

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL & STATE AFFAIRS

The meeting was called to order by REPRESENTATIVE ROBERT H. MILLER at
Chairperson

1:30 a.m./p.m. on February 12, 1986 in room 526S of the Capitol.

All members were present except:
Rep. Peterson

Committee staff present:
Lynda Hutfles, Secretary
Russ Mills, Research

Conferees appearing before the committee:

Representative Roe
Nick Jordan, Travel Industry Association of Kansas
Bud Grant, Kansas Commerce & Commercial Industries
Steve Rosenblatt, Kansas Expocentre
Judy Murphy, Junior League of Wichita
Rick Graham
Sedgwick County District Attorney Office
Lee Hannafin
Shirley Condiff, Tourism Wichita Convention & Visitor's Bureau
Representative Bob Vancrum
Vic Miller, Director of Property Valuation

The meeting was called to order by Chairman Miller.

Representative Ramirez made a motion, seconded by Representative Sughrue, to approve the minutes of the February 11 meeting. The motion carried.

HB2819 - Judicial nominating committee

Representative Roe, sponsor of the bill, gave testimony explaining HB2819 which prohibits members of the Kansas Legislature from serving on non-partisan judicial nominating committees. See attachment A. He suggested amending the grandfather clause to 1990.

Hearings on HB2819 were concluded.

SB 411 - transient merchant
SB 412 - transient merchant

Nick Jordan, Travel Industry Association of Kansas, gave testimony in support of the bill. He expressed concern over groups who book into the state for longer than 14 days. See attachment B.

Bud Grant, Kansas Commerce & Commercial Industries, gave testimony in support of the bill. The transient merchant act was adopted to provide some assurance that local taxes are being properly collected and to provide some type of protection to the consumer who purchases the product offered for sale. See attachment C.

There was discussion as to whether these transient merchants compete with the local merchants.

Steve Rosenblatt, Kansas Expocentre, expressed his concerns relating to the bills and recommended that the laws be changed or amended to exclude organized trade show activities which take place at convention facilities across the state. See attachment D.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL & STATE AFFAIRS
room 526S, Statehouse, at 1:30 a.m./p.m. on February 12, 1986

Judy Murphy, Junior League of Wichita, Inc., gave testimony expressing their support of any legislation that clearly defines tax exemption for events sponsored by non-profit organizations. See attachment E.

Rick Graham expressed the ramifications of the transient merchant act. See attachment F.

The Sedgwick County District Attorney's Office asked that testimony be distributed during the meeting expressing their views on SB411 & SB412. See attachment G.

Lee Hannafin told the committee how the transient merchant act and SB 411 & SB412 effect swap meets. See attachment H.

Shirley Condiff, Director of Tourism Wichita Convention and Visitor's Bureau, expressed their support of SB411 & SB412. See attachment I.

Representative Vancrum explained SB 411 & SB412, See attachment J & K.

Vic Miller, Director of Property Valuation, expressed his concerns with SB411 & SB412. He suggested that New Section 1(a) read: "personal property which is held for an aggregate of not more than 14 days during the taxable year is exempt from all property or ad valorem taxes levied under the laws of the state of Kansas."

Hearings were concluded on SB411 & SB412.

The meeting was adjourned.

STATE OF KANSAS

KEITH ROE
REPRESENTATIVE 109TH DISTRICT
JEWELL, SMITH, OSBORNE COUNTIES



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
CHAIRMAN RULES AND JOURNAL
CHAIRMAN LEGISLATIVE JUDICIAL AND
CONGRESSIONAL APPORTIONMENT
MEMBER ASSESSMENT AND TAXATION
ENERGY AND NATURAL RESOURCES
FEDERAL AND STATE AFFAIRS

February 12, 1986

HOUSE BILL # 2819

Prohibits members of Kansas Legislature from serving on non-partisan judicial nominating commissions.

1. The Kansas Legislature has a duty under Article 3, Section 6 of the Constitution to provide for a non-partisan selection of judges.
2. Under separation of powers doctrine, the judicial and legislative branches should be separate and distinct.
3. A grandfather clause enables completion of the remainder of member's current terms.

ATTACHMENT A

H. F+SA
2/12/86

§ 5. Selection of justices of the supreme court. (a) Any vacancy occurring in the office of any justice of the supreme court and any position to be open thereon as a result of enlargement of the court, or the retirement or failure of an incumbent to file his declaration of candidacy to succeed himself as hereinafter required, or failure of a justice to be elected to succeed himself, shall be filled by appointment by the governor of one of three persons possessing the qualifications of office who shall be nominated and whose names shall be submitted to the governor by the supreme court nominating commission established as hereinafter provided.

(b) In event of the failure of the governor to make the appointment within sixty days from the time the names of the nominees are submitted to him, the chief justice of the supreme court shall make the appointment from such nominees.

(c) Each justice of the supreme court appointed pursuant to provisions of subsection (a) of this section shall hold office for an initial term ending on the second Monday in January following the first general election that occurs after the expiration of twelve months in office. Not less than sixty days prior to the holding of the general election next preceding the expiration of his term of office, any justice of the supreme court may file in the office of the secretary of state a declaration of candidacy for election to succeed himself. If a declaration is not so filed, the position held by such justice shall be open from the expiration of his term of office. If such declaration is filed, his name shall be submitted at the next general election to the electors of the state on a separate judicial ballot, without party designation, reading substantially as follows:

"Shall _____

(Here insert name of justice.)

(Here insert the title of the court.)

be retained in office?"

If a majority of those voting on the question vote against retaining him in office, the po-

sition or office which he holds shall be open upon the expiration of his term of office; otherwise he shall, unless removed for cause, remain in office for the regular term of six years from the second Monday in January following such election. At the expiration of each term he shall, unless by law he is compelled to retire, be eligible for retention in office by election in the manner prescribed in this section.

(d) A nonpartisan nominating commission whose duty it shall be to nominate and submit to the governor the names of persons for appointment to fill vacancies in the office of any justice of the supreme court is hereby established, and shall be known as the "supreme court nominating commission." Said commission shall be organized as hereinafter provided.

(e) The supreme court nominating commission shall be composed as follows: One member, who shall be chairman, chosen from among their number by the members of the bar who are residents of and licensed in Kansas; one member from each congressional district chosen from among their number by the resident members of the bar in each such district; and one member, who is not a lawyer, from each congressional district, appointed by the governor from among the residents of each such district.

(f) The terms of office, the procedure for selection and certification of the members of the commission and provision for their compensation or expenses shall be as provided by the legislature.

(g) No member of the supreme court nominating commission shall, while he is a member, hold any other public office by appointment or any official position in a political party or for six months thereafter be eligible for nomination for the office of justice of the supreme court. The commission may act only by the concurrence of a majority of its members.

B

FEBRUARY 12, 1986

House Committee on Federal & State Affairs

Nick Jordan

Legislative Chairman - Travel Industry Association of Kansas

Director - Overland Park Convention & Visitors Bureau

Thank you for the opportunity to speak concerning SB-411 and SB-412. We certainly appreciate the effort made by Senators and Representatives, certainly Representative Vancrum who chaired the Interim Committee, to correct problems that could have a devastating effect on conventions, tradeshow, fairs and festivals in our State.

Convention centers in Topeka, Wichita, Salina, Kansas City, Kansas and a proposed center in Overland Park represent multi-million dollar investments by cities to attract conventions and trade shows. These groups in turn contribute millions to local economies. In a year when economic development is the "buzz-word" in the legislature, we should work together to encourage more convention and visitor traffic in the State, which now stands as the State's third largest industry and is positioned for future growth.

The exemptions in both SB-411 and SB-412 seem to cover the groups most likely to come to the State. Our only concern now is if a group we did not think of "books" into our State or if we should find a convention, trade show, fair or festival that runs longer than 14 days. This situation is reality with the National Bowling Congress which is booked for 1989 in Wichita.

