

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, April 24, 1985 in room 519-S of the Capitol.

All members were present ~~except~~:

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:

Representative Joan Wagon
Harry Felker, City of Topeka
Joseph Zima, Shawnee County
Darold Main, Shawnee County
Fred Weaver, Board of Tax Appeals
Vic Miller, Property Valuation Division

Senator Allen moved that the minutes of the April 11, 1985 meeting be approved. Senator Mulich seconded the motion, and the motion carried.

H.B. 2595 - Kansas retailers' sales tax act, defining "political subdivision" to include public building commission

Representative Joan Wagon explained that the bill would make a public building commission eligible for tax exemption by defining it as a political subdivision. The bill would allow an exemption for the proposed Shawnee County jail because it is being built by a public building commission.

Harry Felker testified in favor of the bill. He is a member of the public building commission constructing the new jail. He provided copies of the statutes relating to public building commissions (K.S.A. 12-1757 through 12-1769). Mr. Felker explained that the statutes permit a municipality to create a public building commission for the construction of a public building. He explained that Topeka and Shawnee County have used the public building commission in order to consolidate and save funds. There was discussion about how broad the effect of the bill might be.

Joseph Zima testified in favor of the bill on behalf of the Board of County Commissioners. He advised that Shawnee County has entered into a long-term lease to buy back the building.

Darold Main spoke in support of H.B. 2595. He discussed the advantages of using a public building commission for construction of the jail.

Senator Burke moved that H.B. 2595 be recommended favorably for passage. Senator Mulich seconded the motion, and the motion carried.

The Committee turned its attention to a memorandum (Attachment 1) regarding potential interim committee study topics.

Fred Weaver explained that the item regarding adult care homes, children's foster homes, etc. includes areas of housing, deinstitutionalizing and lowest feasible costs. He said the property tax structure topic takes in various filing dates and extinct functions that should be updated. Chairman Weaver also suggested that the areas of proprietary interests and mortgage registration fees be recommended for interim study.

The Committee discussed the estimate of 51 million dollars for state-wide reappraisal. Vic Miller explained that this would include costs for mapping the entire state. He pointed out that counties are presently required by statute to utilize mapping. Mr. Miller said the mapping would cost 25 million

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Assessment and Taxation,
room 519-S, Statehouse, at 11:00 a.m./~~p.m.~~ on April 24, 1985

dollars if nothing at all has been done in the area of mapping. He said, in effect, counties could be rewarded if they have kept current with maps because the state funds allotted to counties will be on a per parcel basis. Mr. Miller said they really have no idea of the total cost involved in reappraisal. He advised that they anticipate spending some \$350,000 during FY 86 for studies and consultants which will provide better planning. Chairman Kerr agreed with Mr. Miller that the procedure must be carefully planned, efficiently carried out and adequately funded. He said he was not agreeing to a total cost of 51 million dollars for the reappraisal. He said he would expect to recommend adequate funding for the next fiscal year to get the reappraisal process started.

The Committee agreed, by concensus, to recommend the items set out in the memorandum for interim study as well as the two additional suggestions made by Chairman Weaver. The Committee further agreed that the Chairman would evaluate and decide whether or not to recommend additional topics for interim study.

Senator Karr noted that there may be substantial federal cuts in funding for states and that an interim committee might want to evaluate replacing the funds. He also noted that a school finance interim committee might be studying plans with tax implications.

Senator Parrish suggested that IRB procedures may be allowing sales tax exemptions beyond the intent. She suggested that this issue be studied.

Meeting adjourned.

FRED A. KERR
 SENATOR, THIRTY-THIRD DISTRICT
 BARBER, COMANCHE, HARPER, KINGMAN, KIOWA,
 PRATT, STAFFORD, S. RENO,
 W. SUMNER COUNTIES
 ROUTE 2
 PRATT, KANSAS 67124



TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS
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M E M O R A N D U M

To: Senate Assessment and Taxation Committee Members
 From: Chairman Fred A. Kerr
 Date: April 24, 1985

Following is a list of potential interim committee study issues for your consideration.

- . S.B. 133 - Local compensating use tax imposed upon motor vehicles (Warren)
- . S.B. 190 - Real and personal property defined for property taxation purposes (Martin)
- . Adult care homes, children's foster homes, etc. (Board of Tax Appeals)
- . Property tax structure, dates, etc. (Board of Tax Appeals)
- . Reappraisal - monitoring the progress of state-wide reappraisal (S.B. 164)

Feel free to suggest additional potential topics for further study.

FAK/lm

ATTACHMENT

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