

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Les Donovan at 10:30 a.m. on February 11, 2009, in Room 535-N of the Capitol.

All members were present.

Committee staff present:

Gordon Self, Office of the Revisor of Statutes  
Scott Wells, Office of the Revisor of Statutes  
Corey Carnahan, Kansas Legislative Research Department  
Chris Courtwright, Kansas Legislative Research Department  
Mary Jane Brueck, Committee Assistant

Mark Goodwin, County Attorney, Lyon County  
Mark McAnarney, Assistant City Manager, Emporia  
Sen. Jim Barnett  
Kent Craft, past president of the Kansas BASS Chapter Federation  
Randall Allen, Executive Director Kansas Association of Counties  
Clint Patty, Frieden & Forbes, representing Counties Gas Association  
Mark Low, Mead County Appraiser  
Bob Boaldin, Morton County Board of Commissioners  
Dudley Feuerborn, County Commissioner, Anderson County Board of Commissioners  
Tony Fowler, Montgomery County Board of Commissioners  
Mark Beck, Property Valuation, Department of Revenue  
Ron DeGarmo, Rpresident Kansas Legislative Policy Group  
Ron Gaches, on behalf of Southern Star  
Larry Garrett, Sr. Council of El Paso Corporation

Others attending:

See attached list.

Chairman Donovan opened the meeting, and announced he would hear testimony on **HB 2026** - Election in Lyon county to increase retailers' sales tax declared valid, and tax imposed. Mark Goodwin, County Attorney, Lyon County spoke in favor of the bill. ([Attachment 1](#)) Mark McAnarney, Assistant City Manager, Emporia spoke favorably on the bill, on behalf of Matt Zimmerman, Emporia City Manager. ([Attachment 2](#)) Sen. Barnett also is in favor of this bill. ([Attachment 3](#)) Chairman Donovan pointed out that if this bill passes in the Senate it will be effective on publication of the Register. Sen. Steineger moved this bill be moved to the Senate floor. Sen. Holland seconded the motion. Motion passed.

Next heard was **SCR 1602** - Constitutional amendment authorizing legislature to provide for the classification and taxation of watercraft. Kent Craft gave testimony in favor of passage of the resolution. ([Attachment 4](#)) Sen. Holland made a motion to move the resolution out of committee favorably for passage. Sen. Lynn seconded the motion. Motion passed

The committee then discussed **SCR 1607** - Constitutional amendment to define underground storage natural gas owners as public utilities and subject them to property taxation. Randall Allen, Executive Director Kansas Association of Counties ([Attachment 5](#)), Clint Patty, Frieden & Forbes, representing Counties Natural Gas Association ([Attachment 6](#)), Mark Low, Mead County Appraiser ([Attachment 7](#)), Bob Boaldin, Morton County Board of Commissioners ([Attachment 8](#)), Dudley Feuerborn, County Commissioner, Anderson County Board of Commissioners ([Attachment 9](#)), Tony Fowler, Montgomery County Board of Commissioners ([Attachment 10](#)), and Mark Beck, Property Valuation, Department of Revenue ([Attachment 11](#)) all spoke in favor of this bill. Ron DeGarmo, President Kansas Legislative Policy Group sent written testimony favoring passage of this bill. ([Attachment 12](#))

Opponents to the bill were Ron Gaches, on behalf of Southern Star, El Paso, Northern Natural Gas, and Panhandle Eastern ([Attachment 13](#)) and Larry Garrett, Sr. Council of El Paso Corporation. ([Attachment 14](#))

Chairman Donovan opened the testimony for questions. Sen. Colyer how neighboring states treat this tax

## CONTINUATION SHEET

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question. Sen. Brownlee asked if the state can tax the owned stored gas of out of state companies, what other entities could be captured by this bill.

Chairman Donovan closed the hearing on SCR 1607.

Chairman Donovan asked the committee what they wished to do regarding **SB 98** - Period of limitations for refunds and adjustments of income by the internal revenue service under the Kansas income tax act. Sen. Holland moved that the committee move the bill out favorably for passage. Sen. Brownlee seconded the motion. Motion carried.

The Chairman asked for approval of the minutes of the January 29 and February 4 meetings. Sen. Holland moved approval of the minutes. Sen. D. Schmidt seconded the motion. Motion passed.

The next meeting is scheduled for February 12, 2009.

The meeting was adjourned at 11:45 a.m.