

MINUTES OF THE HOUSE COMMITTEE ON ASSESSMENT AND TAXATION

The meeting was called to order by Representative Jim Braden at  
Chairperson

9:00 a.m. ~~p.m.~~ on February 9, 1983 in room 519S of the Capitol.

All members were present except: Representative Robert Frey who was excused.

Committee staff present:

Wayne Morris, Research Department  
Tom Severn, Research Department  
Don Hayward, Revisor of Statutes' Office  
Nancy Wolff, Secretary to the Committee

Conferees appearing before the committee:

James Schwartz, Secretary of the Department of Economic Development  
Mike Lennen, Secretary of the Department of Revenue  
Representative Rochelle Chronister  
Dr. Ralph Baker, Representing Local Health Departments  
Harry O'Riley, Kansas Tobacco & Candy Distributors  
Paul Coleman, Kansas Tobacco & Candy Distributors  
Tom Green, Kansas Retail Liquor Dealers Association

The meeting was called to order by the Chairman.

James Schwartz, Secretary of the Kansas Department of Economic Development, and Michael Lennen, Secretary of the Department of Revenue, appeared to request a Committee bill to clarify and to target more directly the application of enterprise zone tax incentives. They presented a seven point listing of what was needed to be incorporated in the bill. (Attachment I)

Representative Rolfs made a motion that the Committee introduce a bill to clarify and to target the application of enterprise zone tax incentives. Representative Aylward seconded the motion. The motion carried.

Hearings were held on HB 2106 which would increase the State cigarette tax from 11¢ per pack of cigarettes to 13¢ per pack of cigarettes. Representative Chronister appeared to give information as to why the legislation was introduced and stated that House Bill 2106 is simply a revenue raising bill. (Attachment II) She did state that the 1982 Legislature passed a bill which put into law a formula to provide financial assistance to local health departments. No funding was provided and she felt that the legislature might want to consider the increased funding provided by House Bill 2106 as a source of revenue for the local health departments.

Dr. Ray Baker, Shawnee County Health Officer, appeared on behalf of the Kansas Association of Local Health Departments. He stated that his organization supports House Bill 2106 for two reasons. First, it provides funds to help the state in its immediate needs for revenue and that a small portion could help provide funding for the local health departments. Second, studies conducted over the past two years which culminated in Senate Bill 758 of last year sets up a mechanism for distributing funds in the area of local public health, although no funds were provided. House Bill 2106, in his opinion, would fill both needs. (Attachment III)

Harry O'Riley, Kansas Tobacco-Candy Distributors & Vendors, Inc., appeared in opposition to House Bill 2106. He presented a table which illustrated the increase in sales of cigarettes over the last twenty years, and a cigarette tax comparison table outlining the tax on cigarettes in a number of other states as opposed to what the proposed tax would be in Kansas. (Attachment IV)

Paul Coleman, Kansas Tobacco-Candy Distributors & Vendors Association, appeared in opposition to House Bill 2106. He presented a brochure outlining the reasons his association opposes House Bill 2106. (Attachment V) Mr. Coleman, in reply to a question from one of the committee members stated that statistics will show that when a tax goes up, consumption will go down somewhat depending on the amount of the tax increase.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ASSESSMENT AND TAXATION,  
room 519S, Statehouse, at 9:00 a.m./~~a.m.~~<sup>p.m.</sup> on February 9, 1983.

Hearings were then held on House Bill 2130 which would increase the liquor enforcement tax from 4% to 8%. Representative Keith Roe, sponsor of the bill, appeared to give testimony on the fact that should the liquor enforcement tax be increased, it will add an additional \$10 million to the state general fund with no administrative costs.  
(Attachment VI)

Reverend Richard Taylor, Kansans for Life at its Best, appeared in support of the legislation. (Attachment VII)

Tom Green, Kansas Retail Liquor Dealers Association, appeared in opposition to House Bill 2130. In questioning by the Committee, Mr. Green stated that his association would rather see an increase in enforcement tax rather than add a sales tax which would cause reporting of another tax.

Tuck Duncan, General Counsel of Kansas Wine and Spirits Wholesalers Association, submitted written testimony in opposition of House Bill 2130. (Attachment VIII)

The Chairman requested the Committee discuss House Bill 2019, which would include custom cutters under the definition of exempt farm machinery for property tax purposes. Representative Rolfs made a motion to report House Bill 2019 favorable for passage. Representative LeRoy Fry seconded the motion.

During the discussion, several members of the Committee expressed concern as to how the Property Valuation Department would classify machinery that is used for hire, i.e., Co-Operatives and dehydrating plants. The Chairman stated that the PVD has stated that they will interpret the law in its present form that machinery exclusively used in ranching and farming operations will not include machinery that is used for hire. He stated that if the committee feels that the interpretation is wrong, it needs to change the law.

The Chairman then called for the vote to report HB 2019 favorable for passage. The motion failed.

The Committee then turned the discussion to HB 2018. Representative Rolfs made a motion that HB 2018 be reported favorable for passage and Representative V. Miller seconded the motion.

Representative Vancrum made a substitute motion to amend HB 2018 to cause a form to be filed to exempt farm machinery from property tax. This form shall be necessary for the first year of filing and all subsequent years. Representative Spaniol seconded the motion. The motion failed. (Attachment IX)

Representative Leach made a substitute motion that the bill be amended to eliminate the original filing for farm machinery and that all other property be excluded from the annual filing with the exception of property that is exempted for only a specified number of years. Representative Aylward seconded the motion. The motion carried.

Representative Leach made a motion that HB 2018 be reported favorable for passage as amended and Representative Aylward seconded the motion. The motion carried.

The meeting was adjourned.



## M E M O R A N D U M

TO: Representative James Braden, Chairman  
House Assessment & Taxation Committee

FROM: James Schwartz, Secretary  
Kansas Department of Economic Development

Michael Lennen  
Secretary of Revenue

DATE: February 9, 1983

RE: Proposed Legislation; Enterprise Zones

The following points are recommended for inclusion in a jointly-requested bill designed to clarify and to target more directly the application of enterprise zone tax incentives.

1. Limit the availability of sales tax refunds to that manufacturing equipment purchased and installed in conjunction with the establishment of a new business facility in order to qualify for an income tax credit;
2. Provide that the proper party to apply for the refund of sales tax is the person who paid it. This would allow a lessor to apply for a refund when his lessee would qualify for the income tax credit;
3. Eliminate the distinction for income tax credit purposes between employees living within or without the boundaries of designated enterprise zone. This would require establishing a single credit between \$350 and \$500 per employee; and
4. Retain the existing selection criteria removing the minimum zone population requirement.
5. Limit the area within eligible cities that can be included in Enterprise Zones to 25% of the city's population and land area.
6. Require the preparation of a plan for each Enterprise Zone; to include but not be limited to:
  - a. A map showing the boundary of the zone,
  - b. A narrative describing the ways the Enterprise Zone will address the elimination of economic distress,
  - c. A package of local incentives which shall include but not be limited to one of the following:
    1. Financial assistance.
    2. Job training,
    3. Targeted capital improvements,
    4. Local inspection fee waivers,
    5. Employee child care.
  - d. A schedule for the implementation of local incentives.
7. Require a recertification of zones after five years.



ROCHELLE CHRONISTER  
 ASSISTANT MAJORITY LEADER  
 REPRESENTATIVE, NINTH DISTRICT  
 WILSON-WOODSON COUNTIES  
 LIBERTY AND NEOSHO TOWNSHIPS  
 IN COFFEY COUNTY  
 ROUTE 2--BOX 321A  
 NEODESHA, KANSAS 66757



TOPEKA

HOUSE OF  
 REPRESENTATIVES

COMMITTEE ASSIGNMENTS  
 VICE CHAIRMAN: COMMUNICATION, COMPUTERS,  
 AND TECHNOLOGY  
 MEMBER: CALENDAR AND PRINTING  
 WAYS AND MEANS

House Bill 2106 is quite simply a revenue raising bill. It raises the state tax on cigarettes in Kansas from 11 to 13¢ and an additional \$6 million will be added to the general fund revenues. The cigarette tax in Kansas has not been increased since 1970 and I have provided a map for you, showing what the state tax is in other states.

I have been asked if I care whether the increase is 1¢, 2¢, 4¢ or 8¢ - the answer is "No". I am agreeable to any amount you might choose.

Section 5 of this bill indicates why I am proposing an increase in revenues from this industry. The 1982 Legislature passed a bill which put into law a formula to provide financial assistance to local health departments. We provided no funding for that bill. In these very difficult financial times, local health departments can provide many medical services to people unemployed or on welfare - well-baby clinics, immunization, limited physical examinations such as pelvic examinations and pap smears for women and high blood pressure checks for everyone - as very cost-effective medicine. They are badly in need of funds for these services. HB 2106 requires that the increased funding provided by this bill shall be considered (and I emphasize "considered") as a funding source for local health department funding from the state.

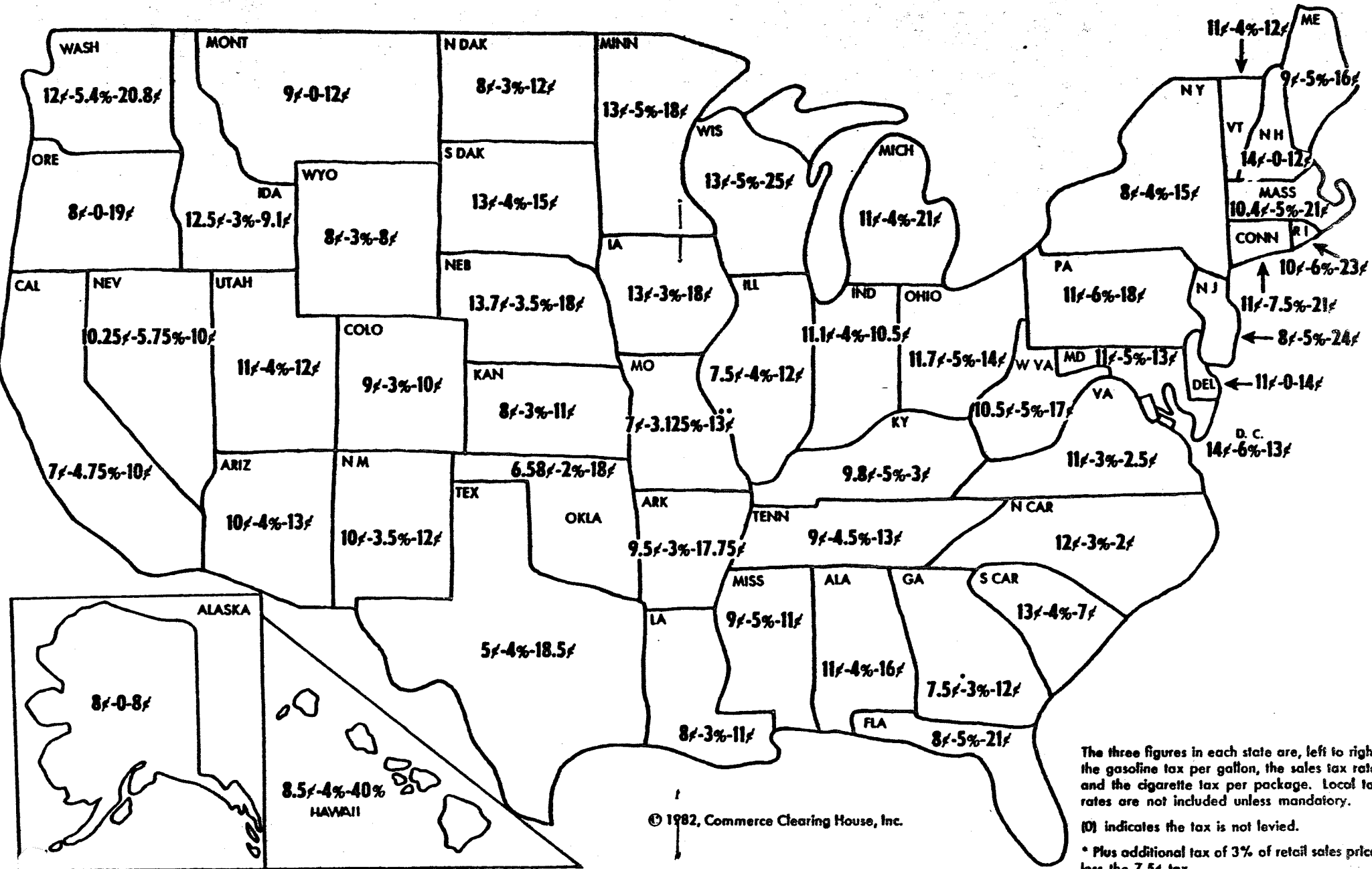
The second portion of Section 5 asks that the same consideration be given to providing financial assistance to grants to educational institutions for research in bio-medical sciences. I would ask that two amendments be made to clarify that language, Mr. Chairman,

the first in line 0144, to add the words "researchers at" following "grants to" and in line 0145 to change "bio-medical" to "bio-technical". The sentences 0144 and 0145 would then read "ments and grants to researchers at educational institutions for research in bio-technical sciences."