The National Bowling Congress is a four month convention/trade show worth an approximate \$20 million to the City of Wichita. An amendment to SB-412, which is found under 6 (c) lines 65 thru 73, was designed to alleviate the problem with the National Bowling

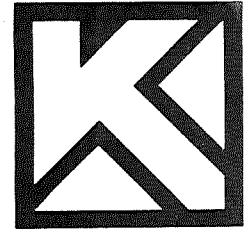
Congress. However, what will happen if other trade shows and conventions come into the State for an extended period of time or one of our fairs or festivals such as the Kansas State Fair or the Renaissance Festival decide to extend their number of days?

We would certainly appreciate consideration given to removing the 14 day stipulation in line 28 and line 46.

Thank you once again for your consideration of this legislation and its ramifications for the convention and visitor industry.

LEGISLATIVE TESTIMONY

Kansas Chamber of Commerce and Industry



500 First National Tower One Townsite Plaza Topeka, KS 66603-3460 (913) 357-6321

A consolidation of the
Kansas State Chamber
of Commerce,
Associated Industries
of Kansas,
Kansas Retail Council

SB 411 & 412

February 12, 1986

KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the
House Federal and State Affairs Committee

by

Bud Grant
Executive Director

Mr. Chairman, members of the committee. My name is Bud Grant and I appear today as Executive Director of the Kansas Retail Council a major division of the Kansas Chamber of Commerce and Industry. I appreciate the opportunity to appear in support of Senate Bills 411 and 412.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 3,000 businesses which includes 200 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 55% of KCCI's members having less than 25 employees, and 86% having less than 100 employees. KCCI receives no government funding.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

Problems associated with the growth of transient merchants over the past few years have caused state and local governments to begin to license and regulate their

activities. Approximately half the states now have statutes in place with Kansas joining Texas and Oklahoma in beginning this process in 1985. The purpose being to provide some assurance that state and local taxes are properly collected and paid and to provide some type of protection to the consumer who purchases the product offered for sale.

Senate Bills 411 & 412 are the products of an interim committee and are designed to correct the inequities which existed in the original legislation. Certainly it was not intended that those who participate in trade shows be considered as transient merchants. SB 411 addresses this problem. Nor was it recognized that there existed since 1915 a statute which would call for the payment of inventory taxes for merchandise brought into the state for sale on a temporary basis, regardless of whether that merchandise was being displayed and sold by a transient merchant. SB 412 addresses that problem.

The Kansas Retail Council supports both SB 411 & 412 and request that the committee expedite their favorable recommendation.

Thank you again Mr. Chairman for allowing us to appear. I would be pleased to attempt to answer any questions.

P



Kansas EXPOCENTRE

EXECUTIVE MANAGER
STEVEN R. ROSENBLATT

Steven R. Rosenblatt
Executive Manager
Kansas Expocentre

TO: MEMBERS OF THE FEDERAL AND STATE AFFAIRS COMMITTEE

Members of the committee, I am Steven Rosenblatt, the Executive Manager of the Kansas Expocentre, and I thank you for allowing me to be here to speak to you about issues of importance to the economic success and survival of the Kansas Expocentre, other convention facilities in the state and the trade show industry in the State of Kansas in general.

Several months ago, I received a letter from Mike Grimaldi of the Bicentennial Center in Salina detailing the events surrounding the cancellation of the third Regal Rose Antique Show due to a combination of the transient merchant licensing act and the personal property tax. A cancellation that cost the Bicentennial Center several thousand dollars - a loss that somehow must be made up by the local taxpayers and a financial loss of even more to the entire local community - a loss which may never be made up.

In September, I received a letter from Terry Brotherton - a producer who had a trade show scheduled at the Kansas Expocentre in 1987. Along with his letter, he enclosed an article from a recent issue of Old Cars Weekly - a national publication he claims has several hundred thousand subscribers. Mr. Brotherton states in his letter he was looking forward to bringing his show to Kansas and I quote, "However, after reading the attached clipping, it is my opinion that your elected state officials have just about eliminated Kansas from the trade show business." He goes on to say that I should work with facility managers and again I quote, "...because unless something is done, there will not be any more trade shows in your state." He concludes his letter with a P.S. - quote, "Attached is some informa-

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2/2/86

ATTACHMENT D

tion on our 1985-86 tour that will give you a better idea of what we had hoped to bring to Kansas."

The article Mr. Brotherton enclosed starts off with, "A new state law in Kansas, requiring licensing of transient merchants, is hurting trade shows in that state." It states that a Salina antique show and sale was cancelled after the promoter realized the new state law would be too costly. The Producer was quoted as saying, "Until the laws are changed, there will be no more trade shows in Kansas."

The article continues with a brief section on George Kuehler of Continental Show Ltd. in Wichita. He was quoted as saying, "Several of the dealers will probably never come back to Kansas to do a show, this is my last trip to Kansas."

Ladies and gentlemen, in this state we already have liquor laws which many feel are stifling our economic well-being and give others a negative opinion of us. You, as elected officials, have exhibited the courage and wisdom to allow those laws to be changed. Now we have trade show laws which also stifle our economic well-being and further enhance the negative opinion others have of us. Please have the wisdom and the courage to change these laws.

I know we are here to discuss the Licensing of Transient Merchants; however, K.S.A. 79-1434 (the 1915 property tax law) probably has more of a negative effect on trade shows in Kansas, so I would like to deal with these issues in relation to convention facilities across the state.

I would recommend that, at the very least, the laws be amended, changed or modified to exclude organized trade show activities which take place at convention facilities across the state. This action needs to be taken NOW - not in 1987 as it will take convention facilities at least one year from the date of the change in the law to reschedule all the shows that were cancelled, IF they even wish to return. We could realistically lose over two years of trade show business in this state if action is not taken very soon.



My reasons for excluding organized activities at convention centers is as follow:

- o The event pays rent to the facility. If the facility is municipally owned, the money is, in effect, paid to the municipality. If the facility is a convention hotel or maybe even in the future a privately owned convention center, the municipality still receives funds as a result of the event. The event leaves SOMETHING in the community!
- o If the event is in excess of one day, as most are, the transient merchants become consumers at a community's lodging and eating establishments, thereby putting money into the communities and private businesses across the state.
- o The event pays the facility for some sort of event labor, janitors, security, etc. and therefore creates jobs for our state's residents.

The true "Transient Merchant," the one in the van or pick-up who comes into town on Friday and sets up - and I use the term loosely - "shop" on empty lots or deserted gas stations has no intention of returning anything to the community. Their attitude reminds me of a Woody Allen movie - "TAKE THE MONEY AND RUN! Their desires, goals and objectives are to take as much from the community as possible while leaving as little as possible.

The Kansas communities of Topeka, Salina, Wichita, Hutchinson, Kansas City and others have invested taxpayers money in an amount in excess of 100 million dollars in publicly owned convention facilities. Privately owned hotels in Topeka, Wichita, Overland Park and other Kansas communities have also invested many millions of dollars in convention facilities or are extremely dependent on business brought to the convention facilities. These facilities should not and can not afford to pass up events which bring revenue to their own bottom lines as well as revenue to local hotels, motels, restaurants and retail establishments.



As the publicly owned facilities lose their ability to attract trade shows, the burden of any increased deficit will be shifted to and placed on the local taxpayers, thereby, in effect, penalizing the residents of Kansas and costing the community many jobs associated with the convention facility.

In requesting exemptions for organized activities at convention facilities, I fully realize I have only addressed these issues from the convention facility standpoint. I realize there are other components necessary to be discussed before these issues can be resolved.

Exempting or excluding organized activities at convention centers might not be the entire solution, but it will allow us to compete for trade shows on equal terms with 49 other states, and I, for one, will certainly be willing to serve on any committee or fact-finding group working to improve these laws.

The cancellation of trade shows at our facilities has already demonstrated the economic damage that is happening as a result of these laws. We cannot afford to gamble any further with the taxpayers' 100 million dollar investment in convention facilities for the sake of the relatively few dollars generated by these laws.

These laws, if left unchanged, will spell disaster for every convention center, convention facility and exhibit hall in the State of Kansas.

Thank you for listening to this position on this important issue.





JUNIOR LEAGUE OF WICHITA, INC.

February 12, 1986

TESTIMONY

SB411 and SB412

HOUSE FEDERAL AND STATE AFFAIRS

COMMITTEE HEARINGS

GIVEN BY AMY LOU STEPHENSON

I am Amy Lou Stephenson, President of the Junior League of Wichita. I am here today to urge this committee to support any legislation that clearly defines tax exemption for events sponsored by nonprofit organizations.

