

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 Tuesday, March 1, 1988 in room 522-S of the Capitol.

All members were present except:

Representative Peterson

Committee staff present:

Avis Swartzman - Revisor

Carolyn Rampey - Legislative Research Dept.

Mary Galligan - Legislative Research Dept.

Russ Mills - Legislative Research Dept.

Tom Severn - Legislative Research Dept.

Jackie Breynevey - Committee Secretary

Conferees appearing before the committee:

Ed Flentje - Secretary, Department of Administration

John Luttjohann - Director of Taxation, Department of Revenue

Gary Hulett - Secretary, Department of Health & Environment

The meeting of the House Governmental Organization Committee was called to order by Representative Thomas F. Walker, Chairman. He stated the minutes of the previous meeting would stand approved if there were no corrections or additions by the end of the meeting.

HB 2991 - Powers, duties functions; Department of Administration

Two memorandums were distributed by the Legislative Research Department.
(Attachments 1 and 2)

Secretary Ed Flentje distributed copies of his testimony. (Attachment 3) His testimony stated that the Governor has proposed a series of statutory and administrative changes to make state government more economical. Three of the four bills introduced to deal with the repeal of unnecessary statutes are in the Governmental Organization Committee. The 64 statutes up for repeal fall into three categories: 1) authorize the Secretary or some other state officer to perform functions already authorized by other authority; 2) laws requiring the Department of Administration to perform tasks that have been long since accomplished; 3) statutes that have authorized programs which are no longer carried out or have been previously transferred to other agencies. Secretary Flentje said that the repeal of the statutes contained in HB 2991 will in no way hamper the Department's ability to carry out its mission.

The Committee asked several questions of Secretary Flentje. He answered several questions and called on Art Griggs, Chief Attorney to add input.

The Chairman asked if there were any other proponents or opponents on the bill. Seeing none, he closed the hearing on HB 2991 and directed the Committee's attention to:

HB 3008 - Advisory Committee on Health and Environment

Gary Hulett, Under Secretary, appeared in support of the bill. (Attachment 4) He explained that Secretary Grant was ill and that is why he was not present. The Department of Health and Environment would like to see a thirteen member Advisory Commission on Health and Environment replace the present two commissions that now exist. These two commissions, one for the Division of Health and one for the Division of Environment, lead to a fragmented approach to policy issues. Mr. Hulett went on to describe the makeup of the Advisory Commission and the persons it would consist of. This would give program direction and emphasis and not let federal mandates dictate what is best for Kansans.

Questions from the committee were directed to Under Secretary Hulett. He called on Richard Morrissey of the Department to add input.

The Chairman asked if there were any other proponents or opponents on the bill. Seeing none he continued to the next bill.

HB 2993 - Taxation; Department of Revenue

John R. Luttjohann, Director of Taxation, Department of Revenue distributed copies of his testimony. (Attachment 5) There is an error in the bill; 79-1537d should not be in the bill. Each statute cite was defined in his attachment. These are, in the Department's view, obsolete. An amendment to the bill will take care of 79-1537d.

The Director of Taxation answered questions put to him by committee and staff.

The Chairman closed the
adjourned the meeting.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

hearing on HB 2993 and

MEMORANDUM

February 29, 1988

TO: House Committee on Governmental Organization

FROM: Kansas Legislative Research Department

RE: H.B. 2991

Listed below are the sections that would be repealed by H.B. 2991:

- 75-2233 Secretary of Administration shall provide first aid equipment for the State Capitol Building.
- 75-2234 Secretary of Health and Environment shall advise the Secretary of Administration of the medical call equipment which should be available for the State Capitol Building.
- 75-2248 State Historical Society shall select appropriate statuary for the second floor niches of the Capitol Building.
- 75-3607 "State Office Building Commission" shall mean the Secretary of Administration.
- 75-3608 Sets forth the powers and classification of employees of the State Office Building Commission, the main power being to construct and equip an office building located at Tenth and Topeka (Docking State Office Building).
- 75-3611 Authorizes the State Office Building Commission to issue and sell bonds for the purpose of constructing and equipping any state office building.
- 75-3612 Describes bonds that may be issued by the State Office Building Commission.
- 75-3613 Describes covenants and agreements the State Office Building Commission is authorized to enter into in connection with bonds it issues.
- 75-3615 Pertains to the disposition of income from the operation of the Docking State Office Building.
- 75-3616 Bonds issued by the State Office Building Commission are tax exempt.
- 75-3617 Interest on bonds shall be credited to the State Buildings Operating Fund.
- 75-3629 Authorizes Secretary of Administration to acquire land at Sixth and Kansas Avenue.
- 75-3630 Authorizes the Pooled Money Investment Board to purchase bonds issued by the Secretary of Administration in connection with purchase of land at Sixth and Kansas Avenue.

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- 75-3631 Describes bonds that may be issued and confers upon the Secretary of Administration the powers of the State Office Building Commission.
- 75-3632 Provides that rent from state agencies in building at Sixth and Kansas Avenue shall be credited to the State Buildings Operating Fund.
- 75-3633 Authorizes Secretary of Administration to establish rental rates for building at Sixth and Kansas Avenue.
- 75-3634 Approval of the act by the Governor (act pertaining to acquisition of land at Sixth and Kansas Avenue) shall not be deemed a conflict of interest.
- 75-3636 Authorizes the Pooled Money Investment Board to purchase bonds issued by the Secretary of Administration in connection with purchase of land at Fifth and Kansas Avenue.
- 75-3637 Describes bonds that may be issued and confers upon the Secretary of Administration the powers of the State Office Building Commission.
- 75-3638 Provides that rent from state agencies in building at Fifth and Kansas Avenue shall be credited to the State Buildings Operating Fund.
- 75-3639 Authorizes Secretary of Administration to establish rental rates for building at Fifth and Kansas Avenue.
- 75-3644 Pertains to acquisition of property and facilities at Forbes Air Force Base.
- 75-3645 Pertains to governmental immunity in connection with use of property or facilities at Forbes Air Force Base.
- 75-3646 Secretary of Administration shall establish rental rates at Forbes Air Force Base.
- 75-3647 Secretary of Administration shall be responsible for care and management of facilities at Forbes Air Force Base. (Note: Secretary would still be responsible for care of Forbes under K.S.A. 75-3762.)
- 75-3656 As of July 1, 1983, abolished the State Office Building Operating Fund and transferred all funds to the State Buildings Operating Fund.
- 75-3657 As of July 1, 1983, abolished the 535 Kansas Office Building Fund.
- 75-3658 As of July 1, 1983, abolished the 535 Kansas State Office Building Operating Fund,
- 75-3659 As of July 1, 1983, abolished the Forbes Buildings and Grounds Fund.
- 75-3660 As of July 1, 1983, abolished the State Office Building Depreciation Reserve Fund.
- 75-3661 As of July 1, 1983, abolished the Temporary State Office Building Depreciation Reserve Fund.

