

Approved March 16, 1988
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT & TAXATION

The meeting was called to order by Senator Fred A. Kerr at
Chairperson

11:00 a.m. on March 15, 1988 in room 519-S of the Capitol.

All members were present except:

Senator Bill Mulich

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:

Jim McBride, Volunteer for United Way
Kathy Champlin, United Community Serv.
Johnson County
Larry Otto, Boy Scouts of America
Alan Bram, Jewish Comm. Campus
Maj. Everett Jordan, Salvation Army
Jane Gilcrest, Wichita YWCA
Rep. Joan Wagnon
Sis. Mary Serena Sheehy

Yo Bestgen, Ks. Assoc. of
Rehab. Facilities
Betty Wright, Girls Scouts of
America
Dr. Stacy Ollar, Bristol Hill
United Methodist
David Brown, Shawnee First
Baptist Church
Bob Runnels, Ks. Cath. Conf.
Robt. Heath, Atty.
Sis. Judith Lindell

HOUSE BILL 2651

Chairman Kerr called the meeting to order and said the hearing would be on H.B. 2651. He introduced Mr. Jim McBride. (Att. 1)

Jim McBride testified in support of H.B. 2651. (Att. 1(a)). He stated that he was serving as spokesman for Kansas Community Service Agencies. This group represents 45 agencies in Kansas which provide services to people in need. He said he felt that clarifying legislation was needed to protect traditional agencies' exemptions and H.B. 2651 would do this.

Kathy Champlin testified in support of H.B. 2651. (Att 1 (b)). She stated that as volunteers, they saw their work as a partnership with government, and cooperation with each other was very much needed. She urged the committee to clarify exemption status for non-profit charitable organizations.

Larry Otto testified. (Att. 1(c)) He stated that his organization did not pretend to know the technicalities of the tax law; but they felt certain that unless the clarifying legislation in the form of H.B. 2651 gained passage, there would be fiscal crisis in the Boy Scout councils of Kansas. In answer to questions, Mr. Otto said he knew of no actual cases of Boy Scout properties being taxed except one case of a clerical error and another case in which land being used for haying and grazing was temporarily put on the tax roles.

Alan Bram testified in support of H.B. 2651. (Att. 1(d)) He stated that the Jewish Community Campus corporation was created two years ago out of the desire to expand social services and education and enhance the effectiveness and economy of the local Jewish communal non-profit agencies by constructing a facility which will house all or parts of these agencies. He said they supported H.B. 2651 because they do not feel the 1986 amendment went far enough in protecting the tax exemption of those charities which undertake benevolent activities. He felt that if this bill is not passed, the financial impact on the social services agencies could be tragic. In answer to questions, Mr. Bram said the "Campus" was put on tax roles before and during development of the land but he thought the property would be exempt as charitable uses are undertaken.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT & TAXATION,

room 519, Statehouse, at 11:00 a.m./~~p.m.~~ on March 15, 1988

Maj. Everett Jordan testified. (Att. 1(e)) He stated that the Salvation Army, along with many other non-profit organizations, will be able to continue their service programs if H.B. 2651 is passed. He stated that they also supported the YMCA's request of forgiveness of back taxes. In response to a question, Maj. Jordan answered that the Salvation Army is presently not on the tax roles and have no evidence that they are about to be put on.

Jane Gilcrest testified. (Att. 1(f)) She stated that if the Wichita YWCA were to be put on the tax roles, it would greatly diminish services. She stated that the income for humanitarian services of the YWCA were based on a sliding income level schedule.

Rep. Wagon testified. (Att. 2) She stated that H.B. 2651 is aimed at preserving the exemptions that have traditionally existed under the constitution and statutory provisions of 79-201. She said the bill is intended to provide a new vocabulary to replace the words, "charitable" unless it serves exclusively the poor is unworkable in today's society.

Yo Bestgen testified. (Att. 3) She stated that not for profit community facilities that she represents provide employment and training programs for those with disabilities. As these programs are already tax exempt, the fiscal impact would be neutral.

Betty Wright testified. (Att. 4) She stated that she felt it was up to the legislature to set aside the fears of organizations like Girl Scouts regarding taxation.

Dr. Stacy Ollar testified and asked for an amendment to H.B. 2651. (Att. 5) He stated that he wished to have the following inserted after line 0100 of the bill. "The provisions of this paragraph shall apply to all taxable years commencing after December 31, 1985". He felt this change would clarify and resolve the issue at hand for certain parsonages in Johnson County.

David Brown testified. (Att. 6) He stated that he was present on behalf of churches in Johnson County owning parsonages that had to pay taxes for 1985. He stated that he felt it was unfair that the churches of Johnson County have been singled out from the more than 100 counties in the state to pay property taxes because Johnson County had found a "loophole."

Bob Runnels testified. (Att. 7) He stated that in the past convents and community service properties have not been taxed, and this taxing effort is a recent undertaking by some county assessors. He urged passage of H.B. 2651 for the sake of the religious community, namely convents.

