

Approved March 17, 1987
Date

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./p.m. on March 6, 1987 in room 519-S of the Capitol.

All members were present except:

Senator Nancy Parrish

Committee staff present:

Tom Severn, Research
Chris Courtwright, Research
Don Hayward, Revisor's Office
Sue Pettet, Secretary to the Committee

Conferees appearing before the committee:

Hazel Allison, Montgomery Co. Jail Advisory Committee
Bev Bradley, Ks. Assoc. of Counties

Chairman Kerr called the meeting to order and said that the agenda for the day was to have a hearing and possible action on H.B. 2080, as well as final action on several previously heard bills.

HOUSE BILL 2080

Chairman Kerr stated that Senator Michael Johnston was not able to attend the meeting but expressed support for and desire for favorable passage of H.B. 2080.

Hazel Allison testified in support of H.B. 2080. (Attachment 1) She stated that the bill would allow Montgomery and Wyandotte Counties to impose a county wide retail sales tax for the purpose of building a jail or courthouse or combination of both. The tax would expire after the facility is paid for. This proposal would go before the voters.

Bev Bradley testified in support of H.B. 2080. Senator Allen made the motion to recommend H.B. 2080 favorably for passage. Senator Thiessen seconded. Motion carried.

SENATE BILL 309

After brief committee discussion, Senator Allen made a motion to adopt the amendment to S.B. 309 making the effective date of the exemption January 1, 1989. Senator Mulich seconded. Motion carried.

SENATE BILL 239

Chairman Kerr briefly explained the intent of S.B. 239. Senator Hayden made the motion to favorably pass S.B. 239. Senator Thiessen seconded. Motion carried.

SENATE BILL 195

Senator Mulich offered amendments to S.B. 195 (Attachment 2) Revisor Hayward explained the amendment adds two new sections. One section imposes the local compensating use tax on the sale of watercraft. There is also a new section providing for a collection mechanism to be utilized in collecting this tax. The sales tax could be paid to the director of taxation or county treasurer. The county treasurer may charge an additional fee of 50¢ for collecting this fee.

After brief committee discussion, Senator Mulich made a motion to adopt the amendments as offered for S.B. 195. Senator Allen seconded. Motion carried.

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Assessment and Taxation

room 519-S, Statehouse, at 11:00 a.m./~~p.m.~~^{XX} on March 6, 1987

Senator Mulich made a motion to favorably pass S.B. 195 as amended. Senator Karr seconded. Motion carried.

SENATE BILL 135

Chairman Kerr stated that his intern, Mike Sterbach had compiled an analysis of S.B. 135 for the committee's information, (Attachment 3) He stated that this bill request had been made by Senator Hayden in response to several counties in southwest Kansas expressing problems with the definition of "parcel".

Chairman Kerr asked Secretary Duncan to update the committee on the Department's activity relative to this issue. Secretary Duncan assured the committee that much work had already gone into this situation, and that the Department had been in touch with several counties concerning the issue. He said he felt confident that the issue could be settled administratively without passage of the bill. He also stated that the total cost of reappraisal would most likely not be raised by the bill but that the cost sharing might move among units.

Senator Hayden made a motion to request that the President of the Senate refer S.B. 135 to a committee which is exempt from the bill deadline. Senator Salisbury seconded. Motion carried.

SENATE BILL 229

Senator Karr briefly explained that this bill would allow for a checkoff that would bring extra revenue to school districts. Senator Karr made a motion to pass the bill favorably. Senator Hayden seconded. The motion was defeated.

SENATE BILL 220

Chairman Kerr said that he had agreed to a request by Senator Parrish to ask the committee to consider keeping this bill alive through an exempt committee. Senator Allen made a motion to ask the President of the Senate to so refer S.B. 220. Senator Karr seconded. Motion carried.

Senator Hayden made a motion to accept the minutes of March 5, 1987. Senator Karr seconded. Motion carried.

Meeting adjourned.

Hazel Allison

Senate Taxation Committee
House Bill No. 2080 - Financing of County Jails
March 6, 1987

Statement by Hazel Allison, Coordinator
Montgomery County Jail Advisory Committee

Mr. Chairman, Members of the Committee, House Bill 2080 was requested by the counties of Montgomery and Wyandotte as a means to obtain financing for a new county jail.

The bill would authorize a countywide retailers' sales tax for the purpose of financing the construction or remodeling of a courthouse, jail, or law enforcement center facility. The question of imposing the tax would be submitted to the electors of the county.

All revenue derived from the tax would be retained by the county for this specific purpose and would expire upon payment of all costs incurred in the financing of the facility.

This bill exempts bonds issued for this purpose and paid for from the proceeds of a county-wide sales tax from the computation of the county's total bonded indebtedness.

Montgomery County commissioners plan to have the jail question on the ballot on April 7 if it can be approved by the Senate, signed into law and published in the Kansas Register in time to be printed on the ballot by March 17. Commissioners hope to avoid being forced to hold a special election.

This bill was passed by the Senate in 1986 but did not make it through the house prior to adjournment. We urge your favorable consideration of the bill once again.