The first change is because we are discussing money to go to individuals or groups and not a flat institutional grant, and the second because the terminology "bio-technical" has been chosen over "bio-medical" to describe the types of high technology research being done in Kansas universities which have high potential for attracting economic development.

Many of you served on the Tax Committee last year and heard the arguments for this research funding. I would not repeat those arguments again except to point out to you that the Kansas Department of Economic Development published in September of 1982, a "Strategy for the Eighties: High Technology Industrial Development" and the Governor has included in his budget \$1½ million for a type of activity which is very similar to what I am again proposing to you for the second year. Suffice it to say that the KDED study backs up and expands all of my claims for why industrial development in high technology industries is based on where good basic research programs are taking place and that Kansas is a prime target for expansion of these industries in the bio-technical fields. As only one example on the West Campus at the University of Kansas, Dr. Higuchi's Interex laboratories were built by and donated to the K.U. Endowment Association by a pharmaceutical firm in order to contract on a part-time basis for this world-famous pharmaceutical chemist's services. This gift is valued at over \$3 million. High-tech is already present in Kansas and must be expanded to insure the growth of our industrial base and promote the retention of our best scientific and educational minds. I believe the hard-pressed budget of the state should not be asked to assume additional responsibilities without a new funding source being proposed and I believe an increase in the cigarette tax is the logical way to promote that funding.

STATE GASOLINE, SALES AND CIGARETTE TAX RATES AS OF JULY 1, 1982



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The three figures in each state are, left to right, the gasoline tax per gallon, the sales tax rate, and the cigarette tax per package. Local tax rates are not included unless mandatory.

(0) indicates the tax is not levied.

\* Plus additional tax of 3% of retail sales price, less the 7.5¢ tax.

\*\* Effective August 13, 1982 (9¢ until then).

HAGMAN'S, INC.

BOX C

PITTSBURG, KANSAS

66762

WILLIAM R. HAGMAN, JR.  
PRESIDENT

February 4, 1983

Dear Mrs. Chronister:

Kansas cigarette tax collections have benefited from our having a lower tax than Missouri and Oklahoma. The proposed two cent increase will reduce the differences with respect to our neighboring states and thus shift back to them. Sales that have been coming "across the line" and benefiting Kansas tax collections.

Our additional concern, though, is the small compensation allowed the wholesaler for the costly functions we must perform to apply and collect the tax.

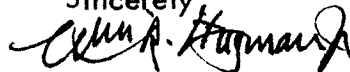
Presently, we are allowed \$2.145 per case and HB 2106 calls for this to be adjusted to \$2.184 or an increase of a mere 1.8%; yet the tax increase itself amounts to 18.2%.

Please consider that in the past 10 years the distributor has experienced average wage increases over 100%. Pitney-Bowes 10 years ago priced a stamping machine at \$6500. Today our cost is \$22,000.

We are all aware of the tremendous cost of inflation and we ask that if you do find it necessary to impose a tax increase that you amend your bill to reflect a discount on stamp purchases of 4%. The additional \$0.935 per case does not equal the increased costs of our stamping over the past 10 years and would still not cover our present costs, but would help the many distributors in Kansas who collect upwards of \$40,000,000 at a very minimal cost to our state government in terms of auditors, paperwork, etc.

Your consideration of this request will be appreciated.

Sincerely



Wm. R. Hagman, Jr.

President

## PERFORMERS OF RESEARCH AND DEVELOPMENT IN THE STATE OF KANSAS

### AER-EDG

- ° **Aeroquip Corp.**, (Gustin-Bacon Div.), J. Takacs, Jr., Engineering Mgr. (913-841-4000), 2901 Lakeview Road (Box 927), Lawrence 66044: Air brake equipment for railroad cars and locomotives, trucks and "off-highway" vehicles, pipe couplings and fittings.
- Alert**, The Drug Abuse Journal, Howard E. Bettis, Editor (316-942-0481), 2801 W. 13th St., Wichita 67203: Research on drug abuse.
- ° **Allis-Chalmers Corp.**, R. R. Mocherman, Gen. Mgr., Industrial Tractor Div. (913-354-8401), 1700 N. Clay (Box 521), Topeka 66601: Industrial tractor/loader/backhoe, forklifts, four wheel drive loaders.
- ° **The American Institute of Baking** (913-537-4750), 1213 Bakers Way, Manhattan 66502: Education (research and technical assistance), sanitation & nutrition education.
- ° **Ash Grove Cement Co.**, Research Laboratory, H. A. Harris (913-722-5998), 640 Southwest Blvd., Kansas City 66103: Cement and lime.
- ° **Astropolymer Laboratories, Inc.**, (Subs. ACD Corp.), W. R. Dakan, Jr., Pres. (316-522-4711), 2971 S. Madison (Box 2081), Wichita 67201: Adhesives and seals, coatings and finishes, plastic and rubber products; aircraft & helicopter ventilators, lights, bearings & seals.
- ° **The Atchison, Topeka & Santa Fe Railroad Co.**, Dept. of Technical Research & Development, C. R. Kaelin (913-235-0041), Topeka 66616: Ground transportation equipment.
- Bard Bio Medical** (an Affiliate of C. R. Bard, Inc.), Dan B. Scheck, Mgr. (913-843-7782), 700 E. 22nd, Lawrence 66044: Medical and hospital equipment and supplies.
- Bayvet Div.** (Cutter Laboratories, Inc.), John Ravnikar, V.P. (913-631-4800), 12707 W. 63rd, Shawnee (Mailing address: Box 390, Shawnee Mission 66201): Animal health biologicals and pharmaceuticals.
- ° **Beech Aircraft Corp.**, (Raytheon Co.), Steve Caine, Dir. Public Relations (316-681-7602), 9709 E. Central, Wichita 67201: Aircraft, electronic and electrical engineering, industrial processes, missile targets, space and cryogenic systems.
- ° **Benedictine College**, Eugene Dehner O.S.B., Ph.D. (913-367-5340), Atchison 66002: Developmental genetics, enzymatic hydrolysis of cellulose (biology), organic synthesis (chemistry), solid state physics and stellar astronomy (physics).
- ° **The Boeing Military Airplane Co.**, (Div. The Boeing Co.), C. F. Tiffany (316-526-2664), 3801 S. Oliver, Wichita 67210: Aerodynamics, aeronautics, organic chemistry, electronic and electrical subsystems, mechanical engineering, cost effectiveness methods, communications, counter-measures, infrared and ultraviolet detection, navigation and guidance, optical detection, fire control and bombing systems, flight controls, nacelle/noise abatement, electronic sensitizing devices, automatic vehicle monitoring systems, aircraft, aircraft modification, automated test systems, structures, fracture mechanics, and fatigue.
- ° **Carey Salt Div. of Processed Minerals, Inc.**, E. C. Duffy, (316-662-3341), 1800 Carey Blvd., Hutchinson 67501: Improvement of salt processing production methods and quality of salt products.
- ° **The Carlson Co., Inc.**, E. F. Carlson, Pres. (316-744-0481), 6045 N. Broadway (Box 2822), Wichita 67219: Tractor mounted utility mixer, air clutches, air shaft seals, fail safe shoe brakes and drums, pilot mounts, integral mounts, pulleys and sheaves, air brakes, custom metal fabrication, machine work and welding, custom engineering OEM.
- J. I. Case, Light Equip. Div.**, D. W. Boyles, Gen. Mgr. (316-945-0111), 1500 S. McLean Blvd. (Box 9228), Wichita 67277: Construction equipment, materials and supplies.
- Certain Teed Corp.** (Technology Center), Leopold Parth, Dir. (316-241-6100), 924 W. 1st, McPherson 67460: Plastics research and development center.
- Cessna Aircraft Co.**, Brian E. Barents, Sr. V.P., (316-685-9111), 5800 E. Pawnee (Box 1521), Wichita 67201: Aircraft manufacturer.
- Cessna Aircraft Co. (Wallace Div.)**, W. S. Ross (316-946-6155), K-42 Hwy., W. (Box 7704), Wichita 67277: Aerodynamics, aeronautics, aircraft adhesives and seals, coatings, colorants, and finishes, plastics, cost effectiveness methods.
- ° **Cessna Fluid Power Division of Cessna Aircraft Co.**, Thaine L. Woolsey, V.P. & Gen. Mgr. (316-663-5751), Box 1028, Hutchinson 67501: Hydraulic components and systems.
- ° **Chemical Commodities, Inc.**, Jerald Gershon, Pres. (913-782-3200), 300-320 S. Blake, Olathe 66061: Solvents, cleaners, chemicals, veterinary pharmaceuticals.
- The Coleman Co., Inc.**, Lawrence M. Jones, Pres.; Bob Bostian, Mgr. of Purchasing Heating and Air Conditioning Products (316-832-6505); Fred Hooper, Dir. of Purchasing Outing Products (316-261-3333), 250 N. St. Francis, Wichita 67202: Outdoor recreation products and heating and air-conditioning equipment.
- Cramer Products, Inc.**, John W. Cramer, Pres. (913-884-7511), 153 W. Warren (Box 1001), Gardner 66030: Athletic training supplies.
- ° **Cross Manufacturing, Inc.**, Mike Worley, Dir. Marketing (316-324-5525), Hwy. 50 S., Lewis 67552: Hydraulic and pneumatic equipment.
- De Kalb Swine Breeders Foundation Farms**, Steve Sutton, Mgr. (316-563-7226), Rural Area (Box 614), Plains 67869: Swine research and development.
- ° **De Luxe Specialties Mfg. Co.** (Div. of Alco Standard Corp.), D. F. Clark, Pres. (316-663-1231), Route 2 (Box 979), Hutchinson 67501: Fuel tanks, oil reserve tanks, radiator expansion tanks.
- ° **Department of Human Resources**, Fred A. Rice, Chief of Research and Analysis (913-296-5058), 401 Topeka Ave., Topeka 66603: Research and analysis—economic, employment and unemployment.
- Department of Transportation (Research and Materials Center)**, Carl Crumpton, Engineer of Research (913-296-7410), 2300 Van Buren, Topeka 66611: Civil engineering especially in the areas of highways and bridges.
- ° **Development Planning & Research, Inc.**, Milton L. David, Pres. (913-539-3565), 200 Research Drive (Box 727), Manhattan 66502: Economic analysis, marketing research, preinvestment feasibility analyses, regulatory analysis, land and irrigation development, computer systems development, environmental economics, energy economics, international economic development and trade, grain storage and processing.
- ° **Dickey Co. Research Center**, N. C. Reed, Dir. of Research (316-231-1400), 826 E. Fourth, Pittsburg 66762: Vitrified clay pipe and couplings, flue lining, jointing methods and materials, polyurethanes.
- Lidde Graphics Systems Corp.**, Terry Faddis (316-342-4740), 1200-1500 Graphic Arts Rd. (Box 1088), Emporia 66801: Industrial relations, industrial processes, electronic and electrical subsystems, machinery and tools, cost effectiveness methods, laboratories and test facilities, printing presses and collating equipment.
- The Easton Mfg. Co., Inc.**, W. J. Easton, Jr. (316-263-4914), 1023 S. Santa Fe (Box 889), Wichita 67201: Mechanical engineering.
- ° **The E. S. Edgerton Medical Research Foundation**, Lorry Frank (316-685-1111), St. Joseph Medical Center, 3400 Grand, Wichita 67218: Clinical research (heart, cancer, stroke and other disabling diseases), community medicine and aviation medicine, health services research and health manpower training programs.

