

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./XX on Monday, January 27, 1986 in room 519-S of the Capitol.
& 1:10 p.m.

All members were present except:
Senator Nancy Parrish (Excused)

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:
Vic Miller, Property Valuation Division, Department of Revenue
Steven Rosenblatt, Kansas Expocentre
Nick Jordan, Overland Park Convention & Visitors Bureau and Travel Industry
Association of Kansas
Joe Boyd, Wichita Convention & Visitors Bureau
Bill Harris, Bicentennial Center, Salina
Bud Grant, Kansas Chamber of Commerce and Industry
Senator Ben Vidricksen

Senator Allen moved that the minutes of the January 22, 1986 meeting be approved. Senator Thiessen seconded the motion, and the motion carried. Senator Hayden moved that the minutes of the January 23, 1986 meeting be approved. Senator Salisbury seconded the motion, and the motion carried.

S.B. 412 - Tax exemption for transient merchants' wares; Re Proposal No. 64

Vic Miller said that after hearing remarks from some county appraisers, he does not think simply repealing the licensing act will solve the problem with transient merchants being assessed for property taxes. He feels the best solution would be to have a 14-day blanket exemption for such merchandise. He feels that S.B. 412, in its present form, is unconstitutional because it discriminates between who is exempt and who is not.

Steven Rosenblatt suggested that the bill be amended to provide that local county commissions would have the authority to waive the 14-day limit and to grant additional exemptions (Attachment 1).

The Revisor said that he feels both proposals would be unconstitutional and mentioned the intangibles tax as an example of unlawful delegation of legislative authority.

Nick Jordan testified in agreement with Mr. Rosenblatt's suggestions (Attachment 2).

Joe Boyd described the bowling tournament he mentioned during previous testimony. He estimates that the tournament will amount to \$20 million in revenue to the state. The Wichita Convention & Visitors Bureau spent \$10,000 bidding for the tournament. He is concerned about losing the tournament if it is not exempted because the contract has not yet been signed. Mr. Boyd explained that the only people who would buy exempt merchandise would be those who have paid to get in the door either to bowl or to observe.

Bill Harris stressed to the Committee that it is not so much the actual amount of money being assessed transient merchants that is the issue -- it is the perception of being unwelcome in Kansas. Mr. Harris talked about the importance of this industry to Kansas. He said the licensing requirement itself is an additional competitive disadvantage.

Bud Grant advised that the Chamber requested the licensing legislation last year; however, they intended it to have a very narrow application. He urged the Committee to take whatever action is necessary to solve the

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Assessment and Taxation,
room 519-S, Statehouse, at 11:00 a.m. ~~XXX~~ on January 28, 19 86
& 1:10 p.m.

problem. Mr. Grant noted that the trade shows usually do not offer the type of merchandise that is actually in competition with established merchants.

After discussion, Senator Hayden moved that S.B. 412 be amended to provide that the local county commission has the authority to waive the 14-day display limit. Senator Salisbury seconded the motion. Senator Karr made a substitute motion that S.B. 412 be amended by eliminating the list of specific exemptions and providing for a 14-days per year exemption. Senator Allen seconded the motion, and the substitute motion failed. Senator Burke made a substitute motion that legislation be introduced to repeal the Transient Merchants Licensing Act. Senator Mulich seconded the motion. Senator Hayden requested a ruling of the Chair as to whether the substitute motion was in order. The Chair ruled that the substitute motion was in order, and, upon a vote, the ruling was upheld.

Senator Ben Vidricksen, who was the Vice-Chairman of the interim committee which drafted S.B. 412, advised that he does not feel that to repeal the Transient Merchants Licensing Act would solve the problem because the tax itself would still be in effect.

At 12:20 p.m., the Committee recessed until 1:10 p.m.

Senator Burke withdrew his substitute motion. Senator Hayden withdrew his original motion. Senator Karr moved that S.B. 412 be amended to provide that events sponsored by convention and visitors bureaus established pursuant to the transient guest tax be added to the list of exemptions. Senator Mulich seconded the motion, and the motion carried. Senator Burke moved that the word "appraiser" replace the word "assessor" and that "fair market value" replace the term "true value" in the bill. This was clean-up language requested by the Revisor. Senator Mulich seconded the motion, and the motion carried. Senator Karr moved that S.B. 412, as amended, be recommended favorably for passage. Senator Mulich seconded the motion, and the motion carried.

