

Approved February 2, 1984
Date

MINUTES OF THE HOUSE COMMITTEE ON ASSESSMENT AND TAXATION

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

9:15 a.m./p.m. on January 27, 1984 in room 519S of the Capitol.

All members were present ~~except~~.

Committee staff present:

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

Conferees appearing before the committee:

Committee discussion was held on House Bill 2610. House Bill 2610 would amend K.S.A. 79-3279 to require that certain telephone companies apportion business income to Kansas using 1 factor - - Kansas regulatory net income to total regulatory net income before state income taxes.

The Revisor, because of a request from the Chairman, distributed copies of proposed amendments for House Bill 2610, (Exhibit I). Representative Roe made a motion that House Bill 2610 be amended to change "regulatory net income" to "book net income" and then include a definition of "book" within the bill. These amendments are listed on the attached Exhibit I. Representative Aylward seconded the motion. The motion carried.

Representative Rolfs made a motion that House Bill 2610 be passed as amended and Representative King seconded the motion.

Representative Leach made a substitute motion that House Bill 2610 be tabled as amended. Representative Jarchow seconded the motion. The motion passed.

The committee then discussed House Bill 2609 which would enact a new section to provide an inheritance tax credit of 100%, up to \$5,000, for donations of art to a Kansas museum.

Representative Miller made a motion that House Bill 2609 be tabled and Representative Vancrum seconded the motion. They both subsequently withdrew their motions.

After further discussion, Representative Miller made a motion that House Bill 2609 be tabled. Representative Vancrum seconded the motion.

Representative Rolfs made a substitute motion to amend conceptually to lower the tax credit from 100% to 30% and on state income tax returns, the charitable deduction taken on federal return will have to be added back in on the state return; also set a 12-month limit from the time the distributee receives the work of art for a credit to be taken. Representative Frey seconded the motion. The motion failed.

The Chairman called for the vote on the original motion that House Bill 2609 be tabled. The motion passed.

The committee then held discussions on Senate Bill 293. The Chairman presented an amendment which would amend the contents of House Bill 2018 of the 1983 session as it passed the House into Senate Bill 293. (Exhibit II) Following committee discussion, Representative Miller made a motion that the SB 293 be amended by the contents of Exhibit II. Representative Crowell seconded the motion.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ASSESSMENT AND TAXATION,
room 519S, Statehouse, at 9:15 a.m. ~~xxxx~~ on January 27, 1984.

The committee continued to discuss the bill, and Representative Miller revised his motion to amend on page 3 of the amendment draft under subsection (1) to read: "In the event the board grants the initial request for exemption, the same shall be effective beginning with the date of first exempt use". Representative Crowell revised his second. The motion carried.

Representative Crowell made a motion that SB 293 be reported favorable for passage as amended and Representative Rolfs seconded the motion. The motion carried. Representative Jarchow voted "No".

The minutes of the meetings held on January 24, 1984 and January 25, 1984 were approved as printed.

The meeting was adjourned.

Proposed amendment to HB 2610

On page 1, in line 36, by striking "regulatory" and inserting "book"; also, in line 36, after "taxes" by inserting "as determined pursuant to the uniform system of accounts prescribed by the federal communications commission"; in line 37, by striking "regulatory" and inserting "book"; in line 38, after "taxes" by inserting "as determined pursuant to the uniform system of accounts prescribed by the federal communications commission"

Proposed amendment to SB 293, as amended by Senate Committee

On page 1, in line 22, by striking "1982" and inserting "1983";

On page 2, after line 64, by inserting two new sections to read as follows:

"Sec. 2. K.S.A. 1983 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 for a specified period of years ~~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,--(6)--the--right--of--way--of--public--streets--and highways,--and--(7)--all--property--belonging--exclusively--to--the United--States,~~ 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."

"Sec. 3. K.S.A. 1983 Supp. 79-213 is hereby amended to read

as follows: 79-213. (a) Any property owner requesting an exemption from the payment of ad valorem property taxes assessed, or to be assessed, against their property shall be required to file an initial request for exemption, on forms approved by the board of tax appeals and provided by the county appraiser.

(b) The initial exemption request shall identify the subject property for which the exemption is requested and state, in detail, the legal and factual basis for the exemption claimed.

(c) The request for exemption shall be filed with the county appraiser of the county where the-subject such property is principally located.

(d) After a review of the exemption request, and after a preliminary examination of the facts as alleged, the county appraiser shall recommend that the exemption request either be granted or denied, and, if necessary, that a hearing be held. If a denial is recommended, a statement of the controlling facts and law relied upon shall be included on the form.

(e) The county appraiser, after making such written recommendation, shall then file the request for exemption and the recommendations of the county appraiser with the board of tax appeals.

(f) Upon receipt of the request for exemption, the board shall docket the same and notify the applicant and the county appraiser of such fact.

(g) After examination of the request for exemption, and the county appraiser's recommendation related thereto, the board may fix a time and place for hearing, and shall notify the applicant and the county appraiser of the time and place so fixed. In any case where a party to such request for exemption requests a hearing thereon, the same shall be granted. In all instances where the board sets a request for exemption for hearing, the county shall be represented by its county attorney or county counselor.

(h) In the event of a hearing, the same shall be originally set not later than ~~ninety-(90)~~ 90 days after the filing of the

request for exemption with the board.

(i) When a determination is made as to the merits of the request for exemption, the board shall enter its order thereon and give notice of the same to the applicant, the county attorney and the county appraiser by sending to each a certified copy of its order.

(j) The date of the order, for purposes of filing an appeal to the district court, shall be the date that a certified copy of the order is mailed to the party seeking to appeal.

(k) During the pendency of a request for exemption, and in the event that taxes have been assessed against the subject property, no interest shall accrue on any unpaid tax for the year or years in question from the date the request is filed with the county appraiser until the expiration of ~~thirty--(30)~~ 30 days after the board issued its order thereon.

(l) In the event the board grants the initial request for exemption, the same shall be effective ~~for the period~~ beginning with the date of first exempt use ~~and ending on December 31 of the tax year in question.~~ Thereafter, ~~the tax exemption shall be renewed by the filing of an annual claim for exemption pursuant to K.S.A. 1982 Supp. 79-210 with the county appraiser of the county in which the subject property is principally located.~~

(m) In conjunction with its authority to grant exemptions, the board shall have the authority to abate all unpaid taxes that have accrued from and since the date of first exempt use. In the event that taxes have been paid during the period where the subject property has been determined to be exempt, the board shall have the authority to order a refund of said taxes for a period not to exceed three ~~(3)~~ years.

(n) The provisions of this section shall not apply to farm machinery and equipment exempted from ad valorem taxation by K.S.A. 1982 Supp. 79-201j, and amendments thereto."

Also, on page 2, in line 65, by striking "1982" and inserting "1983"; also, in line 65, by striking "is" and inserting ", 79-210 and 79-213 are";

In the title, in line 19, after the semicolon by inserting "concerning the claiming of property tax exemptions;"; also, in line 19, by striking "1982" and inserting "1983"; also in line 19, before "and" by inserting ", 79-210 and 79-213"; in line 20, by striking "section" and inserting "sections";