

Approved Thomas F. Walker  
Date 3/6/87

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION

The meeting was called to order by Representative Thomas F. Walker at  
Chairperson

9:00 a.m./p.m. on March 5, 1987 in room 522-S of the Capitol.

All members were present except:

Representative Barr  
Representative Peterson

Committee staff present:

Avis Swartzman - Revisor  
Carolyn Rampey - Legislative Research  
Mary Galligan - Legislative Research  
Jackie Breymeyer - Secretary

Conferees appearing before the committee:

The meeting of the House Governmental Organization Committee was called to order by Representative Thomas F. Walker, Chairman. He said the minutes of the previous meeting would stand approved if there were no corrections or additions. He reminded the members that there would be a Friday meeting and stressed the importance of attendance.

The agenda for the meeting was the Subcommittee Report on the Department of Revenue and HB 2060, the bill continuing in existence the Department of Revenue and Secretary. The Chairman called for a motion to accept the report.

Representative Bowden moved to accept the Subcommittee Report on the Department of Revenue. Representative Hassler gave a second to the motion. The motion carried.

Representative Brown began by thanking the subcommittee for the work they had done in the preparation of the report. The first recommendation calls for a two-year extension of the Department, with a report due back to the committee in January of 1989. Recommendation #2 notes that Alcoholic Beverage Control (ABC) and Property Evaluation Department (PVD) are currently undergoing major changes. The report states that these two divisions be a major portion of the 1989 sunset review. Recommendation number three showed the 1982 and 1986 performance audits had found a number of problem areas. Since the Kansas Business Integrated Tax System (K-BITS) audit will not be completed until sometime in March, the subcommittee recommended the Taxation Division be reviewed during the sunset audit of 1989.

Additional Recommendations included introducing a resolution in support of the plan to close all non-scale motor carrier inspection stations, with the exception of three cities; not closing any driver license testing locations or implement a proposal to establish permanent stations until additional information is obtained; an analysis should be submitted for the co-location of field offices, and that the 1989 sunset review include a study of the proposed Division of Collections. A more detailed report will be available later in the legislative session. (See Attachment 1)

Representative Brown moved the acceptance of the Subcommittee Report on the Department of Revenue. Representative Graeber gave a second of the motion. Motion carried.

The Committee directed its attention to HB 2060. Representative Graeber moved to amend HB 2060 to read 1989. Representative Sebelius gave a second to the motion. The motion carried.

Representative Sebelius moved to report HB 2060 favorable for passage as amended. Representative Weimer gave a second to the motion. The motion carried.

The Chairman reminded committee members to be present at the 9:00 a.m. meeting on Friday. The meeting was adjourned.



SUBCOMMITTEE REPORT

March 6, 1987

To: House Governmental Organization Committee  
From: Department of Revenue Subcommittee  
Re: Sunset Review of the Department of Revenue

Sunset Recommendation: The Subcommittee charged with the review of the Department of Revenue recommends that the Department and Office of the Secretary of Revenue be extended for two years, until 1989.

The recommendation is based upon the following factors:

- 1) The Subcommittee recognizes that personnel and policy changes most likely will occur with the new Administration. The two year extension will give the new Administration and the Legislature the opportunity to review and evaluate the general operation of the Department. The subcommittee recommends that a report be presented to the committee in January of 1989.
- 2) The Department of Revenue's divisions of Alcoholic Beverage Control (ABC) and Property Evaluation (PVD) are currently undergoing major changes as a result of the constitutional amendments and implementing legislation. The subcommittee felt it would be premature and unproductive to review these divisions at this time. However, oversight and evaluation would be appropriate in 1989. The Subcommittee recommends that the two divisions be a major portion of the 1989 sunset review.
- 3) The review of the Division of Taxation revealed ongoing and unresolved issues and concerns relating to data processing and the collection of taxes. The 1982 and 1986 performance audits revealed a number of problem areas which the agency indicated would be remedied when a new computer program, K-BITS (Kansas Business Integrated Tax System), was brought on-line. The computer program is not yet on-line. The Subcommittee felt that additional legislative oversight and review is necessary, particularly due to the audit recommendations and K-BITS, a proposed new departmental reorganization, and implementation of new computer systems. The subcommittee recommends that the Division of Taxation be thoroughly reviewed during the sunset audit of 1989.

Additional Recommendations: In addition to extending the Department and Office of the Secretary of Revenue for two years, the Subcommittee makes the following recommendations:

Attachment 1  
G.O. Comm.  
3/5/87

A) Introduce a resolution in support of a plan development by the Department to close all non-scale motor carrier inspection stations except those at Kansas City, Belleville, Liberal and Fort Scott. The Department estimates that the closings will result in an annual expenditure reduction of \$971,844, and elimination of 53.0 FTE positions.

2) That the Department not implement a proposal to establish permanent driver license examining stations throughout the state and to close some driver license testing locations until additional information about the impact of closing the sites is available. The Subcommittee believes that, before the Department proceeds to close any sites, a report which addresses the issues of availability and accessibility to service, especially evening and Saturdays, should be presented to the Legislature. The assessment should be presented prior to closing any sites.

3) That the Department prepare and submit an analysis of the potential for co-locating its field offices. The analysis should include goals, benefits and costs of the project, as related to all field functions regardless of their current location. The report should be presented to the Committee by January 11, 1988.

4) That the 1989 sunset review include a study of the proposed Division of Collections. While the Subcommittee did not oppose the concept of the new division, concerns were expressed regarding the timeliness with a new administration, and the multi-year impact of the reorganization and the allocation of resources to implement the plan.

The Subcommittee's recommendations for a subsequent examination of the Department and Office of the Secretary of Revenue will be included in a more detailed report to the Committee later in this Legislative Session. Some information upon which the final report will be based is not currently available to the Subcommittee. In particular, the Subcommittee wishes to review the audit of the Kansas Integrated Business Tax System (K-BITS), which will be available in March, and make final recommendations based on that information.

*Nancy Brown*

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Representative Nancy Brown,  
Chairman

*Clyde Graeber*

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Representative Clyde Graeber

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Representative Michael Peterson

*Al Ramirez*

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Representative Al Ramirez

*Debbie Schauf*

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Representative Debbie Schauf

*Kathleen Sebelius*

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Representative Kathleen Sebelius

*Frank Weimer*

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Representative Frank Weimer