**EDO-KRE**

- Edo Instruments** (Div. Edo Corp.), Floyd W. Piper, V.P. (316-264-4621), 1326 S. Walnut, Wichita 67213: Aircraft flight control and instrumentation.
- Electronic Research Co.**, Charles Ditzler, Gen. Mgr. (913-631-6700), 7618 Wedd (Box 913), Overland Park 66202: Electronic components.
- Emporia State University**, Harold Durst (316-343-1200), Emporia 66801: Personnel training and evaluation, sociology, biology, microbiology, physiology, earth sciences, energy conservation, mathematics, behavioral and social sciences, environmental sciences, chemistry, physics, limnology, ecology, education and learning, library science, industrial arts, public and business administration.
- Execu-Search International**, Harold Metzinger (316-262-7947), 320 Century Plaza, 111 W. Douglas, Wichita 67202: Personnel recruitment, executive search, specialists in areas of managerial staff (Marketing, Sales, Engineering and Technical Trades as well as local government disciplines of city managers, county administration, etc.).
- Farmland Agri-Services, Inc.**, Manufactured Products Div. (Subs. Farmland Industries, Inc.), Dr. Floyd Shoup, Exec. Dir., Food Operations (316-663-5711), 960 N. Halstead (Box 1667), Hutchinson 67501: Food.
- Farmland Industries, Inc.**, Wilford E. Pope, Dir. (913-721-2600), Research & Demonstration Farm, 3705 N. 139th, Kansas City 66109: Swine, beef, dairy, poultry, horses, equipment, fertilizers and agricultural chemicals.
- Flame Engineering**, Mike Pivonka (913-222-2873), W. Hwy. 4 (Box 577), La Crosse 67548: Mechanical engineering.
- Flexweight Corp.**, Ray A. White, Pres. (316-792-1741), 1314 Park (Box 507), Great Bend 67530: Industrial processes, oil well drilling equipment and pipe.
- Fort Hays State University**, Dr. James L. Forsythe (913-628-4236), Hays 67601: Economics, history, law, political science, humanities, psychology, biochemistry, biology, geography, geology, mineralogy, education, physical education, recreation.
- Funk Mfg. Co.** (Div. Cooper Industries, Inc.), W. D. Callahan, V.P. and Gen. Mgr. (316-251-3400), Coffeyville Ind. Park (Box 577), Coffeyville 67337: Power transmission equipment and custom gears.
- Gates Learjet Corp.**, Bernar S. Stillwell, Pres. (316-946-2000), 8220 W. Harry (Box 7707), Wichita 67277: Aircraft.
- General Laboratories**, Ronald Wells (316-663-8314), 2 E. 12th, Hutchinson 67501: Sewage analysis, concrete testing, soil compaction testing, water analysis, engineering analysis, product liability studies.
- Gott Corp.**, T. E. Branscum, Pres. (316-221-2230), 1616 Wheat Rd. (Box 652), Winfield 67156: Plastics (engineered and applied to containers).
- Great Bend Mfg. Co., Inc.**, G. D. Schumacher, Chairman (316-792-1701), 705 S. Harrison (Box 829), Great Bend 67530: Hydraulic front end loaders and attachments (tractors).
- Hanlon Chemical Co., Inc.**, Albert R. Serviss, Pres. (913-621-1234), 1016 S. Coy, Kansas City 66105: Waterless skin cleanser, cleaning compounds, automatic car soap.
- The Hertzler Research Foundation**, Maxwell E. Sloop, Education Dir. (316-835-2662), Halstead 67056: Medical research & continuing education in medicine.
- Hesston Corp.**, Dave Fritz (316-327-6216), Hesston 67062: Agricultural engineering, mechanical engineering.
- Hobart Corp.** (Food Service Refrigerator Div.), T. J. Carr (913-321-1600), 401 Funston Rd., Kansas City 66115: Food preservation (commercial refrigerators, freezers).
- Institute of Logopedics, Inc.**, Frank R. Kleffner, Ph.D., Dir. (316-262-8271), 2400 Jardine Drive, Wichita 67219: Control and effects of noise levels; remediation of speech and hearing disorders, including detection and prevention; special education, physical education, pre-vocational training, art and music, medical services, physical and occupational therapy; training of speech, hearing, and special education specialists; research.
- Instrument & Flight Research, Inc.**, James F. Garifo, Pres. (316-684-5177), 2716 George Washington Blvd., Wichita 67210: Aircraft instruments, encoding altimeters, gyros and slaved gyro systems, F.A.A. repair station, ground support compass systems, panel and cabin lighting systems.
- Interx Research Corp.**, (Subs. Merck and Co., Inc.), Takeru Higuchi, Director (913-841-1700), 2201 W. 21st, Lawrence 66044: Development of new chemical and pharmaceutical means by which established drugs may be administered more effectively.
- Kansas Dept. of Social and Rehabilitation Services** (Research & Statistics Section), Robert C. Harder, Secretary (913-296-3877), State Office Bldg., Topeka 66612: Mathematics and statistics.
- Kansas Fish & Game Commission**, Bill Hanzlick, Dir. (316-672-5911), R. Rte. 2, Pratt 67124: Biology.
- Kansas Neurological Institute**, Ann M. Marshall, Supt. (913-296-5301), 3107 W. 21st, Topeka 66604: Resource center for mental retardation.
- Kansas State University**, R. F. Kruh, Research Coordinator (913-532-6191), Graduate School, Manhattan 66506: Economic development, crop and soil science, animal science, food science and technology, grain science and milling, entomology, plant science, behavioral and social sciences, biological and medical sciences, chemistry, physics, earth sciences, agricultural engineering, electrical engineering, chemical engineering, civil engineering, nuclear engineering, industrial engineering, environmental science, ecology, water resources, materials, computer science, mathematics and statistics, education and learning, veterinary sciences, home economics, business administration, accounting, regional and community development, public administration, architectural sciences.
- Kansas Water Office**, Joseph Harkins, Dir. (913-296-3185), Room 303, 503 Kansas Ave., Topeka 66603: Ground water movement, hydrology and limnology, water policy, water planning and management (interagency coordination), municipal and industrial water supply at federal reservoirs, weather modification, economic analysis.
- Keltner Laboratories, Inc.**, Gene H. Keltner, Pres. (913-776-5030), Box 1102, Manhattan 66502: Chemical and microbiological testing of grains, feed, food, water, wastewater and soil.
- Kice Metal Products Co., Inc.**, Russell W. Kice, Pres. (316-267-4281), 2040 S. Mead, Wichita 67211: Air pollution control, pneumatic conveying and other industrial air systems and components including filters, cyclones, fans, airlocks, blowpipe and spouting.
- Kidder, Peabody & Co., Inc.**, George E. Winters, Jr., V.P. (816-471-8200), 103 New Brotherhood Building, Kansas City 66101: Investment bankers, brokerage; municipal, corporate and private placement financing.
- King Radio Corp.**, Gary Watson (913-782-0400), 400 N. Rogers Rd., Olathe 66061: Aircraft communication, navigation and flight control instrumentation.
- Koch Fiberglass Products Co.**, (Div. of Koch Engineering Co., Inc.), Hugh Price Exec. V.P. and Gen. Mgr. (316-832-5110), 2501 S. West St., Wichita 67217: Fiberglass pipe and fittings for oil field, industrial and CPI use.
- Krause Plow Corp.**, Richard T. Parker, Pres. (316-663-6161), 305 S. Monroe (Box 648), Hutchinson 67501: Agricultural engineering and manufacturing.
- Kreonite, Inc.**, William K. Oetting, Pres. (316-263-1111), 715 E. 10th St. (Box 2099), Wichita 67201: Photographic and graphic arts laboratory systems and equipment.



