

MINUTES OF THE Senate COMMITTEE ON Assessment and Taxation

The meeting was called to order by Senator Fred A. Kerr at
Chairperson

11:00 a.m. ~~XXX~~ on Wednesday, March 6, 1985 in room 519-S of the Capitol.

All members were present ~~XXXX~~

Committee staff present:

Tom Severn, Research Department
Melinda Hanson, Research Department
Don Hayward, Revisor's Office
LaVonne Mumert, Secretary to the Committee

Conferees appearing before the committee:

Senator Nancy Parrish
Robert Barnum, Social and Rehabilitation Services
Bill Curtis, Kansas Association of School Boards
Lowell Abeltd, State Association of Kansas Watersheds
Ken Kern, State Conservation Commission
Mason Flora, State Association of Kansas Watersheds
Joe Harkins, Kansas Water Office

S.B. 195 - Additional exemption for adopted children with special needs

Senator Nancy Parrish explained that the bill would give a special exemption for parents that adopt "special needs" children. The exemption would be \$2,000 a year until the children reaches age 21 and would be in addition to other benefits such as a medical card. She said there are approximately 40 special needs children available for adoption at any given time. Senator Parrish pointed out this could mean great savings to the state because of the high cost of institutional care. She said the fiscal note for the bill is approximately \$50,000.

Robert Barnum testified in favor of the bill (Attachment 1). He distributed a suggested amendment (Attachment 2) which would provide a \$200 per year tax credit rather than the exemption. Mr. Barnum said that the Department of Revenue advises that the tax credit would be easier to administer than the exemption. He estimates the fiscal note of the bill with his proposed amendment would be \$100,000. Mr. Barnum stressed the great benefit to children of being adopted as well as the savings to the state.

S.B. 251 - Income tax checkoff for elementary and secondary educational programs

Senator Parrish explained that her idea for the bill came about because the general public is supportive of educational funding, and she feels people would be willing to designate money if they are assured it will go for education. She said there is no way to predict the amount that would be raised by a checkoff but pointed out that the wildlife checkoff amounted to \$128,000 last year. Senator Parrish said the bill specifies that the funds would be placed in an educational grant fund under the authority of the Department of Education, but she is receptive to ideas for use of the funds. She mentioned possibilities of pilot programs, merit pay proposals, etc. Senator Parrish pointed out that another approach would be to legislatively designate the funds each year.

Bill Curtis testified in favor of S.B. 251. He suggested that local foundations might be more successful in raising funds. Mr. Curtis also suggested that the terms "enrichment" and "enhancement" activities should be further defined in the bill.

S.B. 320 - Annual tax levy for watershed districts

Lowell Abeltd testified in favor of S.B. 320. He said the bill would authorize watershed districts to levy up to 6 mills; the present limit is 2 mills. Mr. Abeltd discussed the problem of federal funds cut-backs and talked about the

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Assessment and Taxation,
room 519-S, Statehouse, at 11:00 a.m./~~xxx~~ on Wednesday, March 6, 1985.

need to complete and maintain projects. He distributed "State Appropriated General Funds Watershed Dam Construction Assistance" (Attachment 3) and "State Conservation Commission Programs Five Year Fiscal Impact - Program Costs" (Attachment 4).

Ken Kern spoke in favor of the bill. He said the cost-share program currently provides 70% of the costs and an additional 10% for engineering, leaving the balance of 20% for the local beneficiary to raise.

Mason Flora testified in favor of the bill. He discussed flood control and the need for the additional mill levy authority.

Joe Harkins testified in favor of S.B. 320. He said the bill is totally consistent with the recommendations of the State Water Plan. Mr. Harkins said that when the Water Plan was being drafted, the drastic cut-backs in federal funds were not anticipated.

Senator Salisbury moved that the minutes of the March 1, 1985 meeting be approved. Senator Thiessen seconded the motion, and the motion carried. Senator Burke moved that the minutes of the March 4 and 5, 1985 meetings be approved. Senator Mulich seconded the motion, and the motion carried.

S.B. 74 - Sales tax; situs of telephone service

It was pointed out that similar provisions to this bill have already passed the Senate in S.B. 84. Senator Parrish moved that the bill be reported adversely. Senator Karr seconded the motion, and the motion carried.