The purpose of the Junior League is exclusively educational and charitable and is to:

- Promote voluntarism
- Develop the potential of its members for voluntary participation in community affairs; and
- Demonstrate the effectiveness of trained volunteers.

We have a membership of 900 trained volunteers.

The money earned through our fundraisers are returned to the community through various service projects. A few of our recent projects are; Ronald McDonald House, Kansas Action for Children, Roots & Wings - Court Appointed Special Advocate, Hospice and Children's Museum of Wichita.

We were planning a "Holiday Mart" fundraiser for fall 1986, to raise an estimated \$80,000 to financially support several community projects. Many Leagues across the country have established marts. Earning from three of these marts are: Chicago \$175,000, Austin \$190,000 and Washington \$100,000. We have had to cancel this mart, because our prospective merchants cancelled once they heard they were going to be taxed on their merchandise. We are not the only organization that has had to cancel such an event.

By supporting legislation that allows tax exemption on events sponsored by nonprofit organizations you are assisting organizations to continue to help the community. If K.S.A. 79-1434 is not repealed, this law will not enhance the image of Kansas to non-residents and will certainly do less for the sustenance of needed community service projects.

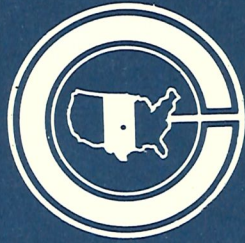
Volunteering is a proud profession.

6402 East 12th Street • Wichita, Kansas 67206

ATTACHMENT E

H. FJSA
2/12/86

center
city
usa



DID YOU KNOW THAT IN WICHITA . . .

Carrie Nation began her prohibition crusade at the Eaton Hotel . . .

Frank Lloyd Wright, the famous architect, has two outstanding examples of his creativity . . .

Mentholatum was invented, manufactured and sold from a pushcart . . .

The old Chisholm Trail crossed the Arkansas River near the new 15 million dollar civic center . . .

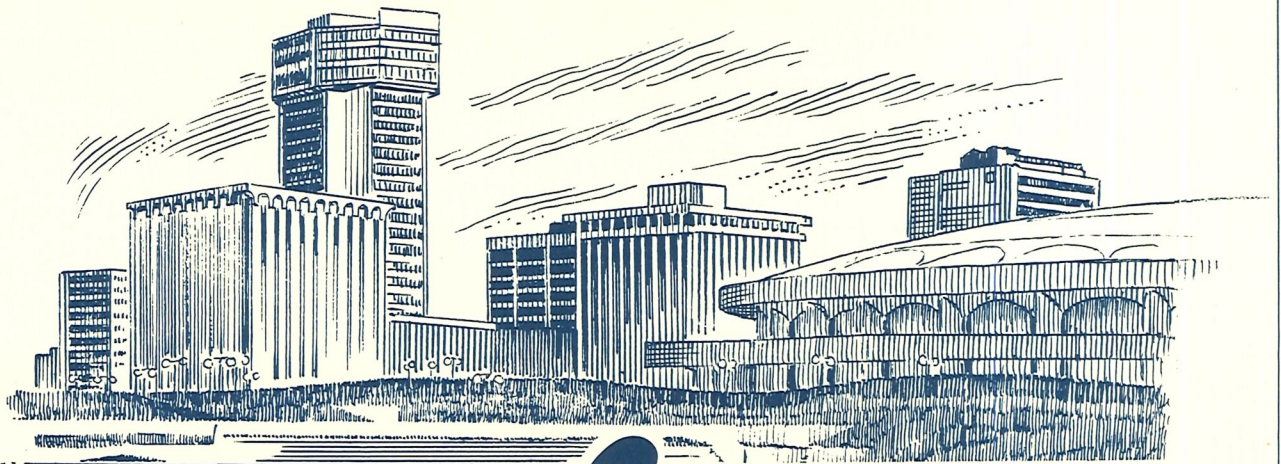
WITNESS WICHITA — Learn this and much more

All Proceeds from Witness Wichita will financially assist community projects.

BASIC TOUR INFORMATION

Historic site tour

- Among the sites seen: Downtown historic buildings, Cowtown, Old Town, Riverside area, Midtown, Crumm Castle, Sim and Oak Park, Proudfoot and Bird architectural sites, Frank Lloyd Wright's buildings, Wichita State University and Douglas Avenue.
- Cost: guide fee with own bus — \$20.00
Without own bus: bus rental fee plus guide fee.



You are invited..

...to *Witness
Wichita*

the "All American City"

Witness Wichita is designed to give both visitors and local groups an informative, interesting tour of our city. It is a project of the Junior League of Wichita, Inc., a volunteer, non-profit organization. League members will act as well-trained guides and courteous, friendly hostesses to your group. On the tour you will Witness Wichita as it evolved from a boisterous "Wild West" town to the progressive, dynamic city it is today. Let us share with you its history, industry, culture and residential areas. This tour lasts approximately two hours.

We are pleased to offer your organization this unique program and feel sure you will be delighted with the personal touch that makes these tours "something special." All tours can be by chartered buses seating 43 people. Please complete the form below as we are anxious to assist you. Do let us hear from you soon.

NAME OF GROUP _____

DATE OR DATES _____ TIME AVAILABLE _____

PERSON TO CONTACT _____

ADDRESS _____ PHONE _____

APPROXIMATE NUMBER _____

Please detach and mail to: **BUS TOUR CHAIRMAN**
6402 East 12th
Wichita, Ks 67206

The Junior League of Wichita is

Reaching out

For Aging and Health Care

The League strives to assure that older adults have the benefits and services essential to their well being. Through direct service opportunities Wichita Junior League members work with senior citizens tapping their resources, developing their potentials and encouraging their unlimited talents.

In addition, we are reaching out to help and assist all residents of our community in comprehensive and direct primary care in areas of medical, dental, and mental health.

Growing

Through Cultural Enrichment

A cultural heritage is the soul of a community. Involvement in the arts has been a significant Wichita Junior League tradition. The League has provided financial and volunteer assistance for the performing arts, the visual arts and historic preservation. Our emphasis is upon a recognition of the growing excellence of talented resources within our community.

Caring

About Today's Family in Transition

Children's issues have always been a priority for Junior Leagues, and Wichita is no exception. We have declared statements of position on current legislation which concerns children. In addition, Wichita Junior League members have contributed thousands of hours of direct service through projects designed to enhance the lives of families and children.

