

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATIONThe meeting was called to order by Chairman Paul "Bud" Burke at
Chairperson11:00 a.m./~~pm~~ on MARCH 15, 1983 in room 526-S of the Capitol.All members were present ~~except~~:Committee staff present: Wayne Morris, Research Department
Tom Severn, Research Department
Don Hayward, Revisor's Office

Conferees appearing before the committee:

Ernie Mosher, League of Kansas Municipalities
John Koepke, KASB
Jim Yonally, Shawnee Mission Schools

The chairman called the committee's attention to HB 2021 and HB 2023 which deal with the intangibles tax. He asked Wayne Morris to comment on the two bills. Wayne said HB 2021 is just a technical bill to re-enact the exemption from the tax lid which had been contained in the former intangibles tax law. Such an exemption had been enacted in 1982 but that bill did not specifically cite the tax lid law. HB 2021 is a clean-up bill which continues that exemption.

HB 2023 was also the result of an interim committee study on intangibles tax and does contain some policy questions discussed at the earlier hearing. The timing of the enactment of the bill is important because of the section regarding the dates for elections to either eliminate or impose the tax. Section 1 of the bill requires that referenda be held at a general election of that governing body or a state general election. He said the Attorney General has checked on the status of this bill wanting to know if townships can hold an election at the school district election on April 5, 1983, and have held off on issuing opinions because of this bill.

Senator Ehrlich made a conceptual motion to amend SB 2023 to grandfather the validity of any election held on behalf of a township on April 5, 1983. Senator Hayden seconded the motion and the motion passed.

Senator Ehrlich moved and Senator Angell seconded a motion to report SB 2023 as amended favorably for passage. The motion passed.

Senator Angell moved and Senator Allen seconded a motion to report HB 2021 favorably for passage. The motion passed.

The committee held a hearing on HB 2047, which deals with the taxation of motor vehicles changing tax situs. Ernie Mosher, League of Kansas Municipalities, referred to page 2 of the bill, stricken language, which requires the taxpayer to complete an affidavit declaring the tax situs of the motor vehicle to be in the county in which the same is to be registered. He said there is evidence that a good many people in Kansas are not registering their vehicle in the county of their residence. He said some cities and counties are losing some significant tax money, particularly Shawnee County which has fairly high property taxes. He was asking to restore the stricken language on page 2 and address this concern that the law is clear that this should not be done, but it is being done. From the standpoint of the county treasurer, there is no particular incentive to check on whether they were a bonafide resident. A county treasurer can only issue a renewal or license tag when the person says they live in that county, he doesn't have to ask for proof.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION,
room 526-S, Statehouse, at 11:00 a.m./~~p.m.~~ on MARCH 15, 1983.

Phil Martin said perhaps they can make it very specific on signing that they are a resident and their home is not necessarily where they work. Mostly it is people who are working in a city other than their residence. One solution might be to tighten up certification at the time of registration--without proper checks on registration and license, the appraiser is helpless.

The committee held a hearing on HB 2124 which provides for exempting school districts from the motor vehicle tax. John Koepke, KASB, told the committee that when simplifying the process which was intended to clarify that the motor vehicle tax shall not apply to any political subdivision of the state, school districts were not included. Some county treasurers have taken the position that this meant they were to tax them; so they tell them to pay the property tax and then they have to appeal to get their money back. This bill gives school districts the same property tax exemption as religious and charitable organizations and is really a clean-up.

Jim Yonally, Shawnee Mission Schools, spoke in support of the bill.

Senator Johnston moved and Senator Montgomery seconded a motion to report HB 2124 favorable for passage. The motion carried.

A hearing was held on HB 2054 which deals with the valuation of motor vehicles for budgetary and aggregate tax levy limit purposes. Ernie Mosher, Kansas League of Municipalities, said there was a problem with the property tax lid limits as a result of taking motor vehicles off the tax rolls and the need is to establish a percentage in calculating the property tax lid using 1980 percentage figures based on estimated information. He said they want to discontinue use of 1980 percentage figures and use the prior year's valuations.

Senator Allen moved and Senator Angell seconded a motion to report HB 2054 favorable for passage. The motion passed.

The committee reconsidered HB 2047 as to how to prevent county treasurers from accepting any registrations in violation of the law. It was discovered there is a penalty provision in the law which says the registrant must be a bonafide resident of the county where he applies for his license and if in violation is subject to a penalty of \$500 or some amount.

The chairman asked Phil Martin, PVD, to come back to the committee with some form of correcting this abuse.

The chairman adjourned the committee at 12:00 noon. The committee will meet at 11:00 a.m., March 16, Room 526-S.