- Langdon Protective Covers, Inc.** (American Safety Equip.), Jim Robertson (316-263-3288), 222 N. Hydraulic (Box 11026), Wichita 67211: Missiles, industrial aircraft, protective covers, and oilfield shelters.
- \***Langston Laboratories, Inc.** (Contract services), Dr. C. Walter Langston (913-341-7800), 2005 W. 103rd Terr., Leawood 66206: Industry oriented—Research and development, testing, pollution abatement (air, water, problem solving and quality control), analytical and biological services, consulting.
- Larned State Hospital**, Hildreth Hultine (316-285-2131), Larned 67550: Psychiatric treatment.
- Main Electronics, Inc.**, Dennis A. Main, Pres. (316-267-3581), 225 Ida, Wichita 67211: Electronic engineering, satellite TV earth stations.
- Marlen Research Corp.**, Lewis F. Alley, Pres. (913-888-3333), 9201 Bond, Overland Park 66214: Meat processing and canning equipment.
- \***Marymount College**, Sister Therese Blecha (913-825-2101), Iron Avenue and Marymount Rd., Salina 67401: Organic chemistry, biochemistry, biology.
- Master Machine Tools, Inc.**, (Div. American Machine & Science), George Kinney, Exec. V.P. (316-663-4451), 600 Scott Blvd. (Box 1627), Hutchinson 67501: Project design engineering, special machine engineering, machine tool components.
- \***McNally Pittsburg, Inc.**, Helen Rennick, Advertising Mgr. (316-231-3000), Drawer D, Pittsburg 66762: Machinery for basic industry processes, coal preparation and coal handling equipment.
- \***Means Laboratories, Inc.**, Eldon A. Means, Pres. (316-262-4407), 419 N. Handley, Wichita 67203: Chemical consulting and researching.
- Menninger Foundation**, Roy W. Menninger, M.D., Pres. (913-273-7500), Box 829, Topeka 66601: Psychology, psychiatry, clinical medicine.
- \***Midwest Solvents Co., Inc.**, C. L. Cray, Chm. of Bd., (913-367-1480), 1300 Main (Box 130), Atchison 66002: Agricultural chemistry, biochemistry, chemical engineering, product grain neutral spirits, gin, vodka, vital wheat gluten, wheat starch products, distiller's dried feeds, carbon dioxide, industrial alcohol and gasohol.
- Mobile Traveler, Inc.** (Subs. Zimmer Homes Corp.), Robert B. Seeber, Pres. (913-238-7176), Box 268, Junction City 66441: Motor homes.
- Monarch Cement Co.**, Jack R. Callahan, Pres. (316-473-2223), Humboldt 66748: Portland Cements.
- \***Moridge Mfg. Co., Inc.**, E. Stanley Guyer, Pres. (316-345-6301), Hwy. 81 S. (Box 810), Moundridge 67107: Manufacturers of grain dryers, grasshopper riding lawn mowers.
- \***Oilfield Research Laboratories**, James E. Russell, Owner (316-431-2650), 536 N. Highland, Chanute 66720: Chemical and petroleum engineering.
- O'Neill Tank Co., Inc.**, R. M. Edwards, Pres. (316-792-1325), Fifth and "C" Street, Westport Addition, Great Bend 67530: Manufacture and sale of oil and gas processing equipment, oil field storage tanks and custom steel fabricating.
- \***Osawatomie State Hospital**, J. Russell Mills (913-755-3151), Osawatomie 66064: Psychiatric hospital.
- Oswalt Div. (Butler Mfg. Co.)**, Buddy Bloomer, Sales Mgr. (316-275-6101), Box 1038, Garden City 67846: Truck and trailer mounted feed mixers, trench silo unloading equipment, and truck mounted manure spreaders for beef and dairy operations.
- Ottawa Truck Div. (Gulf & Western Mfg. Co.)**, T.A. Nisbet, Jr., V.P. & Gen. Mgr. (913-242-2200), 415 E. Dundee (Box 49), Ottawa 66067: Ottawa Commando Yard Tractors.
- \***Parmac, Inc.**, (Subs. Maloney-Crawford Corp.), Ollie C. McDaniel, V.P. (316-251-5000), 12th & Oak (Box 1149), Coffeyville 67337: Hydromatic brakes for the oil field, parts for Parkersburg pumping units, contract machining, welding, stress-relieving and rolling.
- \***Parsons State Hospital & Training Center**, Gary J. Daniels, Ph.D., Supt. (316-421-6550), Parsons 67357: Multidisciplinary treatment and training for the developmentally disabled and related research, professional training and community services.
- Pioneer Hi-Bred International, Inc. (Plant Breeding Division)**, Dept. of Cereal Seed Breeding, Dr. Charles Hayward, Director (316-662-5439), R. Rte. 2, Hutchinson 67501: Plant breeding research.
- \***Pittsburg State University**, James B. Appleberry, Pres. (316-231-7000), Pittsburg 66762: Accounting, art, automotive technology, biology, business administration, chemistry, computer science and information systems, construction, economics, engineering technology, English, foreign language, history, home economics, manufacturing technology, mathematics, military science, music, nursing, physics, plastics, social sciences, speech and theatre, education, elementary education; health, P. E. and recreation; psychology, counseling, industrial arts education, industrial technology, printing, vocational technical education; pre-professional in medicine, engineering and law.
- Pratt Community Junior College**, Dr. Don H. Hullman (316-672-5641), Pratt 67124: Dean of Instruction.
- Precision Contours, Inc.**, David Alldritt, Sales Mgr. (316-263-8662), 1753 N. Mosley, Wichita 67214: Industrial processes.
- \***Product Development Group, Inc.**, Gomer W. Jones, Pres. (316-776-2112), Box 177, Rose Hill 67133: Aircraft ground handling equipment, custom manufacturing.
- R O Corp.**, Herbert W. Gronemeyer, Jr., Sr. V.P. (913-782-1200), 550 E. Hwy. 56 (Box 650), Olathe 66061: Truck cranes, derricks, truck mounted electrical insulator washers.
- Richardson Mfg. Co., Inc.**, Ray Richardson, Chief Engr. (913-781-4321), Box 5, Cawker City 67430: Agricultural engineering (power machinery).
- Rockwell International (Off-Highway Products and Supply Div.)**, Richard J. Bruggen (913-367-2121), Box 188, Atchison 66002: Rough and machined steel castings.
- Roscoe Concrete Pipe Co.**, Jule Folsom, Pres. (913-232-7221), 501 E. Gordon (Box 8126), Topeka 66601: Concrete pipe and manholes.
- \***Servi-Tech, Inc. (Crop Service & Testing Divisions)**, Dr. Raymond C. Ward, Mgr., Crop Testing Div. (316-227-7509), 1810 E. Wyatt Earp (Box 1415), Dodge City 67801: Soil sampling; crop planting; equip. adjustment & calibration, irrigation scheduling; irrigation testing; regular field checks for disease, insect or weed problems; recommendations for fertility & control of insects, weeds & diseases; soil, feed, water & plant tissue testing.
- \***Seymour Foods, Inc.**, O. R. Anderson, V.P. (913-233-4181), Box 1220, Topeka 66601: Machine research and development for automatic egg handling.
- \***The Sherwin-Williams Co. (Chemical Division)**, D. B. Lewis, Plt. Mgr. (316-251-7200), 1700 W. Fourth (Box 1028), Coffeyville 67337: Pigments and inorganic chemicals.
- Smith & Loveless, Inc.**, R. L. Rebori, Pres. (913-888-5201), 14040 Santa Fe Trail Drive, Lenexa 66215: Sanitary engineering, biological processes, chemical processes, pumps, filters, solids dewatering, aerators, water and waste water treatment and pumping systems including grit chambers, clarifiers, packaged treatment plants and pump stations.
- \***H. L. Snyder Memorial Research Foundation**, Larry Smith, Ph.D., Director (316-221-4080), Box 745, Winfield 67156: Clinical chemistry, medical research.



## SQU-WIN

- Southwest Petro-Chem., Inc.** (Div. Witco Chemical Corp.), J. R. Jury, V.P. & Gen. Mgr. (913-782-5800), 1400 S. Harrison, Olathe 66061: Lubricants (greases and fluids), auto chemicals and related petroleum products and specialties.
- Speed King Mfg. Co., Inc.**, Hector Campbell, Pres. (316-227-7106), Ft. Dodge Rd. (Box 1438), Dodge City 67801: Mechanical engineering, agricultural engineering.
- Synergistic Communications Group, Inc.**, Marketing Services Div., Lewis A. Berey, Pres. (913-831-0533), 6901 W. 63rd St., Overland Park 66202: Marketing research, advertising and new product development.
- °**Theracon, Inc.**, Alvin H. Stuke (913-286-1451), 1000 N.E. 39th (Box 1493), Topeka 66601: Research and testing services, animal nutrition.
- °**Thompson-Hayward Chemical Co.**, Harold H. Howard, Pres. (913-321-3131), 5200 Speaker Rd., Kansas City 66106: Environmental biology, chemical engineering, organic chemistry.
- °**Topeka State Hospital**, Mack A. Schwein, Asst. Supt. Admin. (913-296-4317), 2700 W. Sixth, Topeka 66606: Psychiatric treatment; education and research.
- °**Topeka Testing Laboratories**, Larry Taber, Director (913-233-3126), Box 543, Topeka 66601: Food products, water.
- °**The University of Kansas**, Carolyn A. Hallenbeck, Dir. of Research Support (913-864-3126), Lawrence 66044: Aerodynamics, behavioral and social sciences, biological and medical sciences, chemistry, electronics and electrical engineering materials, mathematical sciences, mechanical engineering, civil engineering, methods and equipment, missile technology, physics, nuclear science, space technology, chemical and petroleum engineering, environmental sciences, earth sciences, remote sensing, astronomy, water resources, pollution control, education.
- University of Kansas Center for Research, Inc.**, David C. Kraft, Dir. (913-864-3441), 2291 Irving Hill Drive, Campus West, Lawrence 66045: Remote sensing (sensor development, analysis, and applications), energy, environmental quality, water resources, aircraft performance improvement, stress analysis, communication systems, technology transfer, and bio-medical.
- °**The University of Kansas, College of Health Sciences & Hospital**, David Waxman, M.D., Exec. Vice-Chancellor (913-588-1207), Rainbow Blvd. at 39th, Kansas City 66103.
- Vulcan Materials Co.** (Chemicals Div.), R. G. Mastroly, Mgr. Research and Development (316-524-4211), Box 12283, Wichita 67277: Inorganic and organic chemicals.
- °**Washburn University of Topeka**, John L. Green, Jr., Pres. (913-295-6300), Topeka 66621: Microbiology, physiology, chemistry, astronomy and astrophysics, computers and information sciences, optics and optical detection, psychology, business, real estate, finance, economics and the law.
- °**Wellcome Animal Health Div.** (Burroughs Wellcome Co.), Fin-tan M. Molloy, Gen. Mgr. (913-321-1070), 2000 S. 11th, Kansas City 66103: Veterinary products.
- °**Wenger Mixer Mfg.**, LaVon G. Wenger, Pres. (913-284-2133), Sabetha 66534: Industrial foods and grain processing machinery.
- Wesley Medical Research Institutes**, Keith N. Lusk, Exec. Dir. (316-688-2035), 550 N. Hillside, Wichita 67214: Medical research.
- Western Food Products**, Charles Benschmidt (316-665-5541), 415 W. 6th (So. Hutchinson 67505), Box 1524, Hutchinson 67501: Processing and manufacturing of vinegar, mustard, salad dressings, jams, jellies & condiments.
- °**Wichita State University**, Dean William J. Wilhelm, College of Engineering (316-689-3400), Wichita 67208: Aeronautics, bio-engineering, earth sciences, electronics and electrical engineering materials, mechanical engineering, computers and microprocessors, industrial engineering, aerodynamics, cerebral palsy research, communication theory, solar energy, safety, wind power, acoustics, engineering technology-manufacturing; mechanical, electrical and fire science.
- °**Winfield State Hospital & Training Center**, Michael L. Dey, Ph.D., Supt. (316-221-1200), Box 548, Winfield 67156: Clinical medicine, mental retardation, rehabilitative programming.

PRESENTATION TO HOUSE ASSESSMENT AND  
TAXATION COMMITTEE ON

H. B. 2106

Mr. Chairman and members of the Committee, I'm Dr. Ray Baker. Although I'm the Shawnee County Health Officer, I'm speaking today on behalf of the Kansas Association of Local Health Departments. That organization represents Health Departments in 81 Kansas counties serving over 93% of the citizens of this state. It's purpose is to strengthen local public health services. I'll be brief in my remarks.

The KALHD supports H. B. 2106 for two reasons:

First--We understand fully the state government's immediate need for more revenue to support essential services. It seems particularly fitting that a small portion of that new revenue should be derived from a cigarette tax. In view of the undeniable and heavy role smoking plays in increasing deaths and disability from heart disease, pulmonary disease and cancer among our citizens and in increasing the health insurance rates we all pay, perhaps raising this tax may tend to discourage consumption. It will also, hopefully, provide funds for public health promotion and education programs to counteract the ravages of smoking.

Second--The need for modest reliable state financial support for local public health services has been clearly established through studies of the SHCC and the House and Senate Public Health Committees over the past two years. Those studies culminated in enactment last year of S.B. 758. That law recognizes some state financial responsibility in the area of local public health and sets up a mechanism for distributing funds; regrettably, no funds were provided. This bill identifies the source of those necessary funds.

I urge this Committee to pass H. B. 2106.

