

Approved On: _____

Minutes of the House Committee on Assessment and Taxation. The meeting was called to order by E. C. Rolfs, Chairman, at 9:00 a.m. on February 28, 1985 in room 519 South at the Capitol of the State of Kansas.

All members of the Committee were present.

Committee staff present:

Tom Severn, Legislative Research
Melinda Hanson, Legislative Research
Don Hayward, Reviser of Statutes
Millie Foose, Committee Secretary

Representative Marvin Smith testified as a proponent for HB-2347, an act concerning taxation; relating to the aggregate tax levy limitation. (Attachment 1)

Thelma Hagen, trustee for Soldier Township, spoke in support of HB-2347, because Soldier Township will lose approximately \$100,000 due to the repeal by the voters of the intangibles tax. (Attachment 2)

Patsy A. McDonald, Shawnee County Clerk, submitted written testimony supporting HB-2347. (Attachment 3)

Representative Nancy Brown testified in support of HB-2347, and this concluded the hearing on this bill.

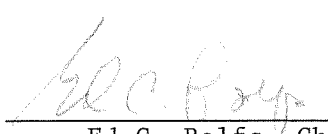
Representative George Teagarden testified as a proponent for HB-2375, an act imposing a property tax on intangible personal property.

Fred Allen, Kansas Association of Counties, reported that counties have consistently endorsed the taxation of intangible property and support HB-2375. (Attachment 4) This concluded the public hearing on the bill.

There was committee discussion concerning the situs for the intangible tax, HB-2288. Don Hayward explained the bill and a letter from Bill Gusenius was read. Mr. Gusenius is an attorney located in Lindsborg, Kansas.

The minutes of February 27 were reviewed, and a correction is required. KCCI took no position on HB-2412. There being no further changes, the minutes were approved as corrected.

There being no further business, the meeting was adjourned.



Ed C. Rolfs, Chairman

MARVIN E. SMITH
REPRESENTATIVE, FIFTIETH DISTRICT
SHAWNEE AND JACKSON COUNTIES
123 N E 82ND STREET
TOPEKA, KANSAS 66617



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
VICE CHAIRMAN GOVERNMENTAL ORGANIZATION
MEMBER EDUCATION
FEDERAL AND STATE AFFAIRS

February 28, 1985

TO: Mr. Chairman and Members
RE: HB 2347
FROM: Representative Marvin E. Smith

Last year the voters of some of the townships exercised the petition and election process to repeal the intangible tax.

This tax revenue has amounted to as much as 10% of the total budget. In 1986, this loss of revenue will impact on the township budgets.

HB 2347, with respect for townships, would provide the increase in ad valorem tax levy necessary to raise such additional monies may be made in any fund of such township to offset the resulting loss in intangible tax revenue.

Some of our township boards are especially concerned about the impact in loss of revenue especially with the possibility of decrease in revenue sharing.

I would appreciate your favorable consideration for this needed legislation.



Soldier Township

600 N.W. 46th, Topeka, Kansas 66617

February 27, 1985

Rep. Ed C. Rolfe, Chairman
House Assessment and Taxation Committee
State Capitol Building, Room 155-E
Topeka, Kansas 66612

Re: House Bill 2347

Rep. Rolfe:

In the case of Soldier Township, Shawnee County, Kansas, the intangibles tax levy was repealed by election in 1984.

The township stands to lose approximately \$100,000 due to the repeal of this levy.

K.S.A. 12-1,101 authorizes the township

".....to offset the loss in revenue from the elimination of such tax by.....increasing its ad valorem tax levy for the general fund...."

Since the township cannot, under K.S.A. 80-1406b, transfer funds received from such an increase from the general fund into a fund where it is needed, it is now necessary to provide for making these moneys available to the township in its choice of funds.

Soldier Township has been transferring the revenues from intangibles tax to the Road Fund.

Soldier Township supports House Bill 2347 allowing

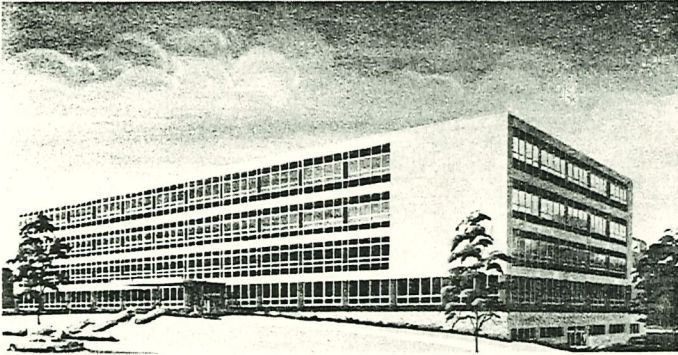
".....the increase in the ad valorem tax levy necessary to raise such additional moneys may be made in any fund of such township...."

We ask that you pass this bill.

Very truly yours,

Thelma L. Hagen
Trustee

Vernon E. Evans
Treasurer



SHAWNEE COUNTY
OFFICE OF COUNTY CLERK
Patsy A. "Pat" McDonald

COUNTY CLERK

(913) 295-4155 CLERK
(913) 295-4159 ACCOUNTING

COURTHOUSE - ROOM 107
TOPEKA, KANSAS 66603

February 27, 1985

Rep. Ed C. Rolfs, Chairman
House Assessment and Taxation Committee
State Capitol Building, Room 155-E
Topeka, Kansas 66612

Re: House Bill 2347

Rep. Rolfs:

When the township intangibles tax has been repealed by an election, K.S.A. 79-5020 authorizes the following:

"the increase in the ad valorem tax levy necessary to raise such additional moneys shall be in addition to any aggregate tax levy limitation on such township which may be fixed by existing law or any law hereafter enacted."

Intangible tax has always been placed in the general fund and most of it transferred to the road fund. While the loss of this intangible money may now be made up in the general fund, this is now a problem because K.S.A. 80-1406b says:

"any township which did not make a tax levy for the township general fund..... may transfer all or any part of such surplus..."

K.S.A. 80-1406b says townships cannot transfer any levied money. It doesn't help the townships to levy this additional money in the general fund, because they need it in their road funds.

We heartily support House Bill 2347, allowing the townships to make up lost revenue by increasing the ad valorem tax levy necessary to raise such additional moneys in any fund of such township.

We urge your favorable support of this bill for swift passage.

Sincerely,

Patsy A. McDonald
Shawnee County Clerk

PAM/llh

ATTACHMENT 3

2/28/85

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Kansas Association of Counties

Serving Kansas Counties

Suite D, 112 West Seventh Street, Topeka, Kansas 66603

Phone 913 233-2271

February 28, 1985

To: House Assessment and Taxation
From: Kansas Association of Counties,
Re: HB 2375, Intangibles Tax

Counties have consistently endorsed the taxation of intangible property and considered it a fair and equitable tax until it was gradually depleted by legislative action over a period of years.

We would urge your support of the reinstatement of this tax as a revenue source in its original form

2/28/85