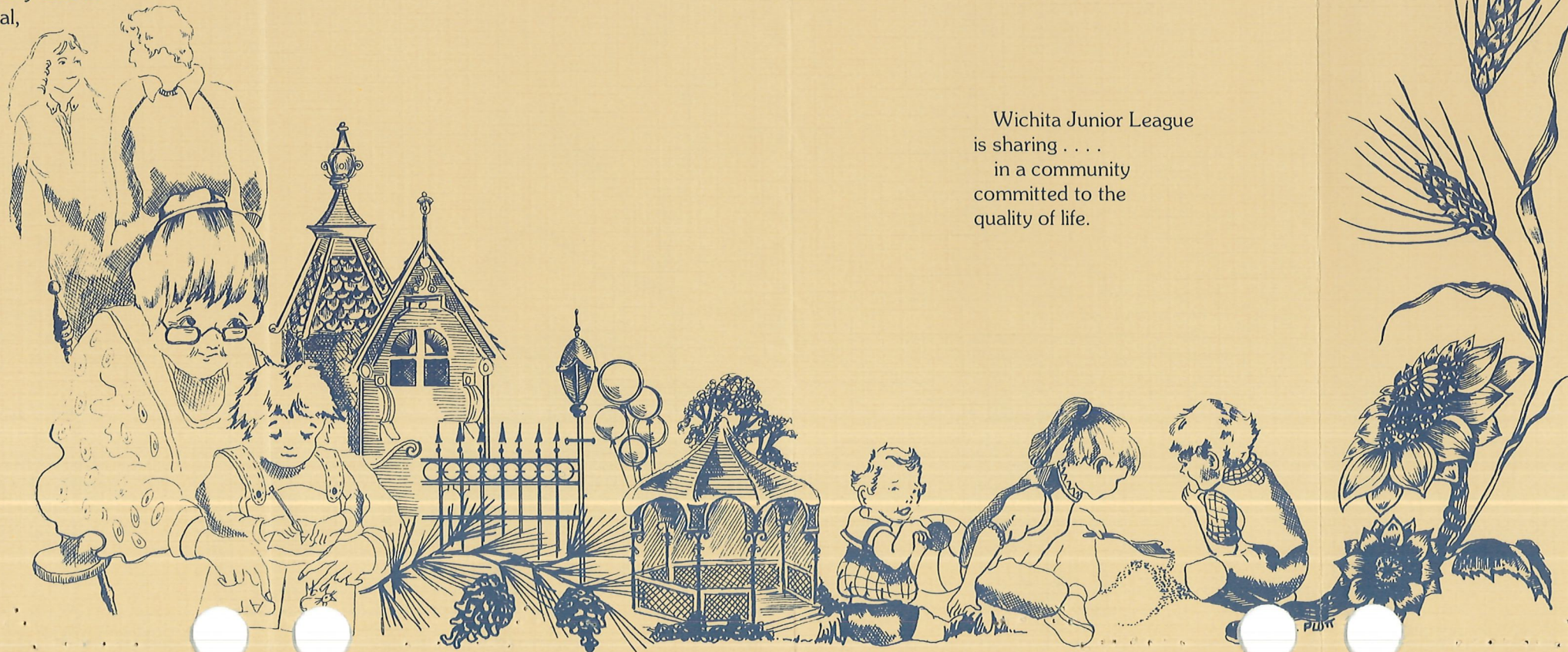
Sharing

With The Focus on Our Community

Wichita Junior League supports various projects and ongoing activities in the areas of social welfare, women's issues and education. Our members are knowledgeable leaders, sensitive to the needs of our community. Many of

our projects are collaborative efforts in partnership with local organizations and agencies.

Wichita Junior League
is sharing
in a community
committed to the
quality of life.



The central source of revenue for funding community projects is the Wichita Junior League Shop located at 2734 Boulevard Plaza. Equally important is our successful cook book *The Sunflower Sampler*. League administrative and operating expenses are underwritten by membership dues.

Wichita Junior League members are committed to improving the quality of life in our community. Each year we respond to community needs through direct service, volunteer hours, research, education, and monetary support.

The Junior League of Wichita is . . .

REACHING OUT

GROWING

CARING

SHARING

WICHITA HISTORICAL MUSEUM • UNITED METHODIST URBAN MINISTRIES • SUNFLOWER SAMPLER COOKBOOK • ROOTS AND WINGS

The History of the Wichita Junior League

In 1923, eleven young Wichita women voiced a desire to begin an organization which might be of permanent benefit to their community. The Junior Leagues of Chicago and Kansas City graciously acted as sponsors, and Wichita became the fifty-first Junior League in the United States on January 15, 1925.

The Twenties marked a decade of development. Projects included the Free Milk and Ice Fund, a day nursery, and aid to the disadvantaged. In the Thirties, the League expanded their projects which included the opening of the first Thrift Shop and the introduction of Town Talks. The war years showed increased community participation including the sale of war bonds, a dental clinic for children, and support for the Wichita Symphony. During the Fifties, the League was active in the fight against cancer, the toy lending library, and many successful fund raising benefits. Assistance in the building of a new county zoo, the publication, in conjunction with the Wichita Historical Museum Association of a pictorial history of Wichita, and the construction of the present Junior League Headquarters made the decade of the Sixties a memorable time. In the Seventies, to celebrate the League's 50th Anniversary, we sponsored the Heritage Square project, a charming Victorian park for the people of Wichita. In celebration of our 60th Anniversary in 1985, the Sleepy Hollow Fitness Park was dedicated to the community.

As we look back with pride, we also look forward with great excitement. With new projects being introduced every year, the involvement of the League is extensive. We plan to meet the challenges of the future as our organization grows with the community into the 21st century.

PRINTED SPRING, 1985



JUNIOR LEAGUE

OF

WICHITA, INC.



Volunteering is a proud profession.

6402 East 12th Street
Wichita, Kansas 67206

The Junior League is an international organization of women dedicated to the promotion of voluntarism. The Junior League of Wichita is one of more than 261 leagues that comprise an ever-growing Association of Junior Leagues.

Nearly 1,000 members volunteer time and skills working in leadership roles with organizations representing all facets of our community. Since 1925, over one million volunteer hours and more than \$780,000.00 have been donated by the League for community projects.

Membership in the Junior League is by invitation. Four current members must constitute a sponsor committee. Qualifications include residency in Wichita for at least two years. Also, a candidate must be between the ages of 21 and 38, and reflect an interest in voluntarism, a commitment to community service, and an interest in developing her potential for voluntary community participation.

The Junior League of Wichita reaches out to all young women, regardless of race, color, religion, or national origin, who demonstrate an interest in and a commitment to voluntarism.

HERITAGE SQUARE • SLEEPY HOLLOW FITNESS PARK • OPERATION CLOTHES LINE • KANSAS ACTION FOR CHILDREN • SENIOR SERVICES

THE RAMIFICATIONS OF K.S.A. 79-1434

Crisis of the Hobbyist

The last week of February, for the past nine years, the Vintage Camera Club and the club Daguerre-Darrah of Wichita have co-sponsored the Annual Antique and Classic Photographic Trade Fair Exhibit and Sale. These clubs are dedicated to the collection and preservation of our photographic heritage. Daguerre-Darrah specializes in stereo views, viewers and cameras; Vintage members collect magic lanterns, early photographic equipment, cameras and images. Through the years, we have become a quality show, bringing in exhibitors, not only from the Continental United States, but from Europe and Japan as well. Here we contribute our bit to the balance of trade. (The Japanese come only to buy.)

It is the only show of its type in Kansas. We have been able to bring to the collectors of Kansas, unique and exciting items; wood and brass cameras from the 1840-1880's, fine crafted viewers, rare images by famous photographers. But this year we have encountered The Transient Merchant Licensing Act and K.S.A. 79-1434, Merchandise of Transient Dealers Notice to Assessor Before Sales. The latter law has become cost-prohibitive for our group.

Ninety-six percent of our exhibitors are hobbyist; the remaining 4% often follow the shows and could be considered

professional. The majority is composed of farmers, teachers, mill hands, preacher, mailmen, and clerks. Many are retired or on fixed incomes. We call them exhibitors because they are not dealers. They do not buy or sell at a show anywhere else the remainder of the year. They haunt the garage sales and flea markets adding "treasures" to their collections.

Many of our exhibitors tell us they save up the whole year in order to come to Wichita. They save a certain amount for their space; a certain amount for food, etc. Each year they have mailed in their state sales tax (as has the show). Now we must tell them they must pay an additional tax. Over the years, these people have become our friends-our fellow collectors-they keep an "eye out" for what we collect, too. They must pay for gas to get here, (and gas to go home); two or three nights lodging; at least 6 meals; and their space. We bring in about thirty-eight out of state tables, plus 700 to 1,000 collectors through the door. At least half of our "door" is from out of state. They come caravan from Tulsa, Oklahoma City, Kansas City, St. Louis, Lincoln, Omaha, and Denver. These people, too, stay at motels and purchase meals. We usually write the host motel a check for \$1,000+, that's just for our show rooms and banquet. We buy advertising space in newspapers throughout Kansas. We order 5000 posters from Towanda, Kansas. We pay \$300.00 for overnight security. We just don't have enough left in the treasury to pay the assessors tax for them. We don't make money, but we do try to break even. We can't even try to determine what they will bring. If

someone bought a daguerrean camera, it would ruin us.

We exhibit only antique or classic photographica. We use this criteria antique = 100 years or older. The 1920's-1940's usually comprise the "classic conotation". No new items are allowed. We do not compete with local camera dealers. The local Wichita camera stores support us, handing out posters, calling one of us if they make a "find". One Wichita dealer buys space, as do dealers from Topeka and Kansas City. They use the show as a vehicle to sell all their trade-ins. This is one ripple effect from our show. The local camera store owner can give you a better trade-in deal, knowing they can probably turn your old camera at the Photographic Trade Fair. This revitalized enforcement could adversely affect your "trade-in" allotment.