Meeting adjourned.

ASSESSMENT AND TAXATION

OBSERVERS
(PLEASE PRINT)

DATE	NAME	ADDRESS	REPRESENTING
1/27/86	VIC MILLER	TOPEKA	PYD
"	Mary Harper	Healy	
1-27-86	Norman Harper	"	
	Margaret Bearse	Lawrence	LWVK
1-27-86	Nick Jordan	Overland Park	TIAR - Overland PARK CUBS. KANSAS EXPERIENCE
	STEVEN R ROSENBLATT	TOPEKA	
	Bill Harris	Salina	Bicentennial Center
	JOHN C. KYBERG	SALINA	CVB
	JOE BOYD	WICHITA	CONV. BUREAU
	BUD GRANT	TOPEKA	KCC
	TREVA POTTER	"	NORTHERN NAT GAS
	Duane A. Parde	Lawrence	Attorney General's off.
	David Kistner	Topeka	KCC
	BEN VIDRICKSEN		SENATE
	Patricia Kozak	Salina	KDEJ
	George Barber	Topeka	Trav'l Ind Ass'n.

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EXPOCENTRE**

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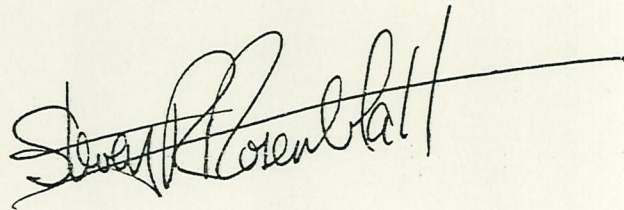
TO: MEMBERS OF THE ASSESSMENT AND TAXATION COMMITTEE

FR: Steven R. Rosenblatt

After discussion with my peers throughout the State of Kansas regarding the modification of SB 412 and SB 398, I offer the following recommendations:

1. Waivers of the 14 day display limit can be granted by the local County Commission.
2. Additional exemptions can also be granted by the local County Commission.

I feel these two pieces will accomplish everything that we are trying to do to allow trade shows and exhibitions in our State.



1/27/86 Sen. A&T
Attachment 1

JANUARY 27, 1986

SENATE ASSESSMENT AND TAXATION COMMITTEE

SENATE BILL NO. 412

Testimony of

NICK JORDAN

LEGISLATIVE CHAIRMAN

TRAVEL INDUSTRY ASSOCIATION OF KANSAS

and

DIRECTOR OF THE OVERLAND PARK CONVENTION & VISITORS BUREAU

Thank you once again for the opportunity to testify concerning Senate Bill No. 412. Your desire and concern to correct a situation that has the potential of doing great damage to the state's ability to attract conventions and trade shows is very commendable and we are certainly grateful.

In our past hearings and meetings concerning Senate Bill No. 412 we have discussed two basic problem areas.

The first being the fourteen (14) day requirement found in Section 1, lines 21-26, and in lines 38-42. While the following wording would have to be reviewed, could we not include a line stating; Exemptions from the fourteen (14) day period may be granted by the local governing body where

1/27/86 Sen. A+T
Attachment 2

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Testimony of Nick Jordan

the function is to be held "upon request from their recognized local convention and visitors bureau, chamber of commerce, or convention center management when the function qualifies as one of the exemptions listed in this bill."

The second problem area we have discussed is the possibility we are not thinking of all possible exemptions and could leave someone out. May we suggest the following possible wording to alleviate that problem. "Additional exemptions may be granted by the local governing body, where the function is to be held when requested by the recognized local convention and visitors bureau, chamber of commerce or convention center management."

It seems to make sense to put these decisions in the hands of those who truly have their community interests at heart. You are including the convention bureaus, chamber of commerce's and convention centers who are interested in attracting this business to their community with the local governing bodies who have these groups' interest in mind plus the local merchants.

Hopefully, the above sections properly worded can solve our problems and will be acceptable.

Thank you once again for your consideration.