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Approved _

MINUTES OF THE Senate COMMITTEE ON Assessment and Taxation

Senator Fred A. Kerr

Chairperson

11:00 a.m./pXXX. on ____ Friday, February 14

_____, 19<u>86 in room ____519-S</u> of the Capitol.

February 19, 1986

Date

All members were present except: Senator Bill Mulich (Excused)

The meeting was called to order by _

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: None

Senator Karr moved that the minutes of the February 13, 1986 meeting be approved. Senator Hayden seconded the motion, and the motion carried.

S.B. 450 - Property tax exemption used for more than one exempt purpose

The Revisor explained a proposed amendment to the bill (Attachment 1). amendment provides that property otherwise exempt from taxation shall not be denied exemption when (1) reimbursement for the use of such property for exempt purposes does not exceed the actual expense thereof or (2) fees for services provided in accordance with exempt purposes are based upon the ability to pay of the recipient of such services.

Senator Salisbury said it has been suggested that a portion of H.B. 2684 be amended into S.B. 450. H.B. 2684 concerns human services organizations, such as United Way agencies. The Revisor said he believes the amendment being considered would include most of these types of agencies. and the Board of Tax Appeals agreed that the amendment includes the concept of S.B. 2695 (daycare centers located in churches). Upon a question by Senator Hayden, Chairman Kerr said that minutes showing committee intent regarding this bill and its amendments would be carefully drafted and that Committee members should review the minutes closely for accuracy before approval.

Senator Burke moved that the amendment be adopted (see Attachment 1). Senator Salisbury seconded the motion, and the motion carried.

There was discussion about the Supreme Court's narrow definition of "charit-The Revisor said that S.B. 450 deals with a statutory exemption rather than a constitutional exemption. Senator Frey questioned whether a statutory exemption can be broader than a constitutional exemption. Revisor answered that you can have exemptions in addition to the constitu-Fred Weaver (Board of Tax Appeals) pointed out that the tional exemptions. Board exists by statutory authority and is not empowered to make a judgment on the constitutionality of a statute. Chairman Kerr said that S.B. 450, as amended, is an attempt to statutorily define what has been the standard for property tax exemption for charitable organizations for the last several years.

Senator Karr moved that the bill, as amended, be recommended favorably for passage. Senator Montgomery seconded the motion, and the motion carried.

S.B. 471 - Exemption of farm machinery and equipment held as inventory from property taxation

Senator Hayden moved that the bill be amended to specify a sunset date for the end of 1988. Senator Thiessen seconded the motion, and the motion carried. Senator Frey moved that the bill, as amended, be recommended Senator Montgomery seconded the motion, and the Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not favorably for passage.

been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES	OF THE _	Senate	COMMITTE	E ON	Asses	ssment and	Taxat	ion	······································
room <u>519</u> .	<u>−S</u> , Stateho	ouse, at <u>11:00</u>	a.m./pXiXi.	on	Febru	uary 14			, 19 <u>_8</u> 6
motion o		. Senators ded.	Parrish	and Sa	alisbury	requested	that	their	"no"
Meeting	adjour	ned.							

ASSESSMENT AND TAXATION

OBSERVERS (PLEASE PRINT)

DATE	NAME	ADDRESS	REPRESENTING
2/14/56			
2/14/86	Nancy BoHen	State Office Bldg	Property Val.
	Pamela Fatterson	8355wTopek Ave.	Assoc of CMHC's ofts
2/14/86	Kim Waters	1880 Goge Blod mand 1825 Alab ama hane	tlace
2/14/80	Ken & Marcia Brese	1835 Alabama hane	Dr fer Day
//	Larley Green Stearns	Manhartan Boyella	Consallation Albacches
//	Chy Wheelen	Topeka 11	Leg. Policy Group
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	And The	- h	KCCI
1/	KEITH FAKRAR	//	BOTA
1.	Fred Weaver	1.1	//
//	VIC MILLER	//	PVD
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Proposed Amendment to SB 450

On page 2, by striking all in lines 51 to 54, inclusive, and inserting the following "to property which would otherwise be exempt pursuant to this paragraph because an agency or organization is reimbursed for the provision of services accomplishing the purposes enumerated in this paragraph based upon the ability to pay by the recipient of such services, or is reimbursed for the actual expense of using such property for purposes enumerated in this paragraph."

Attachment 1 Senate Tax - 2/14/86