In the past we have stressed the historical importance of our show. We encourage our exhibitors to bring their unique items. They are assured of an appreciative audience. Many groups make arrangements to tour our show - historical society members, girl scouts, women's groups. Last year a gentleman from Dallas brought a megalithoscope. A megalithoscope is a pre-photographic viewing device approximately 4 x 6 feet on a large stand. There are very few remaining: One in the Albert and Victoria Museum in London; one at Eastman House. Last year one was in Wichita, Kansas! This item was the highlight of the show. The media attention increased our gate. It did not sell, but it was available should a Kansas museum have desired it. Enforcement of K.S.A. 79-1434 would, we fear, discourage if not halt our people from bringing historically significant

items to Kansas.


Through the show we find many items a home. People bring in all kinds of unusual photographica. A large box of glass slides was purchased at a flea market. It contained hundreds of glass views from the 1880's-1890's from a city in Iowa. Each slide was cased, indentified and dated - churches, new houses, a new store, main street, even interiors (rare for that era)-a new steam tractor and several views of a broom factory burning. The historical buffs from Iowa were thrilled. To them it was priceless. The question is: Would the exhibitor buy it? If he'd known it would be taxed, probably not . . . to him it wasn't that important.

An out of state collector has in his possession an old oak camera used by the Topeka police department years ago. He even has the fingerprint attachment! Normally he would bring that item to the show. Some collector of early Topeka history might love to take it home. Should he bring it and have it added to his tax debt, or increase the price to cover the tax? Either way the Kansas collector looses.

We are a small show compared to antique shows. We started nine years ago in a church basement. For our first "big" show each club "kicked in" fifty dollars. Slowly we have grown in size and reputation. For the last eight years we have brought in speakers - authorities in their particular fields. We have made it a learning experience.

Because of K.S.A. 79-1434 we have canceled the February 1986 show. The Kansas collectors will loose. We will loose.

We are listed with the National Photographic Society. By cancelling we have lost our show date. The last weekend of each February, not only for 1986 but 1987-88 as well. We are collectors not merchants. We are closed for this year. We will be closed permanently if K.S.A. 79-1434 is not abolished or amended.

Vintage Camera Club
Kirk Graham, Treasurer


2562 Victoria
Wichita, Kansas 67216
316-265-0393

klb

C

SEDGWICK COUNTY DISTRICT ATTORNEY

18th Judicial District

Sedgwick County Courthouse
Annex — First Floor
535 North Main
Wichita, Kansas 67203

CLARK V. OWENS
District Attorney

Henry H. Blase
Chief Deputy

Consumer Fraud and
Economic Crime Division
(316) 268-7921

TESTIMONY

TO: FEDERAL AND STATE AFFAIRS COMMITTEE

FROM: DAVID H. MOSES, DIRECTOR, CONSUMER FRAUD & ECONOMIC
CRIME DIVISION OF THE SEDGWICK COUNTY DISTRICT
ATTORNEY'S OFFICE

RE: SENATE BILL 411 - An act amending the transient merchants
licensing act

GIVEN: FEBRUARY 12, 1986, STATE CAPITOL, TOPEKA, KANSAS

As director of the Sedgwick County District Attorney's Consumer Fraud and Economic Crime Division, I would like to thank the committee for offering me the opportunity to discuss the transient merchant law as it currently exists and the proposed amendments found in Senate bill number 411. The enactment of the transient merchant law during the 1985 legislative session gave this office and other county and district attorneys' offices throughout the state the authority to prosecute violations of the law. This testimony is intended to give the committee a somewhat different perspective regarding the law and areas requiring fine tuning.

Our office is not opposed to the concept of adding trade shows, expositions and conventions to the exemptions currently provided in the transient merchant law. It is important to note, also, that a transient merchant law is helpful in protecting Kansas consumers from transient businesses. Our consumer fraud division, which consists of twelve employees, has actively pursued transient merchants who have violated the current transient merchant law. Since July 1, 1985, this office has filed five criminal cases alleging violations of the law. In addition to the five criminal cases, this office has received a large number of inquiries from both consumers and businesses regarding the law. Very few licenses, however, have been purchased in Sedgwick County.

The proposed changes in Senate bill 411, Section 1, appear to resolve the problem facing convention and tour bureaus. In reviewing Senate bill 411, the following areas of concern still exist:

ATTACHMENT G

H. FISA
2/12/86

1. Our office has experienced a number of complaints from consumers being victimized by out-of-state magazine salespeople. The current language in Senate bill 411 found in Section 1(a)(3) appears to exempt those type of sales from the licensing requirements. I would suggest that the committee consider requiring these type of magazine salespeople to obtain licenses without compromising those businesses intended to be protected by that subparagraph.
2. Section 1(a)(7) creates a question whether individuals making crafts or handmade items can designate an agent to display those items for them. If this is allowed, then there are some transient businesses that our office has dealt with who would fall under this exemption. An example would be art shows held throughout the state, where artwork is purchased from the artist by the entrepreneur (transient merchant) conducting the sales.
3. Section 1(a)(8) deals with the sale of agricultural products. The concept is a good one, however, a close reading of the proposed section includes fruit peddlers from out of state within the exemption. We have had a number of situations in this area in which rotten fruit was placed in the bottom of boxes displaying good fruit on top. This not only causes health problems, but also takes advantage of unsuspecting Kansas consumers. It is quite possible that this exemption relieves those merchants from obtaining licenses and being held accountable for their actions.
4. Section 1(a)(9) exempts out sales that take place at the premises of the owner or legal occupant of residential premises pursuant to an invitation of the owner All areas of the state, including Sedwick County, have individuals from out of state going door-to-door offering their services for home repair. If these individuals initially contact the home owner and make an offer to perform work and then are invited back to the premises of the homeowner to conduct that work, it is conceivable that those sales are exempted by this paragraph. By inserting the words "or offer to sale" after the word "sales" in the paragraph would seem to protect these homeowners and also require these "home repairmen" to obtain licenses.

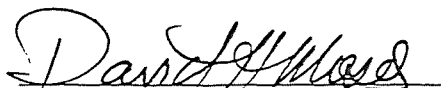
I note, with some concern, that Senate bill 411 appears to eliminate the requirement of obtaining a registered agent. Elimination of the requirement to obtain a registered agent could create severe problems in enforcing the transient merchant law. It appears that the intent of the law was that these transient merchants pay that which they were required to pay and provide a method in which service of process could be obtained if their

actions necessitated a lawsuit. Elimination of the required resident agent places a heavy burden on those parties desiring to file a lawsuit as contemplated by the current law. I urge this committee to continue requiring transient merchants to maintain resident agents in each county.

The phone calls, letters and other inquiries received by this office since the enactment of the law, as well as practical considerations in enforcing this law as a criminal violation, make it clear that this committee needs to consider including a definitional section. By defining key words within the law, prosecution will be more effective, transient merchants will have a better idea of its application, Kansas consumers will be offered additional protection and those other interest groups either directly or indirectly affected by this law will have a better understanding of its effect on their business. Some words which appear to need definition include fairs, flea markets, bazaars, charitable organizations, trade shows, exposition, permanent business location, registered agent and "on any real estate". A strict reading of the law, which is required when interpreting a criminal statute, creates the question whether the classic "transient business" is included within the definition of "temporary or transient business", door-to-door sales people, as found in the current law. This office has maintained a position that the law allows prosecution of individuals going door-to-door in violation of it, however, the question could be eliminated by simply including language when defining "temporary transient business" that deals specifically with the door-to-door situation.

In conclusion, the enactment of the transient merchant licensing law was a positive step by the 1985 Kansas legislature to offer additional protection to Kansas consumers from transient merchants. With some fine tuning, as suggested above, the law can become more effective. This office has always maintained an active role in fairly enforcing laws enacted by the legislature. By fine tuning the current transient merchant law, we hope to be more effective in enforcing the law and offering the protection to Kansas consumers desired by this committee and the legislature, as a whole. If members of this committee have any questions, suggestions or comments, please do not hesitate to contact me at my office. Thank you very much for allowing me the opportunity to assist you in fine tuning the transient merchant law.