ATTACHMENT III

(2-9-83)

Ray D. Baker, M.D., M.P.H., Dir.  
Topeka-Shaw. Co. Health Department  
February 9, 1983

RY M. O'RILEY  
P.O. Box 4352  
Topeka, Kansas 66604

HOUSE BILL 2106



1983

CIGARETTE TAX COMPARISON

	<u>PER PACK</u>	<u>PER CASE</u>
Kansas	13¢	\$78.00
No. Carolina	2¢	<u>12.00</u>
BOOTLEGGERS PROFIT		66.00
Kansas	13¢	\$78.00
Virginia	2½¢	<u>15.00</u>
BOOTLEGGERS PROFIT		63.00
Kansas	13¢	\$78.00
Kentucky	3¢	<u>18.00</u>
BOOTLEGGERS PROFIT		60.00
Kansas	13¢	\$78.00
Colorado	10¢	<u>60.00</u>
BOOTLEGGERS PROFIT		18.00

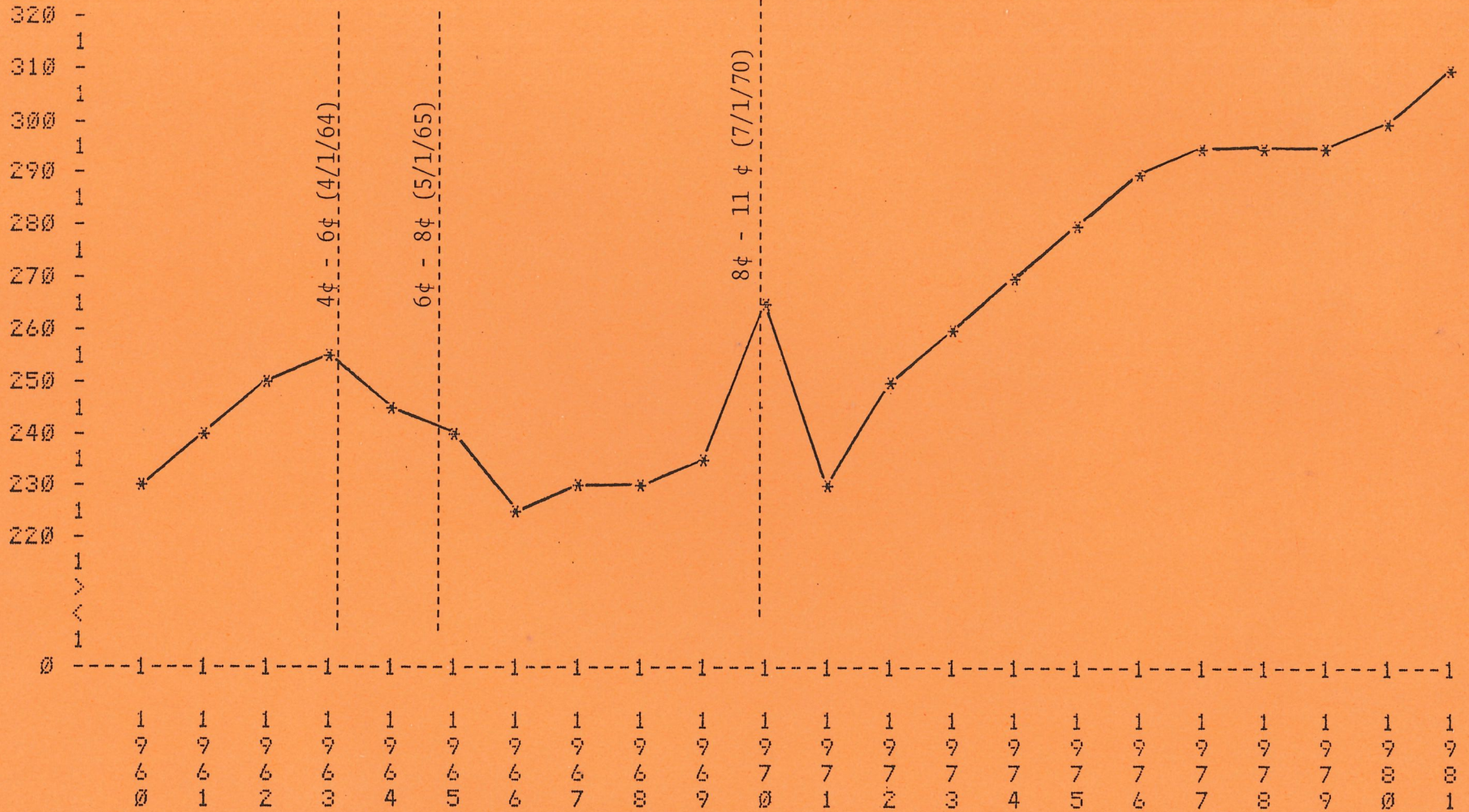


TAX-PAID CIGARET SALES IN KANSAS  
(MILLIONS OF PACKS)

Kansas Tobacco - Candy  
Distributors & Vendors, Inc.

ATTACHMENT

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FISCAL YEAR

ATTACHMENT V

(2-9-83)



STATE OF KANSAS



TOPEKA

HOUSE OF  
REPRESENTATIVES

KEITH ROE  
REPRESENTATIVE, 109TH DISTRICT  
JEWELL, SMITH, OSBORNE COUNTIES

COMMITTEE ASSIGNMENTS  
VICE CHAIRMAN: LEGISLATIVE, JUDICIAL, AND  
CONGRESSIONAL APPORTIONMENT  
MEMBER: ASSESSMENT AND TAXATION  
ENERGY AND NATURAL RESOURCES  
FEDERAL AND STATE AFFAIRS

February 9, 1983

HB 2130 is a simple bill dealing with a simple tax. HB 2130 raises the rate of the liquor enforcement tax from 4% to 8% which adds \$10 million to the state general fund. There are no administrative costs. This tax is collected on retail sales in the state's liquor stores and has been in existence since 1949. The tax has been at the 4% rate since 1965. The tax is in lieu of the state sales tax which applies to bread, new farm machinery and can openers but not whiskey.

This is a tax on a luxury. We might argue that food, clothing and shelter are necessities, but peppermint schnapps is not. If the Kansas consumer chooses to purchase a \$6 bottle of peppermint schnapps and pay the quarter of liquor enforcement tax, it is a conscious decision to spend disposable income on a luxury.

Much ado can be made about bootlegging, elasticity of demand, and the plight of the small "mom and pop" liquor store. There is no connection between HB 2130 and any of these arguments.

Thank you very much.

February 9, 1983  
 House Assessment and Taxation Committee  
 Hearing on HB 2106 and HB 2130

Taxes collected on alcohol fall far short of equalling the economic cost to society for damage caused by this social drug. The same case can be made for cigarettes.

Each \$1 in revenue from alcohol costs the American public over \$4 in higher prices, higher insurance premiums, and higher taxes caused by alcohol consumption.

**Table 7. Economic Costs of Alcohol Misuse and Alcoholism in the United States, 1975**

Item	Cost (billion \$)
Lost production	19.64
Health and medical	12.74
Motor vehicle accidents	5.14
Violent crime	2.86
Social responses	1.94
Fire losses	0.43
<b>Total</b>	<b>\$42.75</b>

SOURCE: Ralph Berry, James Boland, Charles Smart, and James Kanak, *The Economic Costs of Alcohol Abuse and Alcoholism—1975*. Report prepared for National Institute on Alcohol Abuse and Alcoholism under Contract No. ADM 281-76-0016. 1977.

Chart from page 17 of Third Special Report to the U.S. Congress on Alcohol & Health from the Secretary of Health, Education, and Welfare

This \$42.75 billion is taken from the pockets of non-drinkers and drinkers in:

- (1) Higher prices for goods and services because of alcohol-impaired personnel.
- (2) Higher premiums for hospital-medical-auto-fire insurance to cover alcohol-related losses.
- (3) Higher taxes to pay costs of welfare, criminal justice, research, and needed social services resulting from alcohol consumption.

Drinkers paid \$9.5 billion in alcoholic beverage revenue during 1975, according to the Distilled Spirits Council of the United States. They should have paid \$42.75 billion.

The liquor enforcement tax and all other alcoholic beverage taxes should be increased four fold for the public to break even. HB 2130 is a little step in the right direction.

*Richard Taylor*

Richard Taylor  
 KANSANS FOR LIFE AT ITS BEST!

ATTACHMENT VII

(2-9-83)



# THE KANSAS ISSUE

Volume 27

July August September 1978

Number 3

"Among the prevention strategies that have been advanced by the NIAAA's Division of prevention. . . reducing overall amounts of drinking. . . total consumption is the common denominator for alcohol problems. . . if per capita consumption increases, alcohol problems increase." - National Institute on Alcohol Abuse & Alcoholism

THE PROBLEM IN THE U. S. When more persons choose to take a drink;  
When alcohol is served in more homes;  
When alcohol is sold at lower prices;  
When alcohol is available in more places;  
When drinkers drink on more occasions;  
When drinkers drink more when they drink;  
Total consumption and suffering increases.

People drink alcohol because they like the way it makes them feel. This drug, when consumed, passes immediately into the blood stream and impairs the highest qualities of the human brain. The delicate capacities of intellectual decision, choice, discretion, will power, judgment, and self-control are first dulled and then wiped out by alcohol. Alcohol does this to the brain of a bum drinking in a back alley and to the brain of a community leader drinking in a plush restaurant. Increased social consumption produces these results:

ALCOHOL IS A DRUG PROBLEM More alcohol-impaired drivers on our highways,  
More new cases of alcoholism in our state,  
More victims of violent crime on our streets,  
More birth defects in our hospitals,  
More child and wife abuse in our homes,  
More job absenteeism, more spoiled production,  
more work accidents, more bad management decisions in our factories,  
More consumer dollars wasted on alcohol,  
More Americans drinking themselves to death.

"Alcohol. . . causes more human trouble than all other drugs combined."  
CBS NEWS

KANSAS HAS THE ANSWER When fewer persons choose to take a drink;  
When alcohol is served in fewer homes; Save money  
When alcohol is sold at higher prices; Save lives  
When alcohol is available in fewer places; Vote NO  
When drinkers drink on fewer occasions; in NOvember  
When drinkers drink less when they drink;  
Total consumption and suffering decreases.

I'LL VOTE NO! contains basic reasons for voting NO on restaurant liquor by the drink in Kansas. All pastors and persons who will debate or speak to groups on this issue need facts to present when supporters of liquor by the drink say:

"It will reduce our taxes" - This Kansas Issue

"It is good for business and industry" - This Kansas Issue

"Alcohol laws don't make any difference" - This Kansas Issue

"We need it for conventions and tourists" - Write for special pamphlet.

"Liquor by the drink gets rid of private clubs" - Write for clippings.

"I don't look upon alcohol as a drug" - DRINKERS ARE ON DRUGS flyer.

IF RESTAURANT LIQUOR BY THE DRINK IS ON YOUR COUNTY BALLOT, READ CAREFULLY EVERY PAGE OF THIS KANSAS ISSUE. IT WILL HELP YOU WIN A NO VOTE IN NOVEMBER. WE ARE NOT FIGHTING AGAINST LIQUOR BY THE DRINK. WE ARE FIGHTING FOR LESS DRUG SUFFERING IN KANSAS.



THE ALCOHOLIC BEVERAGE INDUSTRY'S CONTRIBUTION TO THE U.S. ECONOMY IN 1975

\$32.5 Billion consumer dollars spent for beer, wine, and distilled spirits.

Out of this \$32.5 Billion:

\$9.5 Billion in excise, license, and other alcoholic beverage taxes and fees were received by federal, state, and local governmental units on beer, wine, and distilled spirits.

\$11.1 Billion in wages and earnings for alcoholic beverage employees and owners.

Source - Public Attitudes and Economic Progress

DISCUS Facts Book 1975

Distilled Spirits Council of the United States, Inc.