S.B. 97 - Business income defined for UDITPA purposes

This bill was requested by the Department of Revenue. Information received indicated that the Department no longer wants the bill. Senator Thiessen moved that the bill be reported adversely. Senator Mulich seconded the motion, and the motion carried.

S.B. 117 - Collection of sales tax on motor vehicles by county treasurer

Chairman Kerr said that the House Committee on Assessment and Taxation has passed a bill on this subject on to the House of Representatives. He said the House provisions are similar to S.B. 133. Thus, S.B. 117 would not be needed. Senator Thiessen moved that the bill be reported adversely. Senator Mulich seconded the motion, and the motion carried.

S.B. 194 - Income tax credit for water measuring device costs

Committee discussion indicated a preference for a cost-share approach to this idea rather than a tax credit approach. The Revisor said a cost-share amendment would not be germane to this tax bill. No action was taken on S.B. 194.

Meeting adjourned.

State Department of Social and Rehabilitation Services

Statement Regarding S.B. 195

1. Title

Tax Credit for Families Adopting Special Needs Children

2. Purpose

This bill provides a financial incentive to assist families to adopt special needs children. Special needs children are more costly to maintain than other children. It provides a \$200 per year state income tax credit to families who adopt special needs children.

3. Background

SRS staff and Kansas child placing agencies have been promoting the adoption of special needs children for the past ten years. As a result there has been a dramatic reduction in the number of legally free children remaining in the foster care system. Through various incentive programs, i.e., adoption support, medical care, etc., the responsibility for these children has shifted from the state to Kansas families. In 1984, 195 SRS special needs children were adopted. For the purposes of this bill special needs is defined as a child who has a "specific social, physical, mental, or emotional condition which makes an unassisted adoption unlikely."

4. Effect of Passage

This bill provides an additional incentive to families to adopt special needs children. With minimal revenue effect for the state, this bill serves to promote the concept of special needs adoption among Kansas citizenry.

5. SRS Recommendation

SRS recommends passage of this bill.

Robert C. Harder
Office of the Secretary
Social and Rehabilitation Services
296-3271
March 6, 1985

SENATE BILL No. 195

By Senators Johnston, Anderson, Daniels,
Feleciano, Gannon, Hayden, Karr, Martin, Mulich,
Norvell, Parrish, Steineger, Strick and Warren

2-12

0019 AN ACT relating to income taxation; ~~allowing additional per-~~
0020 ~~sonal exemptions for adopted~~ children with special needs.

providing an income tax credit for certain persons
adopting

0021 *Be it enacted by the Legislature of the State of Kansas:*

0022 Section 1. (a) In addition to the exemptions authorized by
0023 K.S.A. 79-32,121, and amendments thereto, an individual who
0024 adopts a child with special needs shall be ~~allowed~~ a Kansas
0025 ~~exemption of \$2,000 for each such child for every taxable year in~~
0026 ~~which such child is a dependent of the taxpayer and is less than~~
0027 ~~21 years of age.~~

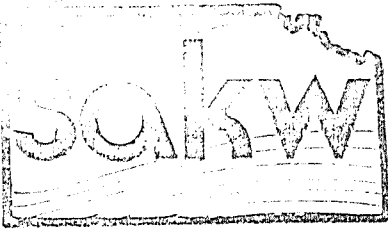
entitled to claim
tax credit in the amount of \$200 per child against the
income tax liability imposed against such individual
pursuant to article 32 of chapter 79 of the Kansas
Statutes Annotated subject to the provisions of this
section. The tax credit shall be allowable in each tax-
able year that the child is claimed as a dependent of
the taxpayer and is under 21 years of age on the last day
of the taxable year. A copy of the certification of the
department of social and rehabilitation services shall
accompany every return on which the credit allowed under
this section is claimed.

0028 (b) As used in this section: (1) "Dependent" shall have the
0029 same meaning ascribed thereto by the federal internal revenue
0030 code of 1954 and amendments thereto; and (2) "child with
0031 special needs" means a person who, at the time of adoption, is
0032 under 18 years of age, is the legal ward of a public or private
0033 nonprofit adoption agency, is legally available for adoption and
0034 has been certified by the state department of social and rehabil-
0035 itation services to have a specific social, physical, mental or
0036 emotional condition which makes an unassisted adoption un-
0037 likely.