Respectfully submitted,



DAVID H. MOSES
Assistant District Attorney
Director, Consumer Fraud &
Economic Crime Division

A

I am Lee Hanafin a car nut, house husband, native Kansan, most of the time not in that order exactly. Today I am concerned as a car nut and native Kansan. We have two laws on the books that I think should be abolished or at least changed. They are house bill HN2443 and 79-1434. They have brought ridicule and mockery from other states. A case in point I just got back from a Texas swap meet last weekend where I was canceling the October swap meet the MoPar Car club was putting on. Most of the venders and customers were very sympathetic and their most used phrase was "O Well Thats Kansas".

My car club has Christmas in July for retirement homes. We have to have special insurance. We buy the materials for the presents from club treasury. We were planning on expanding the program with the procedes of the swap meet, but called off the swap meet because of the 1915 laws 79-1434, but will continue the program for the old folks.

For those not familiar with auto swap meets it is sometimes the only way to find a part for our old cars. My son and I buy and sell parts for obsolete cars. My son is an industrial wrecker and I'm unable to work. We brought back parts for a 1940 Nash, 1917 Kissler and 1922 Overland from Texas to the people who can't get to the swap meets out of state. I have a want list for friends and one of my own. We find most of the parts we have for sale at estate, farm and garage sales.

Most of the time we don't come out even but it makes the car hobby cheaper and more interesting.

We draw people and venders from 7 to 9 states to the big

ATTACHMENT H
H. FISA
2/12/86

ones.

They buy our parts and we find parts for our old cars if we are lucky.

We personally spend about \$100.00 a day while out of state and I assume they spend about the same in Kansas.

Most large meets are 3 days long, most of the vendors I know are retired or work at different kinds of jobs such as farming, insurance salesmen, plumbers, and etc. It's a hobby and just about as expensive as fishing or hunting. The law that taxes a person on his wares whether he sells them or not is what scares people (what is a 1917 Kissler frame worth). I carried a 1931 Nash radiator for 4 years before I traded it for a 1931 plymouth front fender that is stored at home as my 31 has good fenders on it.

I believe bill 79-1434 should be abolished and HN 2443 should exempt all hobbieists. for the little bit of tax money that we would collect. I think we would lose more in tax revenue on gas, motels and restaurants, these people just won't come.

I and my son 4th and 5th generation Kansans and it hurts to have people say "O well that's Kansas" where you can't even get a drink on an airplane without buying a club card membership.

A false statement true but an image we have.

Any Questions?

ANNUAL

Wichita Area

SWAP MEET



CANCELLED

We respectfully regret to announce there is a state law that states any out-of-state dealer exhibiting in the state must pay personal property taxes in the amount of 2 1/2% of their inventory. This applies to all trade shows regardless if sold or not.

It is sad there is such a law because of the loss of income to local businesses such as hotels, motels, restaurants, etc. that is created by these trade shows.

What this all means is that no more trade shows of any type, open to the public, can be held in the state of Kansas.

Thank You

CRETE
RING
LOT

● AUTO PARTS

INFORMATION:

MARY HANAFIN
5658 Phebe
Wichita, Kansas 67205
(316) 838-9435

SUNDAY

OCTOBER 20 1985

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1985-86 List of Wichita Area Car Clubs

CHEVROLET

Chevies Finest Classics

Berry Wood 722-4876

601 Trotter

Maize, Kansas 67101

Kansas Southeastern Region of the Vintage Chevrolet Club Of America

Carl Hamm Jr. 794-8198

2021 N. 215 W.

Goddard, Kansas 67052

Phil D. Ehrlich 263-5323 or

1710 N. Mosley

Wichita, Ks 67214

Mike McNeil 942-7278

2014 N. Kessler

Wichita, Ks 67203

Mid-Continent Corvair Assn.

Thayne Oltjen 522-7752

429 E. 56th St. South

Wichita, Kansas 67216

Air Capitol Corvette Club

Kent Michael 682-4403 or 265-3892

2202 S. Old Manor

Wichita, Kansas 67218

Southwind Corvette Club

Bob Shelton 686-9741

7715 Watson

Wichita, Kansas 67207

Wichita "A's"

Robert Beaver 733-2134

R# 1, Box 190A

Augusta, Kansas 67010

Early Ford V-8 Club of America

Warren Brandes 264-1726

610 Ellis

Wichita, Kansas 67211

Wichita Classic Thunderbird Club

Garland Smith 683-4597

1119 Apache

Wichita, Kansas 67207

Mustang Club of America

Tom Scheerer 686-2399

2200 S. Rock Rd. #1602

Wichita, Kansas 67207

Cruisin' Classics of Kansas

Bob Peters 262-2070

2318 S. Ida

Wichita, Kansas 67211

A.U and T.O Club

Allen's 51 Ford Pickups

344 N. Seneca

Wichita, Kansas 67203

Hudsonite Family Club

Reed Mitchner 686-7605

660 N. Green

Wichita, Kansas 67214

FORD

HUDSON

KA Kaiser Frazer Owners Club
 Albert H. Gardner 262-7005
 1628 Julianne
 Wichita, Kansas 67203

CHRYSLER Mopar Club
 Lee Hanafin 838-9435
 5658 Phebe
 Wichita, Kansas 67205

STUDEBAKER Studebaker Drivers Club
 Billie Hutchison
 1018 W. 81st. South
 Wichita, Kansas 67233
 Gary Baty 942-6437
 1632 N. McCommas
 Wichita, Kansas 67203

PACKARD Great Plains Packard Club
 Lawrence Smith 945-8162
 529 S. Anna
 Wichita, Kansas 67209

MG Vintage MG Club of Kansas, Inc.
 Chuck Asbury 755-1727
 18 Hawthorne
 Valley Center, Kansas 67147

PONTIAC Kansas Chieftains Car Club
 J.C. Paschal 838-5529
 3476 Jenette Court
 Wichita, Kansas 67204
 Phil Brinkley 776-2162
 R# 3, Box 421
 Rose Hill, Kansas 67133

ANTIQUES Wichita Regional Group of Horseless Carriage Club of America
 Garyl Turley 943-4513
 1313 N. Gordon
 Wichita, Kansas 67203
Midian Antiques Autos
 Chet Perry 263-2712
 1001 Perry
 Wichita, Kansas 67203

STREET RODS
 & MISC. Wichita, 4 X 4 Club
 Audie Thornburg 522-8164
 345 Stewart Ct.
 Haysville, Kansas 67060
 Jerry Farabough 524-7320
 233 S. Delos
 Haysville, Kansas 67060
Fundamentals Rod and Custom Club
 Doug Reed 522-8305
 3102 Palisade
 Wichita, Kansas 67217
 Rocky Burris 529-1936
 800 W. 47th St. S.
 Wichita, Kansas 67217

ROD & CUSTOM
MISC.

Street-tiques

Don White 529-2023 or 942-7262
3216 S. Broadway
Wichita, Kansas 67216

Military Vehicles

Leroy Burgess 788-2024 or 688-4132
913 Morrison Dr.
Derby, Kansas 67037

Ken Lundy 684-4919
2030 S. Edgemoor
Wichita, Kansas 67218

Sports Car Club of America

John Calbraith 683-3436
2422 Walden Dr.
Wichita, Kansas 67226

Bruce Bettinger 788-3942
1519 Virginia
Derby, Kansas 67037

Central Kansas Metropolitan Club

Ben Love 943-5809
4144 W. 11th
Wichita, Kansas 67212

Douglass Street Machines

Todd Vermilyea 746-2059 or 681-8633
1105 S. 5th
Douglass, Kansas 67039

Wichita Street Roadster and Rods

Gregg Smith 942-5544
822 N. Colorado
Wichita, Kansas 67212

Kustom Kemps

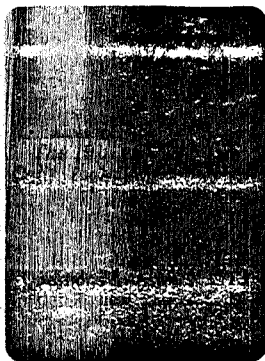
Jerry Titus 264-0701
2611 Mason Terrace
Wichita, Kansas 67216

American Gold Wing Motorcycle Club

Ken Scruggs 754-8483
P.O. Box 43
Goddard, Kansas 67052

Porsche Club of America

Terry Morris 686-5359
843 S. Broadview
Wichita, Kansas 67218



Old Cars WEEKLY



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ONE YEAR \$21.50

College Course Discusses the Auto and Society

By Philip C. Campbell

A car show was part of a week-long course discussing the automobile and its affect on society at the University of Minnesota — Duluth recently.