- 75-3662 As of July 1, 1983, abolished the Fifth and Kansas Avenue Bond Proceeds Fund.
- 75-3663 As of July 1, 1983, abolished the Fifth and Kansas Avenue Operating Fund.
- 75-3664 As of July 1, 1983, transferred assets of Fifth and Kansas Avenue Depreciation Reserve Fund to State Buildings Depreciation Fund.
- 75-3665 As of July 1, 1983, abolished the 900 Jackson Street Operating Fund.
- 75-3666 As of July 1, 1983, abolished the 900 Jackson Street Depreciation Reserve Fund.
- 75-3667 As of July 1, 1983, abolished the Fifth and Kansas Avenue Bond and Interest Sinking Fund.
- 75-3715a Requires the Director of the Budget to prepare a fiscal note within seven days following the first reading of any bill that increases or decreases state revenues or the revenues of counties, cities, and school districts.
- 75-3751 As of July 1, 1953, transferred powers of Board of Administration to Board of Penal Institutions. As of July 1, 1961, removed the Director of Purchases from all powers and duties related to sand, oil, gas, gravel, mineral, or any other rights from land lying in the bed of any Kansas river.
- 75-3789 Sets forth penalties for violation of act relating to the sale of land and salt deposits in Reno County.
- 75-3790 Authorizes the sale of land and salt deposits in Reno County.
- 75-3791 Pertains to the appraisal of salt beds in Reno County.
- 75-3792 Pertains to the furnishing of an abstract of title in connection with the sale of salt beds in Reno County.
- 75-3793 Requires deeds or contracts issued in connection with salt beds in Reno County to be approved by certain state officials.
- 75-3794 Expenses connected with sale of salt beds in Reno County shall be paid from proceeds of sale.
- 75-3797 As of July 1, 1982, transferred all powers of Governor's Committee on Criminal Administration relative to the administration of the Omnibus Crime Control and Safe Streets Act of 1968 to the Secretary of Administration.
- 75-4513 As of July 1, 1976, abolished the Division of Administrative Services and the Director of Administrative Services within the Department of Administration and transferred all functions to the Secretary of Administration.

- 75-4606 Makes central motor pool vehicles available for official state use only; requires state agencies to requisition vehicles from central motor pool; and provides for the reimbursement of a mileage rate to a person who wishes to use a private vehicle instead of a state vehicle.
- 75-4609 Establishes conditions under which state agencies (other than the Governor and Regents' institutions) may purchase or lease passenger vehicles. Establishes conditions under which Regents' institutions may lease motor vehicles other than passenger vehicles.
- 75-4801 Establishes the Division of Planning and Research, which was subsequently abolished July 1, 1980.
- 75-4804 Requires the Division of Planning and Research to develop and maintain a statewide development policies plan.
- 75-4805 Requires the Division of Planning and Research to submit a development program to the Legislature.
- 75-4806 Requires the Division of Planning and Research to compile a list of all federal programs and projects participated in by state agencies.
- 75-4808 Authorizes the Governor to appoint advisory councils to the Division of Planning and Research.
- 75-4809 Director of Planning and Research may delegate authority to other state agencies.
- 75-4810 State planning functions of the Kansas Department of Economic Development transferred to the Division of Planning and Research and to the Division of the Budget.
- 75-4811 Authorizes the Secretary of Administration to adopt rules and regulations relating to the act pertaining to the Division of Planning and Research.
- 75-4812 Severability clause relating to Division of Planning and Research Act.
- 75-4813 Records and materials of Kansas Department of Economic Development relating to local community planning transferred to Division of Planning and Research.
- 75-4814 As of July 1, 1980, abolished Director and Division of Planning and Research.
- 75-4815 As of July 1, 1980, transferred certain powers, duties, and functions of Division of Planning and Research to the Division of the Budget.
- 75-4816 As of July 1, 1980, transferred certain personnel from the Division of Planning and Research to the Division of the Budget.
- 75-4817 Authorizes Governor to resolve conflicts relating to the disposition of powers and records of the Division of Planning and Research.

75-4818 Preserves rights in legal actions and proceedings involving Division of Planning and Research.

HB2991.CR/sls

MEMORANDUM

March 1, 1988

TO: House Committee on Governmental Organization
FROM: Kansas Legislative Research Department
RE: H.B. 2993 Relating to Taxation and the State Department of Revenue

The following sections would be repealed by H.B. 2993:

