carried.

Representative Brunk requested and made a motion that a committee bill be introduced for a special sales tax, limited to Sedgewick county, for purposes of erecting a downtown arena. It was seconded by Representative Dillmore and the motion carried.

The Chairman opened the briefing on the "Consensus Revenue Estimating Process", adding that it is a very important function comprised of multiple processes regarding building the annual budget. Chris Courtwright distributed a packet of information for discussion (Attachment 1) and started by defining "consensus" as unanimity of opinion. Many states have followed Kansas, using this model process in the last two decades. He compared the state budget process to that used in Washington D.C.

Highlights of his briefing included explanations of:

- State General Fund Receipts FY 2004
- Time line of meetings to determine budget estimates
- Consensus Revenue Estimating Process is made up of the following procedures and rules
  - A. Economic Outlook based on six indicators
    1. Agricultural Outlook - Agricultural Statistics
    2. Employment Outlook - Department of Labor
    3. Oil and Gas Outlook - Industry Sources
    4. Aircraft Sector Outlook - Wichita State Consulting Economist
    5. Kansas Personal Income Forecasts - KU and K-State Consulting Economists
    6. CPI -U (Inflation) Forecasts - KU and K-State Consulting Economists
  - B. Preparation by Six Different Independent Sets of Estimates
    1. Division of the Budget (Governor)

## CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on January 13, 2005 in Room 519-S of the Capitol.

2. Department of Revenue (Governor)
3. Legislative Research Department (Legislature)
4. Consulting Economist (University of Kansas)
5. Consulting Economist (K-State)
6. Consulting Economist (Wichita State)

C. Confidentiality in Terms of Individual Estimates

D. Qualified Unanimity

Reached after all parties negotiate an agreement on every source estimate

E. Final Product

Supported by all parties under all circumstances. The Governor is required to use the figures submitted by this budget process.

The meeting adjourned at 10:25 a.m. The next meeting is January 18, 2005.