Entitled "From Model T to Maserati: The Impact of the Automobile on Society," the class was directed by Dr. Philip C. Campbell, Asst. Prof. of Sociology at UMD.

The car show was designed to attempt illustration of two points: A. with only three examples, to clearly characterize the changes in style features as well as the continuity over the past 50 years, and B. to present examples of the diversity, involvement and work that are all part of the collector car world.

The first car shown was a 1933 Rockne owned by Glen Beckwith of Duluth. This was followed by a 1955 Packard 400 two-door hardtop, driven daily by its owner, Mike Dulinski, of Duluth. Neale Roth's 1978 Lotus Esprit is defined as a collector's car to be carefully maintained

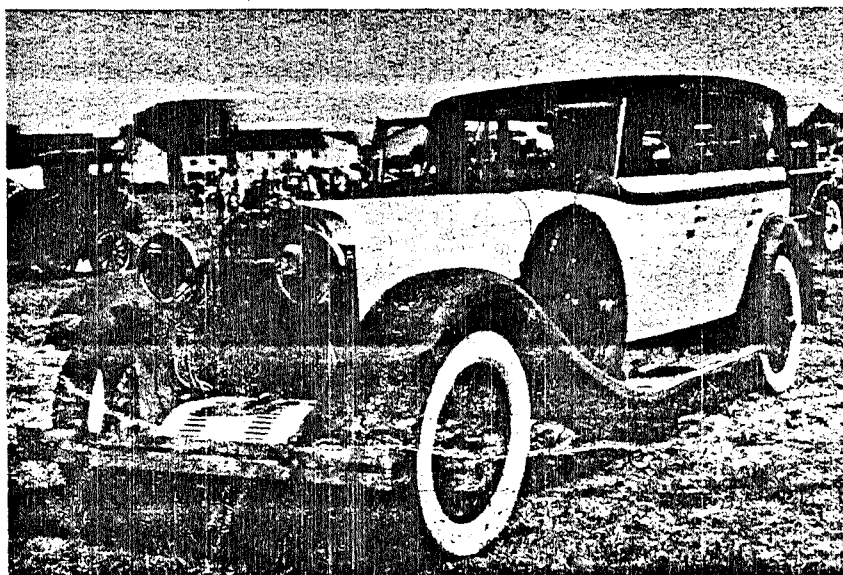
and used sparingly. The last car exhibited, a 1971 Buick Centurion coupe, is owned by Campbell, of Duluth, and was trailed to campus by Mike Dulinski, who is in charge of the restoration.

After viewing and photographing the cars, the group returned to the classroom where each owner was able to discuss his own car. Several class members also aided the discussion with experiences of their own in the car restoration process.

The class members were non-traditional students in that they were participants in the Elder-hostel program, which is designed to bring older citizens to the campus to participate in week-long programs featuring classes in a variety of topics.

The course in the automobile explored several aspects of the car and society. It began by an examination of the car in the lives of the class members. Students were asked to write a short paper on the most important car in their early years. Ford's

(CAR CLASS, Page 10)



A 1927 Hispano-Suiza town car at the Long Island Classic.

Long Island Classic is a Classic

By Dick Petronio

The third annual Long Island Classic was held July 21 at the campus of Hofstra University located on Long Island, in the town of Hempstead, N.Y.

Despite the warm weather, more than 300 vehicles participated. According to Lee Hunt, managing director of The Long Island Classic Inc., "We had Classic dual cowl's and phaetons by the score. In addition to our regular concours, we had a celebration of Alfa Romeo's 75th birthday with an Alfa concours; an Austin Healey concours; an MG-T concours; a Porsche concours; and a Jaguar concours."

Automobiles from neighboring states of Connecticut, New Jersey and Pennsylvania were at the show. Crowd attendance was estimated at over 2,000 people.

"We are absolutely thrilled that, in its third year, this show was called by some knowledgeable people a 'Pebble Beach of the East.'"

Many of the vehicles entered at this show had not been seen at any other shows on the East Coast. Rolls-Royce, Hispanos and Packards were plentiful.

"The mix of cars is interesting," Hunt went on, "and even though we had 30 Jaguars, 20 Ferraris, a dozen Porsches, a dozen MGs, a dozen Healeys, plus assorted Mercedes, Maseratis, Lamborghinis, BMWs and others, we still had more American cars than imports, and every comment on the mix of entrants was very favorable."

Among the more unusual entries were a 1950 MG "Y" tourer, a 1935 Packard Victoria convertible, a 1965 London Taxi limo and a 1948 Crosley. The flea market was small, but offered quality items for sale.

One of the highlights of the show was the appearance of a 1926 Rolls-Royce four-passenger, two-compartment boattail speedster.

An unusual trophy was awarded to the winners; it was a miniature pewter Bugatti Royale made of over 50 pieces and mounted on a hand-rubbed wooden base. The Classic's theme car was the Bugatti Royale. Pewter base relief Bugatti Royales mounted on plaques were also awarded.

"We have some marvelous additions, lots more space and

hopes for about 500 cars at next year's Classic, which may be a two-day affair," Hunt said.

Corvette Takes Top Prize at Lafayette Concours

Bill and Mary Mason

In contrast to last year, when Wayne Weather's 1914 Mitchell Big 6 took the "best of show," the 1985 top winner at the 15th annual concours d'Elegance de Lafayette was a brilliant orange 1957 Corvette roadster owned by John Matzen of San Rafael, Calif.

The concours was held at the Acclanes High School Athletic Field. Lafayette Mayor Avon Wilson made the "honorary judges" decision, selecting Lawrence Cappuccio's 1926 Studebaker Sedan Six as her trophy choice. The Cappuccios' Studebaker was originally owned by Numa Boone, great-grandson of

Daniel Boone.

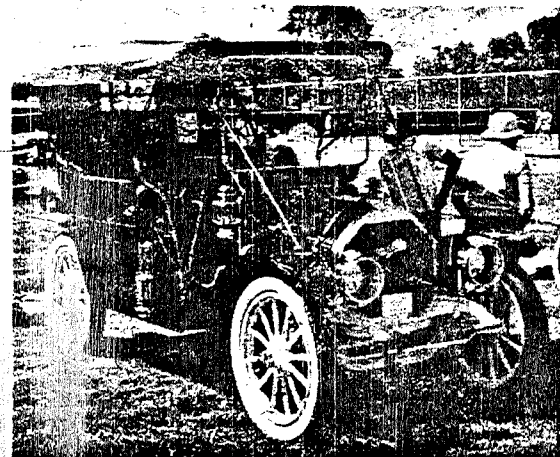
The mayor selected the Studebaker because "it brought back a lot of memories of my childhood," she said.

More than 6,000 auto enthusiasts milled across two practice fields to view a show that was in reality three car shows.

Off in one corner the Alfa Romeo groups had a special club event with more than 30 vehicles. The featured car at this year's 15th annual was the Jaguar, with more than 25 representatives of that name. In addition there were 29 Porsches holding their event in six different classes.

Even though the 200-plus fig-

(LAFAYETTE, Page 8)



The 1910 Mitchell Touring of Jerry and Jan Neil, Winter, Calif., took first in class honors.

New Law in Kansas Hurts Trade Shows

A new state law in Kansas, requiring licensing of transient merchants, is hurting trade shows in that state.

An antique show and sale in Salina, Kan., scheduled for late July, was cancelled after the promoter realized the new state law would be too costly.

Marita Warnom of Oklahoma City, promoter of the Regal Rose Antique Show and Sale, cancelled the event because of the licensing law and another law that requires property tax payments on merchandise offered for sale by out-of-state sellers.