- 41-404 Pertains to bonded warehouses and requires an annual bond of manufacturers or distributors.
- 79-1537d Pertains to the Kansas Inheritance Tax Act and defines "qualified terminable interest property election."
- 79-3226a Tax provision relating to individuals in military service who died on active duty during World War II.
- 79-3226b Tax provisions relating to individuals in military service who died while serving in combat zones after June 25, 1950.
- 79-3241-
79-3267 Historical record that shows the application of the Income Tax Act or sections of it to specific tax years, beginning with tax year 1934 and ending with tax year 1971.
- 79-3297a Pertains to the Income Tax Act and requires the Secretary of Revenue to change the amount withheld from wages when federal withholding rates change.
- 79-32,117f-
79-32,117g Sections show application of 79-32,117 of the Income Tax Act to tax years beginning January 1, 1977 and January 1, 1983.
- 79-32,144-
79-32,152k Historical record that shows the application of the Income Tax Act or sections of it to specific tax years, beginning with tax year 1968 and ending with tax year 1984.
- 79-32,161 Pertains to the amortization of costs of any certified oil production process, as authorized by the Certified Oil Production Processes Act of Kansas income tax laws.
- 79-32,162 Pertains to the Certified Oil Production Processes Act and provides that a taxpayer may elect to begin the amortization period by filing a statement with the Secretary of Revenue.
- 79-32,163 Definition section for Certified Oil Production Processes Act.
- 79-32,164 Authorizes Secretary of Revenue to develop rules and regulations to carry out purposes of Certified Oil Production Processes Act.

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79-32,165 Provides that 79-32,120 (itemized deductions of an individual), 79-32,138 (taxable income of corporations), and 79-32,161 through 79-32,164 (Certified Oil Production Processes Act) shall apply to all tax years beginning with tax year 1976.

79-32,165a Provides that sections of the Certified Oil Production Processes Act shall apply to tax years beginning with tax year 1981.

79-32,166-
79-32,174c Solar Energy System Act provides a tax credit for solar energy systems installed in dwellings prior to January 1, 1986 or in dwellings purchased prior to January 1, 1986 that are supplied energy from a solar energy system.

79-45a01-
79-45a02 Pertains to reimbursement of taxes on property equipped with solar energy systems on or before December 31, 1980.

88-62/cr

STATE OF KANSAS



DEPARTMENT OF ADMINISTRATION

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H. Edward Flentje, *Secretary*

Testimony on H.B. 2991
H. Edward Flentje
March 1, 1988

During the 1987 legislative session a number of state legislators asked Governor Hayden to take the initiative in streamlining state government. The objective was to seek out and remove outdated statutes and any boards and commissions which no longer serve a vital purpose.

Governor Hayden took this suggestion to heart and after the session instructed his cabinet members to review the various enabling laws and organizational components affecting their agencies and present him with suggestions for whittling down unnecessary elements of state government.

Members of the cabinet responded and the Governor has proposed a series of statutory and administrative changes designed to make state government leaner and more economical. The Governor's proposals were promptly endorsed by members of the legislature and various editorial writers, one of whom appropriately dubbed these proposals Hayden's "Spring Cleaning" plan. The plan contains three essential components: 1) the repeal of obsolete and unnecessary laws; 2) the abolition of unnecessary statutory committees, commissions and boards; and 3) the elimination of outdated bodies or advisory groups created by administrative or executive action.

There are four bills introduced at the Governor's request which repeal unnecessary statutes. H.B. 2992 has been heard by the House Public Health and Welfare Committee. The remaining three, H.B. 2990, H.B. 2991, and H.B. 2993, are pending before this Committee.

Attachment 3
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H.B. 2991 concerns 64 statutes relating to the Department of Administration. In my opinion these statutes fall into three categories: 1) Some of them specifically authorize the secretary or other state officers to perform functions already authorized by other more general grants of authority. 2) Another collection of laws requires the Department of Administration to perform tasks that have long since been accomplished. 3) Finally, other statutes authorized programs which are no longer carried out by the Department or have been previously transferred to other agencies.

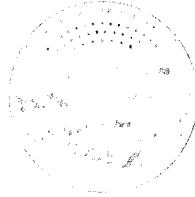
The repeal of the statutes contained in H.B. 2991 will not in my opinion hamper in any way the Department of Administration's ability to carry out its mission.

Governor Hayden believes these "Spring Cleaning" measures form an excellent starting point for further repeals and abolitions. Sweeping out stale laws, requirements and programs is a healthy and productive activity, and we ask your support of H.B. 2991.

Thank you.

