

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairperson Marvin KleeB at 10:01am on Wednesday, May 20, 2015, 112-N of the Capitol.

All members were present except:

Representative Kasha Kelley – Excused
Representative John Edmonds – Excused
Representative Brandon Whipple – Excused

Committee staff present:

Reed Holwegner, Legislative Research Department
Phyllis Fast, Kansas Legislative Committee Assistant
Chris Courtwright, Legislative Research Department
Chuck Reimer, Office of Revisor of Statutes
Scott Wells, Office of Revisor of Statutes
Ed Penner, Legislative Research Department
J.G. Scott, Legislative Research Department

Conferees appearing before the Committee:

Rodger Woods, Americans for Prosperity
Mike Gibson, Associated General Contractors of Kansas
Tom Krebs, Kansas Association of School Boards
Nathan Eberline, Kansas Association of Counties
Larry Baer, League of Kansas Counties
Chad Austin, Kansas Hospital Association
Kimberly Svaty, Kansas Municipal Utilities

Others in attendance:

[See Attached List](#)

Representative Tom Burroughs substituted for Rep. Whipple.

Hearing on: HB2435 — Repealing sales tax exemptions for materials purchased by contractors to construct, equip, reconstruct, maintain, repair, enlarge, furnish or remodel public buildings.

Chairman KleeB opened a hearing on **HB2435**.

Scott Wells briefed the Committee on **HB2435**, explaining in detail. He stood for questions.

Richard Cram briefed the Committee on the fiscal note. He stood for questions.

Rodger Woods presented testimony in support of **HB2435** by indicating what other states are doing. He stood for questions. ([Attachment 1](#))

No neutral testimony to **HB2435** was presented.

CONTINUATION SHEET

MINUTES of the Committee on Taxation at 10:01am on Wednesday, May 20, 2015, 112-N of the Capitol.

Mike Gibson presented testimony in opposition to **HB2435** by explaining two concerns: of projects already bid and the increase in cost to building projects. ([Attachment 2](#))

Tom Krebs presented testimony in opposition to **HB2435** by supporting "an independent study of Kansas tax structure". ([Attachment 3](#))

Nathan Eberline presented testimony in opposition to **HB2435** by indicating that reducing "municipal buying power only contributes to the crumbling infrastructure". ([Attachment 4](#))

Larry Baer presented testimony in opposition to **HB2435** by detailing how this "unfunded mandate" will be a "direct negative fiscal impact upon all construction and maintenance projects undertaken by every city in Kansas". ([Attachment 5](#))

Chad Austin presented testimony in opposition to **HB2435** because it would "place a larger financial burden on the rural communities across the state" and "hamper the ability of Kansas hospitals to continue to provide vital services to the communities they serve". ([Attachment 6](#))

Kimberly Svaty presented testimony in opposition to **HB2435** explaining the impact on "water and waste water systems". She stood for questions. ([Attachment 7](#))

Written only testimony in opposition to **HB2435** was presented by Adam Smith, Wallace County Commissioner ([Attachment 8](#)); and Greg Hoffman, Kansas Board of Regents ([Attachment 9](#)).

When all questions from the Committee were answered, Chairman Kleeb closed the hearing on **HB2435**.

Chairman Kleeb recessed the Committee until noon.

The meeting was adjourned at 1:30pm.