"Until the laws are changed,

there will be no trade shows in Kansas," Warnom said.

One of the state laws took effect July 1. It requires transient merchants to obtain a \$250 license and pay a cash bond of \$2,000 or five percent of the wholesale value of the goods, whichever is less. The bond is refundable a year after its issue.

The other law, enacted in 1915, requires transient merchants to pay property tax on any out-of-state merchandise offered for sale.

The promoter of another antique show held his show despite the laws.

George Kuehler, of Continental Show Ltd. in Wichita, said a team of appraisers sent to the show collected \$833.95 for one afternoon.

Kuehler said about half of the 36 exhibits at the show were from out of state and subjected to the tax. He added that his show has been deemed exempt from the license fee, but he had been forced to pay property taxes.

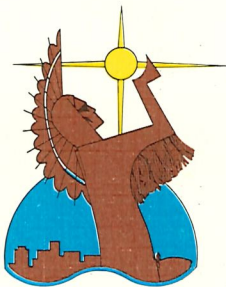
"Several of the dealers will probably never come back to Kansas to do a show," Kuehler said. "This is my last trip to Kansas."

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WICHITA
Convention &
Visitors
Bureau



TESTIMONY

TO: House Committee on Federal and State Affairs

FROM: Shirley Condiff, Director of Tourism
Wichita Convention and Visitors Bureau

RE: Senate Bill 411 and Senate Bill 412 Relating to
Taxation of Property

GIVEN: February 12, 1986
State Capitol
Topeka, Kansas

As Director of Tourism for the Wichita Convention and Visitors Bureau, I am here to represent Joe E. Boyd, President of the Bureau who had to be out of state today.

The Wichita Convention and Visitors Bureau supports Senate Bill 411 and Senate Bill 412 as amended.

Respectfully submitted,

A handwritten signature in cursive script that reads "Shirley Condiff".

Shirley Condiff
Director of Tourism
Wichita Convention and
Visitors Bureau

ATTACHMENT I

H. FLSA
2/12/86

J

STATE OF KANSAS



TOPEKA

HOUSE OF REPRESENTATIVES

BOB VANCNUM
REPRESENTATIVE, TWENTY-NINTH DISTRICT
OVERLAND PARK
9004 W. 104TH STREET
OVERLAND PARK, KANSAS 66212
(913) 341-2609
STATE CAPITOL, ROOM 115-S
TOPEKA, KANSAS 66612
(913) 296-7655

COMMITTEE ASSIGNMENTS
VICE-CHAIRMAN: FEDERAL AND STATE AFFAIRS
MEMBER: ASSESSMENT AND TAXATION
JUDICIARY

TESTIMONY ON SB 411

I appear in support of SB 411, an amendment to the Transient Merchants Licensing Act recommended by the Interim Committee of Federal and State Affairs of which I was the Chairman. I'm sure you will recall the Transient Merchant Licensing Act, HB 2443, was enacted by the 1985 Legislature with an eye to bringing state regulation into an area which has long troubled local authorities, the sales of dairy products and seafood as well as many other items from semi-trailer trucks and other temporary locations. The 1985 Legislature required all transient merchants to obtain a license at the County Clerk's Office, post a bond and provide evidence that all taxes on the merchandise had been paid. The principle problem with such requirement is that it triggered the use of a 1918 law which requires persons bringing any merchandise into the state for sale to immediately pay a full year property tax on any inventory offered for sale whether or not it actually sells.

The effect of this legislation has been to make it virtually impossible to reasonably hold antique shows, gift shows, auto

ATTACHMENT J

H. FLSA
2/12/86

shows, athletic contests and music concerts at which any merchandise is sold. It also requires all exhibitors at county fairs or trade shows to obtain a \$250 license, a \$5,000 bond and pay prohibitive taxes prior to participating in the event. Kansas has obtained severe negative press in national trade show publications from coast to coast and a number of these shows were actually cancelled, perhaps never to return to the state of Kansas.

Admittedly the greatest obstacle is the property tax provision which has been on the books for nearly 70 years and was only sporadically enforced. Nevertheless, the requirement of perhaps obtaining separate licenses for each exhibitor at a trade show or hobby show is a severe burden and one which I believe was never intended by the 1985 Legislature. We have therefore recommended extensive amendments in clarifying exemptions to the licensing act which are contained in SB 411 before you. Only through extraordinary efforts by Senator Vidricksen, Martin and many others have we been able to persuade a number of these shows to stay in the state of Kansas, and part of the argument has been the 1986 Legislature would promptly enact corrective legislation. We must not break faith with our travel, trade show and convention industry in the state of Kansas.

There will be those who will argue that either the licensing act or the property tax act should be simply repealed rather than going to this effort. Our committee decided not to do that for two reasons. In the first place, we believe the original

intent of the bill still has some merit and certainly has strong support both within the Legislature and elsewhere. Secondly, since we have inadvertently called attention to the Transient Inventory Tax Law and other laws on our books requiring full property tax to these vendors, we cannot assume that some appraisers in some communities will not again attempt to enforce such laws on a bare expression of legislative intent. Furthermore, simple repeal of the 1918 law will not solve the problem since there are a half a dozen other statutes that give the appraiser the power to assess this property. Those who argue for repeal either aren't telling you that property taxation will still be possible or simply haven't studied the issue in enough depth. I will of course be available at any time for questions from members of this committee.

STATE OF KANSAS



TOPEKA

HOUSE OF
REPRESENTATIVES

BOB VANCURM
REPRESENTATIVE, TWENTY-NINTH DISTRICT
OVERLAND PARK
9004 W. 104TH STREET
OVERLAND PARK, KANSAS 66212
(913) 341-2609
STATE CAPITOL, ROOM 115-S
TOPEKA, KANSAS 66612
(913) 296-7655

COMMITTEE ASSIGNMENTS
VICE-CHAIRMAN: FEDERAL AND STATE AFFAIRS
MEMBER: ASSESSMENT AND TAXATION
JUDICIARY

TESTIMONY ON SB 412

This bill was recommended by the Interim Committee on Federal and State Affairs (which I chaired) as part of a package with SB 411 intended to correct a severe problem which has arisen because of the passage of the Transient Merchant Licensing Act last session. That bill, HB 2443, was intended to meet the criticism from grocers concerning sales of dairy products and sales of seafood from so-called "shrimp boats" that set up in parking lots and compete unfairly with local merchants, without overhead or taxes and without creating jobs in the community. Because the bill required applicants for a license to prove that all taxes were paid, the Director of PVD sent out a directive to all appraisers shortly after we adjourned last year, telling them they needed to collect taxes under KSA 1434, a 70 year old law which had been largely ignored up to that time. This law requires a merchant to pay a full year's property tax on any merchandise brought into the state and offered for sale whether sold or not.

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Antique shows, gun shows, toy shows, vendors at county fairs and trade and convention shows in every end of the state were besieged with requests from appraisers for lists of exhibitors and in a few cases, exhibitors were actually assessed taxes on their merchandise. Several trade shows and antique shows actually were cancelled due to this totally unexpected linkage of the licensing requirement with the 70 year old law that had laid on the books like a sleeping dog for decades. Several of the shows will probably never come back to Kansas. We heard testimony that several major articles in national trade publications had told people do not show in Kansas - it has had a disastrous impact on convention and tourism. The Interim Committee was so horrified by what we discovered that we quickly prefiled bills with individual sponsors in an attempt to slow down the rush.

A number of my committee members wanted to simply repeal the 70 year old law and we considered it. But the Director of PVD pointed out that repealing this statute wouldn't solve the problem, since other statutes would still exist giving authority to tax. He also cautioned that any attempt to create exemptions had to be very clear, since courts construe property tax exemptions very strictly.

SB 412 therefore amends the 70 year old law by enumerating dozens of activities that are exempt. The list begins with those exempt from licensing under the 1985 act and adds the same clarifying and expanded exemptions are built into SB 411 as exemptions from licensing, though the property tax bill before you is really

the one of critical importance. We must pass this bill or one very similar early this session to reassure the trade and convention show industry and the hobbyists in all parts of the state that we really do welcome their shows to Kansas.