5224A

STATE OF KANSAS



DEPARTMENT OF HEALTH AND ENVIRONMENT

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Mike Hayden, *Governor*

Stanley C. Grant, Ph.D., *Secretary*
Gary K. Hulett, Ph.D., *Under Secretary*

TESTIMONY PRESENTED TO
HOUSE GOVERNMENTAL ORGANIZATION

BY

THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT

House Bill No. 3008

Mr. Chairman, members of the Committee, I am appearing today in support of House Bill 3008 which establishes a thirteen member Advisory Commission on Health and Environment to provide overall policy guidance and direction on public health and environment issues for the Secretary. The current structure of two distinct Advisory Commissions, one for the Division of Health and one for the Division of Environment leads to a fragmented approach to assisting the Secretary set policy directions for the Department. Health problems are increasingly linked to environmental anomalies. Advisory Commission members will provide technical expertise from their specialty fields to enhance the knowledge base of the Department.

As proposed in House Bill 3008, the Advisory Commission on Health and Environment will consist of thirteen members appointed by the Governor for terms of up to four years and will participate in at least four quarterly meetings. As far as practical, two members of the Commission will be persons representative of the health field; two members will be persons who practice environmental engineering or geology; three members will be scientists from academia, and/or commercial health or environmental laboratories, or private business; three members will be business leaders utilizing health or environmental services; and three members shall represent the public at large. To the degree possible, the Governor would make his appointments from different parts of the state.

Testimony on House Bill 3008
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The Advisory Commission is needed to assess health and environmental issues affecting the citizens of Kansas and assist the Secretary in identifying program direction and emphasis for the next five to ten years. Too often program emphasis is established by federal mandates and not based on thorough review of the states health and environmental needs. The Commission can assist the Department in helping to shape state and national policy.

Presented by:
Gary K. Hulett, Ph.D.
Under Secretary
March 1, 1988

MEMORANDUM

TO: The Honorable Thomas Walker, Chairman
House Committee on Governmental Organization

FROM: John R. Luttjohann, Director of Taxation
Department of Revenue

DATE: March 1, 1988

RE: 1988 Legislative Proposals - Obsolete Statutes

Listed below are those statutes which our review indicates can be considered obsolete. Portions of statutes that are also obsolete are marked by statute and subsection.

41-404 Deals with bonding required to secure payment of the gallonage tax by warehouses engaged in the distribution of alcoholic beverages. This provision is duplicative as the topic is also covered in K.S.A. 41-417.

79-3226a Death while in military service from December 7, 1941 until termination of World War II. Abatement or refund of tax.

79-3226b Death while in military service in "combat zone" on or after June 25, 1950. Abatement or refund of tax.

79-3241 to 79-3267 Numbers apparently used in prior years. Currently serving no function.

79-3297a Refers to 79-3296 and allows for the Secretary of Revenue to change percentage to be withheld in order to better reflect Kansas tax liability.

*Attachment 5
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- 79-32101(a) and (e) Refers to Declaration of Estimated Tax. The term "declaration" is no longer specifically applicable to state forms or processing procedures.
- 79-32,117(f) and (g) Numbers apparently used in prior years. Currently serving no function.
- 79-32,144 to
79-32,152k Numbers apparently used in prior years. Currently serving no function.
- 79-32,161 to
79-32,165a Certified Oil Production Process deduction expired December 31, 1985.
- 79-32,166 to
79-32,170 Solar energy credit expired December 31, 1985. Last allowable carryover can be claimed in 1987 tax year.
- 79-32,171 to
79-32,174c Numbers apparently used in prior years. Currently serving no function.
- 79-45a01 to
79-45a03 Solar Energy Property Tax Refund. Refund expired on December 31, 1980. Claims can only be filed in four succeeding years. All date limitations for refunds have expired and the statute is no longer applicable.

The Department respectfully requests an amendment to remove the reference in the bill to K.S.A. 79-1537d. This inheritance tax statute deals with the QTIP election and was erroneously cited as an obsolete statute.

Thank you for the opportunity to appear before you. I'll be glad to respond to any questions you may have.