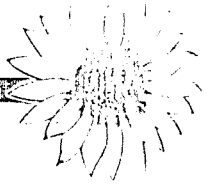
(b) The credit allowed by subsection (a) shall not
exceed the amount of the tax imposed by article 32 of
chapter 79 of the Kansas Statutes Annotated reduced by
the sum of any other credits allowable pursuant to law.

0038 (c) The provisions of this section shall be applicable to all
0039 taxable years commencing after December 31, 1984.

0040 Sec. 2. This act shall take effect and be in force from and
0041 after its publication in the statute book.



STATE ASSOCIATION OF KANSAS WATERSHEDS
BOX 246, WESTMORELAND, KANSAS 66549



STATE CONSERVATION COMMISSION
STATE APPROPRIATED GENERAL FUNDS
WATERSHED DAM CONSTRUCTION ASSISTANCE

<u>Fiscal Year</u>	<u>Appropriated</u>	<u>Dams Completed</u>
FY 1977	\$ 500,000	29
FY 1978	500,000	22
FY 1979	600,000	20
FY 1980	600,000	21
FY 1981	600,000	18
FY 1982	600,000	14
FY 1983	675,000	8
FY 1984	675,000	18
FY 1985	<u>800,000</u>	<u>16*</u>
TOTAL	\$5,550,000	166

*Under construction

85 organized Watershed districts to date.

73 organized Watershed districts have state approved General Plans.

3534 dams are proposed to be constructed within the 72 districts with approved General Plans.

852 dams have been constructed within the 72 districts with approved General Plans. (Federal P.L. 566, State Cost-Share and district funded.)

43 dams are currently being constructed within the 72 districts with approved General Plans.

2639 dams remain to be constructed within the 72 districts with approved General Plans.

7 dams have been constructed with municipal water supplies in conjunction with watershed districts.

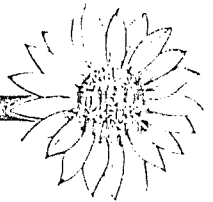
4 dams are proposed with water supplies for Rural Water Districts in cooperation with a district.

7 dams are proposed with recreational water supplies in cooperation with a district.

3 dams are proposed with municipal water supplies in cooperation with a district.



2



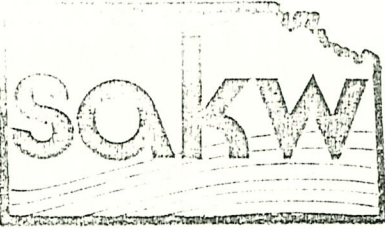
STATE ASSOCIATION OF KANSAS WATERSHEDS
BOX 246, WESTMORELAND, KANSAS 66549

Water Resources Cost-Share Program
for Land Treatment
State Appropriated General Funds

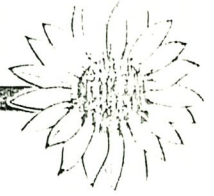
<u>Fiscal Year</u>	<u>Appropriation</u>
FY 1981	\$1,000,000
FY 1982	900,000
FY 1983	1,250,000
FY 1984	1,250,000
FY 1985	<u>1,500,000</u>
TOTAL	\$5,900,000

Land Treatment Practices - FY 1985:

- Animal Waste Control System
- Critical Area Planting
- Diversions
- Pond
- Grade Stabilization Structure
- Grassed waterway or outlet
- Irrigation System, Tailwater Recovery
- Irrigation Pit
- Spring Development
- Terraces
- Underground outlet for terrace or diversion
- Livestock wells
- Water and Sediment Control Basin



STATE ASSOCIATION OF KANSAS WATERSHEDS
BOX 246, WESTMORELAND, KANSAS 66549



State Conservation Commission Programs
Five Year Fiscal Impact - PROGRAM COSTS*

	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
Watershed Dam Construction within Watershed Districts	\$2,000,000	\$2,500,000	\$3,000,000	\$3,500,000	\$3,750,000
Watershed Dam Construction outside Watershed Districts	100,000	200,000	300,000	300,000	300,000
Water Resources Cost-Share Program	3,000,000	3,500,000	4,000,000	4,500,000	5,000,000
Watershed Planning Assis- tance	<u>100,000</u>	<u>250,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
TOTAL	\$5,200,000	\$6,450,000	\$7,600,000	\$8,600,000	\$9,350,000

*This does not include administration costs, which will be approximately 5% of the program costs.

PL-566 COMMITMENTS