Economic Loss Resulting from Alcohol Consumption

\$19.7	Lost Production	This \$42.7 billion was taken from the public in:
12.7	Health & Medical	<u>Higher prices</u> for goods and services because
5.1	Auto Accidents	of alcohol-impaired personnel.
2.9	Violent Crime	<u>Higher premiums</u> for hospital-medical-auto-fire
1.9	Social Responses	insurance to cover alcohol-related losses.
.4	Fire Losses	<u>Higher taxes</u> to pay costs of welfare, criminal
\$42.7	Billion	justice, research, and needed social services
		resulting from alcohol consumption.

Source - Department of Health, Education, and Welfare. Conservative cost estimates prepared for the National Institute on Alcohol Abuse and Alcoholism. By researchers Berry, Boland, Smart and Kovak.

Drinkers paid \$9.5 billion in alcoholic revenue. The nation suffered a \$42.7 billion economic loss because drinkers drink. The economic track record of liquor by the drink and other relaxed control laws is that for each additional \$1.00 in taxes, over \$4.00 is taken from the pocket of all Americans, non-drinkers included.

\$42.7 Billion cost to society because some people drink.

9.5 Billion taxes received from the sale of alcoholic beverages.

\$33.2 Billion net loss paid by the public.

\$32.5 Billion paid by drinkers for alcoholic beverages in the U.S.

Because the amount drinkers paid for alcoholic beverages at retail is nearly equal to the amount paid by the public for alcohol-related economic loss, we can say: Based on experience of all 50 states, when those in the check-out line at your friendly grocery store purchase \$10.00 worth of beer, you (the public) will pay an additional \$10.00 to cover the cost of problems caused by that drinking.

Based on the experience of all 50 states, if restaurant liquor by the drink comes to Kansas, each time some owner walks to the bank with \$1,000.00 from the sale of liquor, you (the public) will pay an additional \$1,000.00 in higher prices, higher insurance premiums, and higher taxes because that liquor was sold and consumed.

If every drinker quit, alcohol-related suffering would be wiped out and the American public would have billions of dollars to spend on better things. But what would it do to unemployment and taxes if every drinker quit?

\$42.7 Billion available for redistribution.

\$11.1 Billion given to employees and owners to do nothing.

\$ 9.5 Billion given to governmental units in lieu of taxes.

\$20.6 \$20.6 Billion total

\$22.1 Billion additional consumer dollars would be in the pockets of non-drinkers and drinkers, no one in the alcoholic beverage industry would miss a pay check, no governmental unit would lose any tax dollars, and drinkers would have another \$32.5 billion consumer dollars to spend for better things.



# \$20 billion in lost production

Alcohol/Health Report estimate for 1975

FOCUS Magazine, Feb-Mar 1978

Lost production due to alcohol abuse cost Americans more than \$20 billion in 1975 says a special report prepared for Congress by the National Institute on Alcohol Abuse and Alcoholism.

The Alcohol and Health Report is now in draft stage reportedly undergoing a sharp editorial condensation ordered by HEW Secretary Joseph Califano.

The draft, obtained by Focus, shows lost market production among males to exceed \$15 billion, lost military production at \$411 million, and lost future production due to excess mortality among alcohol abusers to stand at \$3.77 billion.

Because of many costs that simply could not be computed but which impact on lost production, these estimates must all be considered

conservative, says the HEW task force headed by Dr. Ernest Noble, Director of NIAAA.

"For example, it is virtually impossible to put a dollar value on the lost domestic services of an alcohol-abusing housewife, and so any estimate of the economic cost of lost production in the no-market sector will be significantly underestimated," says the report.

In addition, the estimate for lost production included data only on alcohol abusing males between the ages of 20 and 59 and did not include amounts lost by working women alcohol abusers.

The report estimated that 7.4 million households in the United States included male alcohol abusers.

Firms with alcohol-troubled

employees suffer economic losses because of lateness, absenteeism, worker friction and lowered productivity, says the report. There is also considerable evidence of a long term decline in the earnings of people under treatment for alcoholism.

"The data generally indicate that their earnings decrease steadily in the years before admission to a mental health center, but the problem of determining what part of the reduction is caused by alcohol abuse is unresolved."

The task force pegs military losses at 2% of the total productivity. Military payroll for all services in 1975 was just over \$21 billion.

The report also estimates that alcohol abuse accounted for approximately 8.6% of all deaths among men between 20 and 59. The value of this foregone production is estimated at \$3.36 billion. By adding foregone production of men over 60 (approximately \$84 million) and that of employed women (about \$328 million), the total estimate of lost production climbs to \$3.77 billion.

## Confronting problem drinkers on the job is challenge facing modern management

Confronting the problem drinker on the job has become one of the most challenging tasks of modern management. It has also become one of its highest priorities.

The reasons for this concern are obvious.

Of the estimated 10 million alcoholics and problem drinkers in America nearly half are employed. And whether in manufacturing, commerce, the military services, or agriculture, the pervasiveness of this problem is becoming recognized.

The National Institute on Alcohol Abuse and Alcoholism notes that of those problem drinkers who are on someone's payroll, 25% are white collar workers, 30% are manual workers, and 45% are in the professional and management ranks.

The National Council on Alcoholism estimates that industry pays out the equivalent of 25% of annual wages for each problem employee on its payroll to cover off lateness and absenteeism; judgement errors; recruiting, placement and training; experience, skills and knowledge loss; spoilage of materials; group dissension; additional time and effort by management; clerical and medical involvement; increased accidents and overtime replacement.



Hutchinson News, December 20, 1977



"People must know the consequences they will face in terms of economic, health, and social costs if we continue on our present course to make alcohol an essential component of our everyday lives." - Addiction Research Foundation of Ontario

Every state and city should proudly print total social (per capita) consumption rates as a leading indicator of economic, social, and personal health. Alcohol consumption in Kansas is approximately half the national average. Less drinking is a contributing factor for many benefits enjoyed by Kansans.

FEWER ALCOHOLICS

Reports from SINGLE STATE ALCOHOLISM AUTHORITIES in 1977 indicate this number of alcoholics per 100 persons in the total population age 15 and older:

District of Columbia	18
United States Average	7
Kansas	3

Based on this national average, 4 out of every 100 persons age 15 and older in Kansas have escaped the hell of alcoholism because of our low consumption rate.

Apparent consumption of wine and distilled spirits in U.S. gallons per 100 persons in total population age 15 and older for 1972 (ALCOHOL & HEALTH, Second Special Report to the U.S. Congress from the Secretary of Health, Education, and Welfare)

	Wine	Distilled Spirits	Total Gallons Consumed per 100 persons
District of Columbia	631	991	1622
U. S. Average	216	260	476
Kansas	57	159	216

(With such low wine consumption in Kansas you can understand why the wine people alone had six highly paid lobbyists working in the Kansas Legislature during 1978. Restaurant sales of wine by the drink was one of their goals. All together some 21 lobbyists were working for those seeking profits from alcoholic beverages.)

HIGHER WORKER PRODUCTIVITY

The Kansas Department of Economic Development is rightly proud of our high worker productivity. In speeches across the state during 1978, they reported that workers in West Germany gave 7.9 more days of productive labor than the U.S. Average. Workers in Japan gave 8.3 more days of productive labor than the U.S. Average. Workers in Kansas gave 8.6 more days of productive labor than the U.S. Average. Our Kansas work force leads the nation and the free world!

High worker productivity means products produced in Kansas have a competitive advantage over the remainder of the nation. This is a contributing factor in helping Kansas enjoy the lowest unemployment rate in the nation.

Kansas leaders in business, industry, and labor acknowledge that low alcohol consumption is a contributing factor toward higher worker productivity. As stated in THE LION MAGAZINE for February, 1977, "ALCOHOL ABUSE: INDUSTRY'S BILLION DOLLAR HEADACHE. Companies around the world are facing a major problem. It's not competition; it's not inflation. It's not government policy. It's alcohol. . . The total cost to business and industry in terms of lost production, absenteeism, insurance payments, etc., is in the billions."

LOWER AUTO INSURANCE RATES

Low alcohol consumption is a contributing factor for low auto insurance rates. According to research compiled by the Kansas Department of Insurance, we enjoy the lowest auto rates in the nation relative to population density. Only Nebraska and North Dakota rank below Kansas in dollars paid for like policies, and both those states have a much lower population density. With more miles of highway and fewer cars, they just don't meet as often and risk of accident is less. Here is a letter from a concerned Kansan. "I don't write very many letters. I used to live in Missouri and I paid car insurance that was twice as high as here because they had saloons. I had my insurance agent tell me that if we got that stuff here we would have Mo. rates. If that's the thing that will happen shouldn't you let the public know they will have to pay more car ins. it's too high now."



## MORE CONSUMER DOLLARS SPENT FOR BETTER THINGS

For fiscal year 1978, Kansas retail liquor stores took in \$148 million. To equal the national average, consumption in Kansas would need to double. If purchased at liquor stores, this would mean an additional \$148 million consumer dollars spent for alcoholic liquor. But this increased consumption would come with sales by the drink to the public. Liquor purchased by the drink in other states costs 4 or 5 times more than when purchased by the bottle. \$148 million times 4 or 5 indicates \$600 to \$750 million consumer dollars now spent for better items would be spent on alcoholic liquor if sales by the drink would bring consumption in Kansas up to the national average.

Consumer dollars spent for alcoholic liquor in Iowa nearly doubled during the first year of legal sales by the drink to the public. These consumer dollars came from the people of Iowa because records indicate liquor by the drink had little if any impact on convention and tourist business.

LIQUOR BILL PROMOTES HIGH SPIRITS - RESTAURANTEURS HAPPY, headlines from the Johnson County Sun of April 14, 1978. This story reported that Gary Schanzer who runs a restaurant there, upon hearing the Kansas Legislature passed liquor by the drink, said "I thought I died and went to heaven." His heavenly joy was over the prospects of increased profits pushing alcohol. The news story went on to say "Although Schanzer is not sure a change in the liquor laws would bring him more customers, he feels certain it would produce more revenue. 'All the profit in the restaurant business is in liquor. It will increase the ticket average whether we get more business or not. Even if we don't have more customers, if a customer buys just one drink it increases our profit because he couldn't have bought any drink before,' Schanzer said."

If more consumer dollars from residents of Johnson County or any other Kansas county are spent for alcoholic liquor, fewer consumer dollars will be spent in other business houses. If consumer dollars spent for Fords in your town should double in one year, will the Chevy dealer rejoice?

Kansas has 1% of the nation's population. Our fair share of the \$42.7 billion economic loss during 1975 is \$427 million. But per person consumption in Kansas is approximately half the nation's average. This should have cut our loss in half, saving us \$213 million consumer dollars to spend for better things. With our loss cut in half, we still lost \$213 million because some Kansans drink. Kansas collected only \$19 million on beer, wine, and distilled spirits taxes during 1975. For every \$1.00 of alcoholic beverage revenue, it cost Kansans some eleven consumer dollars in economic loss. The largest share of alcoholic beverage revenue is collected at the federal level. If Kansans want to send fewer tax dollars to Washington - drink less!

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## SAFER HIGHWAYS

Mr. Claude McCammet in The Topeka Capitol-Journal Midway section of Sunday, January 16, 1972, said "he believes one reason the percentage of fatal accidents involving alcohol is lower in Kansas than in other states is the stricter controls in liquor sales in Kansas." He also indicated 22% of fatal accidents in Kansas involved an alcohol-impaired driver while the national average is 50%.