Sen. A & T
3/6/87 Att. 1

Proposed Amendment to SB 195

On page 1, in line 28, after "under" by inserting "the provisions of K.S.A. 12-187, and amendments thereto, K.S.A. 12-198, and amendments thereto,";

On page 4, after line 133, by inserting two new sections to read as follows:

"Sec. 2. K.S.A. 12-198 is hereby amended to read as follows: 12-198. (a) A compensating use tax for the privilege of using or storing within a city or county any vehicle which is required to be registered under the provisions of article 1 of chapter 8 of the Kansas Statutes Annotated, and amendments thereto, or any vessel, as defined by K.S.A. 82a-902, and amendments thereto, is hereby imposed by every city or county imposing a retailers' sales tax. The rate of any such tax shall be fixed at the same rate as such city's or county's retailers' sales tax. Any city or county imposing a compensating use tax is prohibited from administering or collecting such tax locally, but shall utilize the services of the state department of revenue to administer, enforce and collect such tax. Such tax shall be identical in its application and exemptions therefrom to the Kansas compensating tax, and all laws and rules and regulations of the state department of revenue relating to the Kansas compensating tax shall apply to such local compensating use tax insofar as the same may be made applicable.

(b) The secretary of revenue is authorized to administer, enforce and collect a city's or county's compensating use tax and to adopt such rules and regulations necessary for the efficient and effective administration, enforcement and collection thereof. The state director of taxation shall cause such taxes to be collected within the boundaries of such taxing subdivision at the same time and in the same manner provided for the collection of the state compensating use tax. All moneys collected by the director of taxation pursuant to the provisions of this section

shall be credited to the city and county compensating use tax fund, which fund is hereby established in the state treasury. Any refund due on any city's or county's compensating use tax collected pursuant to this section shall be paid out of the sales tax refund fund and reimbursement to such fund shall be made by the director of taxation from collections of local compensating use tax revenue. All moneys collected pursuant to this section for a city or county shall be remitted at least quarterly by the state treasurer to the treasurer of such city or county.

(c) All revenue received by any county treasurer from a countywide compensating use tax shall be apportioned among the county and each city located in such county in the same manner as provided in K.S.A. 12-192, and amendments thereto, for the apportionment of revenue received from a countywide retailers' sales tax.

New Sec. 3. (a) In any case where any tax imposed under the provisions of K.S.A. 12-187, and amendments thereto, and 12-198, and amendments thereto, the Kansas retailers' sales tax act or the Kansas compensating tax act upon the sale or use of any vessel is not paid to a retailer, the purchaser of such vessel shall pay such tax to the director of taxation or to the county treasurer of the county wherein such purchaser resides. Upon payment of all such taxes, the director or the county treasurer, as the case requires, shall issue to such purchaser proof of payment thereof upon the forms devised by the department of revenue for such purpose. In addition to such taxes, the county treasurer shall charge a collection service fee of \$.50 and shall credit the same to the special fund provided in K.S.A. 8-1545, and amendments thereto. The county treasurer shall remit monthly all local and state sales and compensating use taxes collected under this section to the director of taxation. All moneys received from local sales and compensating use taxes shall be deposited in the state treasury to the credit of the county and city retailers' sales tax fund or the city and county compensating use tax fund, as the case requires, and shall be

apportioned and remitted by the state treasurer to the county and city treasurers in the manner prescribed by K.S.A. 12-189, and amendments thereto, or 12-198, and amendments thereto, as the case requires. All moneys received from state sales and compensating use taxes shall be deposited as provided in K.S.A. 79-3620, and amendments thereto.

(b) As used in this section, "vessel" shall have the meaning ascribed thereto by K.S.A. 82a-802, and amendments thereto.";

By renumbering existing sections 2 and 3 as sections 4 and 5, respectively;

Also, on page 4, in line 134, by striking "82a-804 is" and inserting "12-198 and 82a-804 are";

In the title, in line 20, after the semicolon by inserting "imposing a local compensating use tax upon the privilege of use or storing watercraft;"; also, in line 20, after "K.S.A." by inserting "12-198 and"; in line 21, by striking "section" and inserting "sections"

March 5, 1987

Compiled by Mike Sterbach
Leg. Intern
Reviewed by Sen. Fred Kerr

ANALYSIS OF S.B. 135

It appears that the concepts incorporated in Senate Bill 135 already exist within the administration policies of the Division of Property Valuation. The need for Senate Bill 135 appears to become obsolete due to the emphasis the Division of Property Valuation has placed on accommodating the differenting needs of each of the counties. In essence, the provisions of Senate Bill 135 will likely be obtained administratively by the Division of Property Valuation.

There appears to be concern by some conferees from Sedgwick County that the Division of Property Valuation will say one thing and do another. I believe there is a letter forthcoming from the PVD that addresses a policy statement determining what the PVD can and/or cannot do for the counties.

- OPTIONS:
1. Pass S.B. 135 favorably.
 2. Not take action on S.B. 135 with the assurance that the Department of Property Valuation will accommodate counties.
 3. Refer bill to Federal and State Affairs or Ways and Means Committee until it is clear what the administrative policy of the Division of Property Valuation shall be.

MS/lc

— Sen. A & T
3/6/87

Att. 3 —