

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 March 23, 1983 in room 519S of the Capitol.

All members were present except: Representatives Reardon and Lowther, who were 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:

Senator August Bogina  
John Koepke, Kansas Association of School Boards  
Jim Yonally, Shawnee Mission Public Schools  
Mark Beshears, Director of Taxation, Department of Revenue  
Tom Puckett, Attorney, Topeka, Kansas  
Phil Martin, Director, Property Valuation Department

The meeting was called to order by the Chairman. The minutes of the meetings held on March 10 and March 14, 1983, were approved as written.

Hearings were held on Senate Bill 293 which would allow a school district to lease property to another political or taxing subdivision of the state or to any association, organization, or nonprofit corporation that is entitled to a tax exemption without such property being returned to the tax rolls. Senator Gus Bogina, sponsor of the legislation, testified as to the need for the legislation.

John Koepke, Kansas Association of School Boards, stated that the problem as to a school district's property being returned to the tax rolls is not exclusively a Shawnee Mission or Topeka problem. This is a problem that faces numerous school districts throughout Kansas.

Jim Yonally, representing the Shawnee Mission School District, stated that the Overland Park School District had a problem at one time where they wanted to lease a couple of rooms in one of the school buildings to the City of Overland Park. At that time the County Appraiser stated that he would return the building to the tax rolls should the school district lease the rooms. Consequently, the rooms were not leased to the City.

Phil Martin, Director of Property Valuation, stated that as far as his department is concerned, it would be a policy decision on the part of the Legislature as to how much the control of exempt property should be loosened.

Mark Beshears, Director of Taxation, gave testimony on Senate Bills 382, 383, and 384. Senate Bill 382 would aid in the enforcement and collection of the Kansas retailers' sales tax by making individuals responsible for the collection and payment of the tax liable if they fail to collect or account for the tax, regardless of the form under which the retailer conducts business. This bill was requested by the Department of Revenue to close a potential loophole of claims that a particular individual was responsible only for the collection and not for the payment of the tax, or that an officer is not liable for the sales tax debts of a corporation.

Tom Puckett, an attorney who specializes in taxes, stated that he opposes Senate Bill 382 and felt that the Department of Revenue should bear the burden of proof as to who is responsible for collecting and accounting for the tax.

Mark Beshears testified relative to Senate Bill 383 which would authorize the Department of Revenue to use a writ of mandamus to require taxpayers to file income tax returns if, after notification by the Director of Taxation, the taxpayer refuses or neglects to file a return within 20 days. He stated

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ASSESSMENT AND TAXATION \_\_\_\_\_,

room 519S, Statehouse, at 9:00 a.m. ~~p.m.~~ on March 23, 1983

that the Department was requesting this legislation as a solution to tax protester problems. At least two other states, Oregon and North Dakota, have successfully used a similar approach.

Mr. Beshears then testified on the necessity for Senate Bill 384. Senate Bill 384 would authorize the Secretary of Revenue to contract with a private debt collection agency and to enter into reciprocal agreements with other states for the collection of delinquent taxes. The maximum fee for private collection would be 50 percent of the delinquent taxes, penalty and interest collected, and the funds collected would have to be remitted to the Department within 45 days from collection. Agencies would have to post a bond of \$100,000. Certain confidentiality provisions of the sales, income, and inheritance tax law would be waived for purposes of collection of the delinquent amounts. Senate Bill 384 was requested by the Department of Revenue to assist in the collection of delinquent, but out-of-state accounts.

Phil Martin, Director of Property Valuation Department, testified on the need for Senate Bill 275 which would cause a reappraisal of the real property within the state. He stated that Janice Marcum of his staff could answer many of the technical questions which the committee has and that she would be in attendance at the March 24 meeting to respond to questioning.

The meeting was adjourned.