The Wichita Beacon of November 22, 1971, carried the report of a drinking driver survey conducted there. The surprising results were that "about 1 to 2 percent of the 650 drivers surveyed so far were above the .10 percent legal blood alcohol concentration (BAC) limit. Dr. John Hartman, Wichita State University sociology professor and chairman of the ASAP's evaluation section, said the national average is about 3 to 4 percent."

There is too much bloodshed on Kansas highways now, but with percentage of alcohol-impaired drivers cut to half the national average, we are thankful for thousands of Kansans who have escaped disfiguration, disability, and death caused by drivers with brains drugged on alcohol.



GO TO THE HEART OF THE ISSUE! ASK EVERYONE THESE QUESTIONS: *Do you want people in Kansas to drink more alcohol?*

*Do you want more alcohol-impaired drivers on our streets and highways? Do you want more persons to become alcoholic?*

*Do you want more consumer dollars spent for liquor?*

*Do you want to lose \$4 for each new \$1 of alcohol tax?*

If YES, then vote YES.

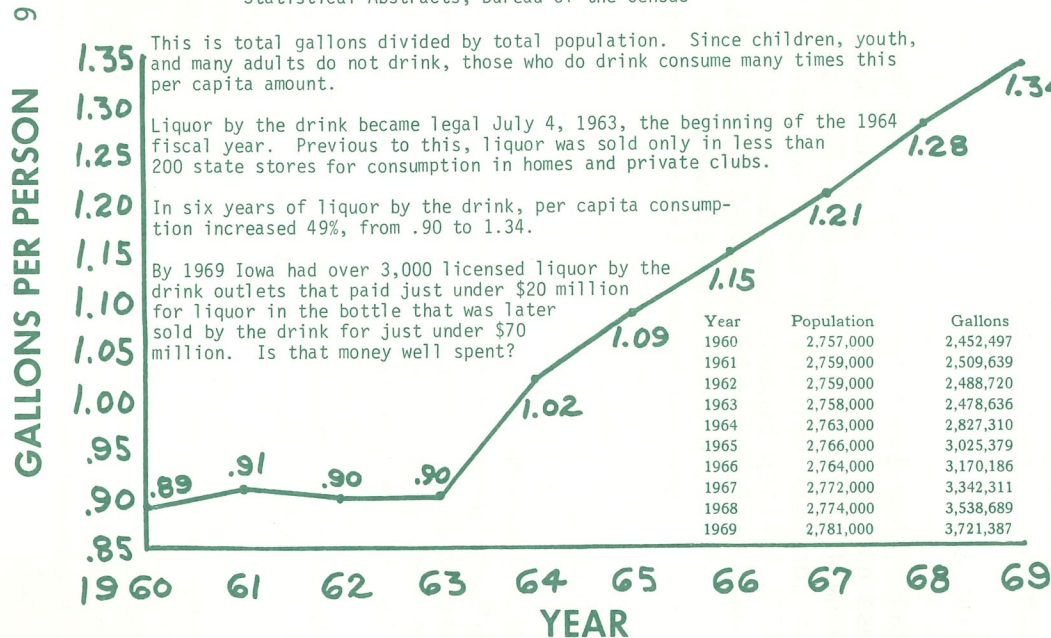
If NO, vote NO on restaurant liquor by the drink. \$114.6

Uninformed persons often say Kansas drinkers would drink less if they could buy a drink rather than buy a bottle. The first year of liquor by the drink in Iowa cities and counties indicates state-wide sales by the bottle dropped very little and sales by the drink caused consumer dollars spent for alcoholic liquor to nearly double. Per person consumption rose sharply.

This reinforces what Norman Manha, Western Director of the National License Beverage Association, said in an A. P. story out of New York in May of 1976 - "motorists stop for a drink in a tavern, then buy a bottle at a package liquor store." Liquor by the drink consumption is in addition to liquor by the bottle consumption.

### PER CAPITA CONSUMPTION OF DISTILLED SPIRITS AND WINES IN IOWA

Source: Iowa State Liquor Control Commission  
Statistical Abstracts, Bureau of the Census



Those pushing for liquor by the drink in Kansas have explained increased per capita consumption by saying that persons in Iowa started buying all their alcohol at home instead of going out of state to get it. This could account for some of the FIRST year increase, but would have no bearing on later years.

### MILLIONS OF CONSUMER DOLLARS SPENT FOR ALCOHOLIC LIQUOR

(SOURCE: Iowa State Liquor Control Commission, year ends June 30)

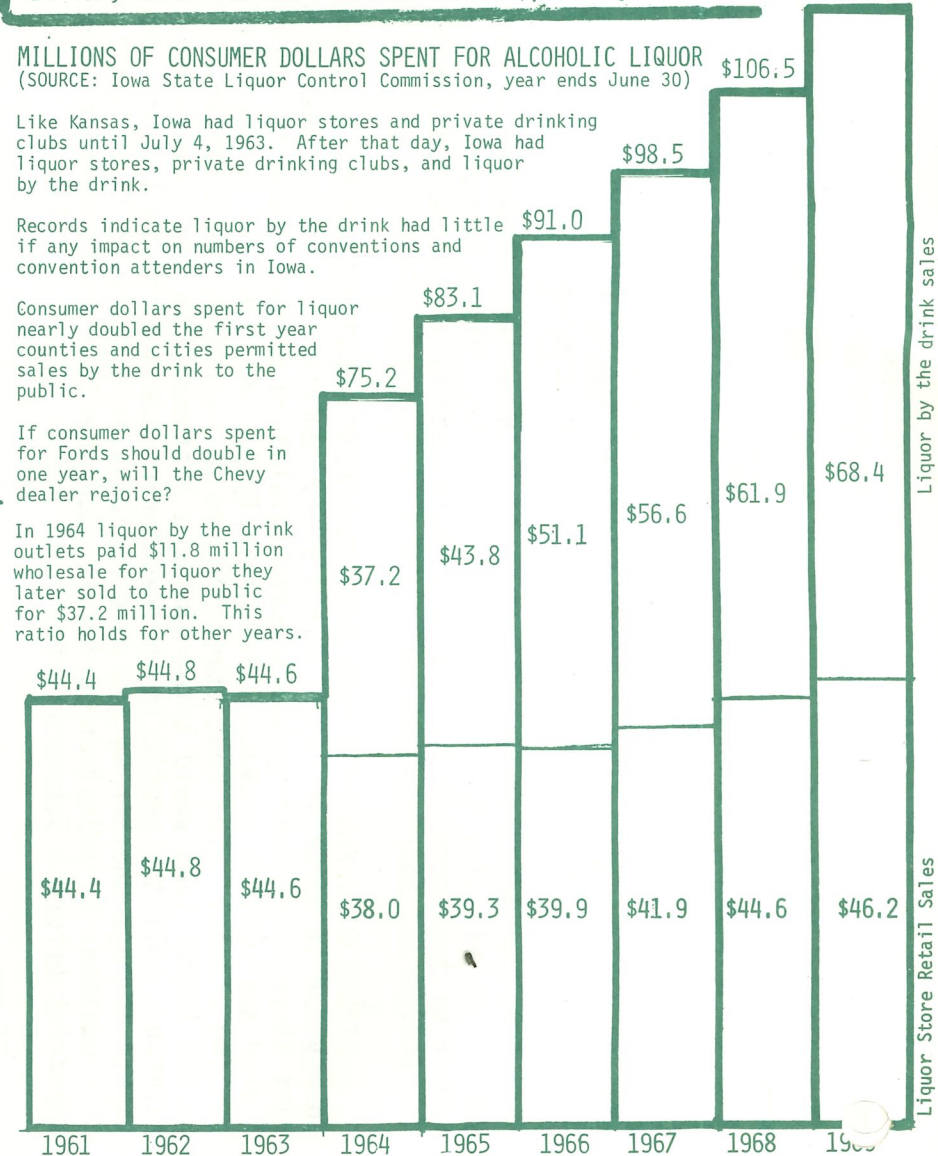
Like Kansas, Iowa had liquor stores and private drinking clubs until July 4, 1963. After that day, Iowa had liquor stores, private drinking clubs, and liquor by the drink.

Records indicate liquor by the drink had little if any impact on numbers of conventions and convention attenders in Iowa.

Consumer dollars spent for liquor nearly doubled the first year counties and cities permitted sales by the drink to the public.

If consumer dollars spent for Fords should double in one year, will the Chevy dealer rejoice?

In 1964 liquor by the drink outlets paid \$11.8 million wholesale for liquor they later sold to the public for \$37.2 million. This ratio holds for other years.





The Distilled Spirits Institute, the trade association of the liquor industry, publishes an annual report. On page 12 of their 1968 Annual Report appears the following:

"The Field Activities Division is the Institute's first line of offense and its defense in depth in the 50 states and the District of Columbia. It is composed of 10 regional supervisors whose operations are guided from headquarters in Washington by the director of the division and an assistant who currently serves also as director of the integral Local Option Division.

"These articulate and highly experienced emissaries are located strategically in key centers of operation and communication throughout the nation."

On page 13 of their report appears the following:

"The Local Option Division established three new 10-year records in 1968. First it assisted in planning and conducting elections which resulted in legalization of package sales in 88 local jurisdictions with a combined population of 497,590—the greatest gain in a decade except for the Oklahoma and Mississippi repeal years of 1959 and 1966, respectively. Second, it served as the guiding beacon behind the scenes in voting which brought legal sales by the drink to more than 70 areas in six states with a composite population in excess of 2.5 million persons. Third, it furnished publicity and advertising material, combined with technical advice, which enabled more than 80 counties and cities, populated by in excess of 7.7 million residents, to repeal obsolete Sunday sales prohibition in four states."

Finally, the Institute claims that its leadership was effective. Note its comment on page 16:

"The Local Option Division, throughout the year, furnished material and advice to legal control organizations conducting local option campaigns in more than 1,000 jurisdictions. Numerous campaign leaders, especially in Alabama, Georgia, North Carolina, Tennessee, and Virginia, stated that their multiple local option victories could not have been achieved without the cooperation and the assistance of the Institute."

HEROIN, MARIJUANA, AND ALCOHOL CAUSE SOCIAL AND ECONOMIC DAMAGE. SOCIETY HAS THE RIGHT TO REGULATE THEIR USE. CONTROL LAWS REDUCE ALCOHOL CONSUMPTION AND SUFFERING.

"It is therefore important to observe that, in the long run, education, treatment, and deterrence are all of secondary importance compared to the central task of cutting down the general level of consumption by regulating the price and controlling the availability of alcoholic beverages."

-Dr. Klaus Makela, Finnish Alcohol Foundation, Research Director

If relaxed control laws did not increase consumption, would the distilled spirits industry work for package sales, sales by the drink, and Sunday sales? (See clipping at left)

Alcohol promoters often say Washington and Oregon went to liquor by the drink and per capita consumption decreased. They do not tell you these two states passed liquor by the drink at a time when the national average per capita consumption rate was decreasing.

Following World War II, apparent per capita consumption of distilled spirits reached a peak in 1946 and then dropped sharply. The national average per capita consumption of distilled spirits did not exceed the 1946 high until 1965 - 19 years later! With the help of increased availability and consumption that comes with liquor by the drink, Oregon exceeded their previous high consumption level 17 years later and Washington did it in only 13 years.

Kansas law does not permit pushing liquor by the drink to the public, pushing liquor to those under 21, pushing this drug on credit, pushing wine and spirits in grocery stores, pushing alcohol on Sundays-holidays-election days, pushing liquor with cut-rate prices, pushing and consumption of alcoholic liquor in most public places.

Per person consumption of cigarettes in Kansas nearly equals the national average. Per person consumption of alcohol in Kansas is approximately half the national average. Cigarettes are pushed in Kansas the same as in other states. Kansas law does not permit alcohol pushers to operate as they do in other states. Consumption is cut in half.

Kansas is a leader with drug control laws that keep down the economic, social, and personal suffering resulting from alcohol. Persons who push and defend the drug ridicule us because they are fearful the remainder of the nation will learn of the effective way we are preventing and reducing alcoholism and other alcohol-related misery.



We want to mail a Kansas Issue to you before the November election, giving information on candidates. It costs around \$1200.00 to print 33,000 copies and another \$2400.00 for postage. Some churches and individuals have given generously, but additional funds are needed for another mailing of The Kansas Issue, to purchase bumper stickers, printing I'LL VOTE NO! flyers, radio and TV time, etc. Will you mail your gift today? Your envelope and stamp add to your contribution.

If you want less drug suffering in Kansas, you must work hard for a NO vote in November. Concerned citizens hope the Kansas Supreme Court rules restaurant liquor by the drink is unconstitutional for the sake of less consumption and suffering. If the court rules the sale of liquor by the drink to the public is constitutional, every county that votes YES will have it. Once voted in, the legislature made no provision for later voting it out.

LIQUOR BY THE DRINK can be defeated in every county if concerned citizens get the facts to their friends. Usually it costs money to reduce human misery. A NO vote in November means an economic saving for you and less suffering in your county. It all depends on YOU. YOU must meet with your friends, organize committees (the more the better), get material to your newspaper and radio, raise money to promote the truth. Which will it be? More money in the pockets of liquor dealers and more alcoholism, or less alcohol consumption and fewer new alcoholics?

The little flyer I'LL VOTE NO! is available for wide distribution. Give one to every person at worship, Sunday School, in men's, women's and youth groups, mail to every church family, place them next to the cash register or somewhere in business houses, get them to civic clubs, social clubs, business clubs, hand them out house to house, include one with every letter you mail, keep some in your pocket and give to people you meet, etc. We hope one local church in every county will have on hand a large supply of all our material for you to pick up and use.

### Kansas tax burden one of the lightest

Kansas is among 17 states where state and local tax burdens have been determined to be low and falling.

**HIGH AND FALLING** — Wisconsin, Arizona, New Mexico, Louisiana, Wyoming, Montana, Oregon, Washington, Mississippi.

**HIGH AND RISING** — New York, Vermont, Massachusetts, California, Hawaii, Minnesota, Maine, Nevada, Maryland, Rhode Island, West Virginia, Michigan, New Jersey, Illinois, Delaware, Pennsylvania.

**LOW AND FALLING** — South Dakota, Iowa, Colorado, Utah, North Dakota, Indiana, Idaho, Kansas, North Carolina, Nebraska, South Carolina, Texas, Oklahoma, Florida, Tennessee, Alabama, Arkansas.

**LOW AND RISING** — Kentucky, Connecticut, Alaska, Georgia, New Hampshire, District of Columbia, Virginia, Missouri, Ohio.

The Advisory Commission on Intergovernmental Relations made a study of state and local tax burdens and divided all states into four groups, based on their tax burden and rate of change for 1964-1975. The study defined tax burden as the ratio of state-local tax collections to resident personal income. (Topeka Daily Capital, April 9, 1977, page 3)

Kansans enjoy the highest per-person income of all Plains States and percentage of that income for state and local taxes is LOW AND FALLING!

ADDRESS CORRECTION REQUESTED

Rev. Richard Taylor, Editor  
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218 1/2 West Sixth Avenue  
Topeka, Kansas 66603

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Topeka, Kansas

HIGH AND RISING  
All have liquor by the drink.

HIGH AND FALLING  
All have liquor by the drink.

LOW AND RISING  
All have liquor by the drink.

LOW AND FALLING  
All non-liquor-by-the-drink states: Utah, North Carolina, Oklahoma, and Kansas.

WHY DO PEOPLE SAY WE NEED LIQUOR BY THE DRINK SO IT WILL LOWER OUR TAXES?

3  
Topeka Daily Capital  
Saturday, April 9, 1977



K · A · N · S · A · S  
**WINE & SPIRITS**  
WHOLESALE ASSOCIATION, INC.

TO: Members of House Committee on Assessment & Taxation

FROM: R. E. "Tuck" Duncan, General Counsel  
Kansas Wine & Spirits Wholesalers Association

RE: Information on Excise Taxes

The proposal to increase excise taxes or sin taxes is punitive and discriminatory taxation on important state industries. Like other industries, those affected by this tax pay corporate taxes, sales taxes, etc. Unlike many other businesses these industries pay excise taxes and fees, federally and locally, on its products. These industries are not asking for "tax breaks" fore they already contribute a substantial share to the state; but are asking for fair and equitable treatment. Taxes which apply to a single industry are regressive for not only the industry, but for the consumers of those products as well.

Taxes increase price. And as the state's own legislative research department has stated: "Increases in prices will, other things remaining equal, decrease the quantity sold. Increases in taxes which lead to increases in prices of goods or services, may as a result of a decrease in the base, lead to less than proportional increases in receipts ... thus, proposals to increase taxes by a substantial amount will probably result in significantly less revenue than might be projected on the assumption of zero elasticity of demand (that price will not affect demand)."

Obviously, such assumptions are wrong. Demand is affected by price and as economic conditions worsen, the problem is compounded thereby creating a situation where the state's action may not net any additional revenue but will harm an industry --- its jobs and vitality.

At a time when household budgets must be reduced, when the federal government recognizes the need to reduce its budget, and when the economy doesn't require increased state spending; the state, too, should live within its means. No new taxes should be levied.

  
\_\_\_\_\_  
R. E. "Tuck" Duncan

RED:jp

ATTACHMENT VIII

(2-9-83)

# 5

## Consumer's Tax Burden

### DISCUS Facts Book 1982

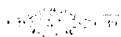
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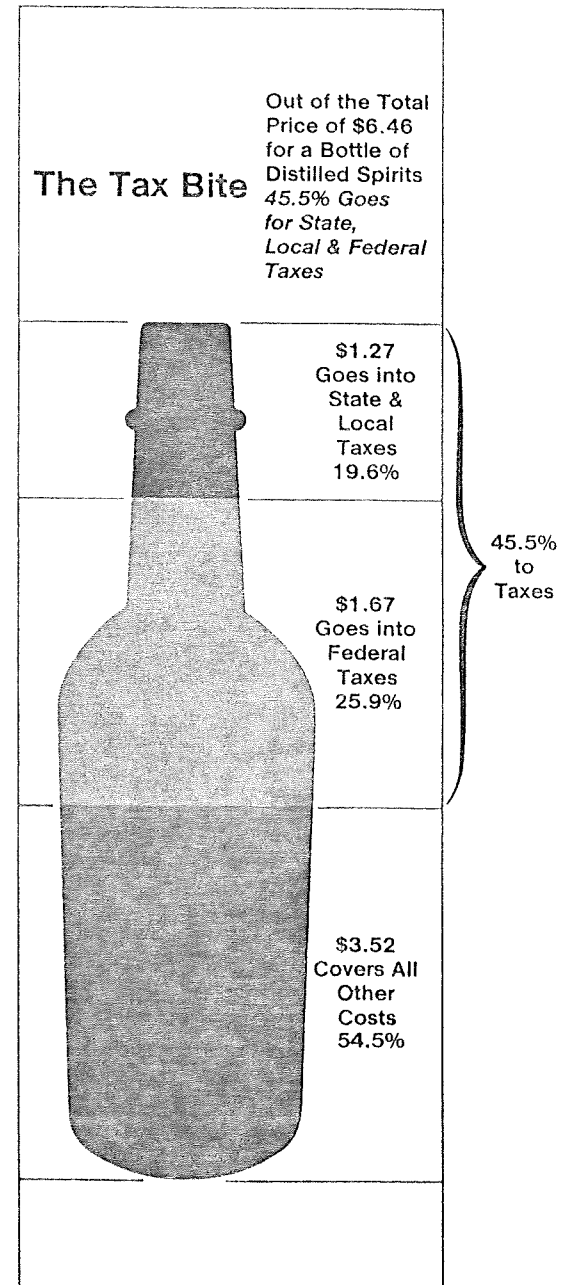
Public revenues from the alcohol beverage industry in 1981 reached an aggregate of \$15.7 billion — about \$11.6 billion in public taxes and fees and about \$4.1 billion in corporate and personal taxes.

Inquirers are often surprised at the size of levies on alcohol beverages. This is particularly true of the tax burdens on distilled spirits. Rising tax liabilities from inflation-swollen incomes and increased Social Security taxes have further heightened the impact of these steadily increasing taxes, which fall on the purchasers (generally the consumers) of alcohol beverages.

In the past decade the total taxes imposed on distilled spirits by all levels of government rose from \$14.21 to \$14.96 per gallon.

As the costs of government and public agencies escalate, the alcohol beverage industry often is seen as a handy taxation scapegoat. Yet the real tax burden is on the consumer. This burden is graphically seen in the portion of the retail dollar paid in taxes for a typical bottle of liquor. More than 45% of the cost went to the tax collectors.

Another way of measuring the impact of taxes is to realize that \$2.94 of a \$6.46 bottle of distilled spirits goes to taxes and fees. The remaining \$3.52 goes to the distiller, bottler, wholesaler, and retailer for the total cost of producing, packaging, shipping, and marketing their product. In fact, the Federal Government's share of the retail price is as much as 10 times greater than the profit of the distiller.



## Proposed amendment to HB 2018

On page 1, by striking all in lines 22 to 45, inclusive;

On page 2, by striking all in lines 46 to 82, inclusive;

On page 3, by striking all in lines 83 to 88, inclusive;  
after line 88, by inserting a new section to read as follows:

"Section 1. K.S.A. 1982 Supp. 79-210 is hereby amended to read as follows: 79-210. The owner or owners of all property which is exempt from the payment of property taxes under the laws of the state of Kansas other than (1) tangible personal property owned by the state or any municipality or political subdivision of the state and used for a governmental or nonproprietary function, (2) wearing apparel, (3) household goods and personal effects not used for the production of income, (4) cemetery lots owned by individuals and used or to be used as a grave site or sites by the owner or such owner's family, (5) hay and silage, as ~~said--terms--are~~ defined by K.S.A. ~~1982--Supp.~~ 79-201d, and amendments thereto, (6) the right-of-way of public streets and highways, ~~and~~ (7) all property belonging exclusively to the United States, and (3) farm machinery and equipment, as defined by K.S.A. 1982 Supp. 79-201j, and amendments thereto, shall in each year after approval thereof by the board of tax appeals claim such exemption on or before March 1 of each year in which such exemption is claimed in the manner hereinafter provided. All claims for exemption from the payment of property taxes shall be made upon forms prescribed by the director of property valuation and shall identify the property sought to be exempt, state the basis for the exemption claimed and shall be filed in the office of the assessing officer of the county in which such property is located. The assessing officers of the several counties shall list and value for assessment, all property located within the county for which no claim for exemption has been filed in the manner hereinbefore provided. The secretary of revenue shall adopt rules and regulations necessary to administer the

provisions of this section."

Also, on page 3, in line 89, by striking "and 79-213 are" and inserting "is"; in line 92, by striking "Kansas register" and inserting "statute book";

In the title, in line 19, by striking "79-213" and inserting "79-210"; in line 20, by striking "; also repealing K.S.A. 1982 Supp. 79-210";