John Holmgren introduced Robert Heath, attorney. He stated that the Sisters of St. Joseph provided services in areas of missions, health care, education and many other areas. He urged passage of the bill.

Larry Keenan introduced Sis. Judith Lindell. (Att. 8) She stated that historically, Kansas has chosen to exempt Convents. She requested that the tradition be continued.

Sis. Mary Serena Sheehy testified. (att. 9) She stated that the mission and works of the religious women of Kansas lessen to some degree the tax burden of the state because of their humanitarian contributions. She urged passage of H.B. 2651.

Sen. Thiessen made a motion to adopt the minutes of March 14. Sen. Karr seconded. Motion carried.

Keith Farrar submitted written testimony. (Att. 10)
Meeting adjourned.

3/15/88

ASSESSMENT AND TAXATION

OBSERVERS
(PLEASE PRINT)

DATE	NAME	ADDRESS	REPRESENTING
	KEITH FARRAR	Topeka	BOTA
	Bill Waters	Topeka	PVD
	BOB O'CONNOR	Wichita	YMCA - TOPEKA
	GARY L OWENSBY	TOPEKA	YMCA - TOPEKA
	Bill PERDUE	TOPEKA	KS. COMMUNITY SERVICE
	J. Davidson	Topeka	BOTA
	Mary Beat Egan	Topeka	Selister Army + YMCA
	George Soban	"	Ymca Topeka
	Liv Duncan	"	" "
	BOB MC CLINTICK	WICHITA	YMCA - WICHITA
	Mel Falley	Topeka	YMCA Topeka
	Boyer Franck	Topeka	YMCA "
	ANDERSON CHANDLER	TOPEKA	YMCA BOY SCOTS
	Bob Valley	Topeka	YMCA
	B.W. Lynn	Goodland	Cherry Kansas
	Lenora Armstrong	Topeka	
	Rosemary Kutz	Topeka	Girl Scouts
	Ruth Wilbur	Topeka	" "
	Betty Wright	Emporia	" "
	Kathleen A Smith	Wichita	United Catholic
	Jo Bestgen	Topeka	KARE
	Lela Malloy	Topeka	AREK
	Paul M. Wolf	Topeka	Assoc of CMHCs of KS
	Alan Reed	Topeka	YMCA
	Margaret Houston	Conradia	Sisters of St. Joseph
	Sister Mary Anna Shedy	Lanham	Sister of Charity
	Sister Ann Marie	Topeka	Catholic Hospital of KS
	JOHN H. HOLMGREN	Topeka	CATHOLIC HEALTH ASSOCIATION
	Luke Amstutzfeld	Elmdale	Camp Wood YMCA
	John Amstutzfeld	Elmdale	Camp Wood
	Larry Keenan	Great Bend	YMCA
	Sister Judith Tridell	Great Bend	Dominican Sisters

ASSESSMENT AND TAXATION

OBSERVERS
(PLEASE PRINT)

DATE

NAME

ADDRESS

REPRESENTING

EDWARDS L. BARKER

Leavenworth

Sisters of Charity of
Leavenworth

Mary Anne Helberst

Topeka

YWCA

Marilyn Brown

Topeka

YWCA

HOUSE BILL NO. 2651

A & T

3/15/88

Att. 1

COMMUNITY SUPPORT

KANSAS COMMUNITY SERVICE AGENCIES

The following sampling of Kansas Community Service Agencies support House Bill No. 2651 which will ensure their ability to carry on their important work.

United Way of Salina	Sexual Assault Center - Wichita
YMCA of Atchison	Senior Services, Inc. - Wichita
Volunteer Center of Topeka	Camp Fire, Inc. - Sunflower Council
United Way of Greater Topeka, Inc.	YWCA of Topeka
Camp Wood YMCA	McPherson YMCA
Jayhawk Area Council - Boy Scouts	Bethel Neighborhood Center
Garden City YMCA	Girl Scouts of Wyandotte County
YWCA of Kansas City, Kansas	American Red Cross of Wyandotte County
Government Relations Committee/ United Way of Greater Topeka	Kansas City Metro YMCA
Flint Hills Girl Scouts Council	United Community Services of Johnson County
YMCA of Topeka, Inc.	Girl Scouts of Johnson County
Mobile Meals of Topeka	Jewish Federation
United Way of the Plains	Jewish Community Centers
Pittsburg Family YMCA	United Way of Harvey County
Boy Scouts of Quivera County	Child Care Association - Wichita
Institute of Logopedics	Salina Family YMCA
YMCA of Wyandotte County	Family Consultation Service - Wichita
Kansas Chapter - Arthritis Foundation	Hutchinson & Reno County YMCA
Harvey County Hospice	DEPTH - Rehabilitation Alcohol Group, Inc.
United Way of Wyandotte County	Junction City Family YMCA
YMCA of Wichita	Santa Fe Trail Council - Girl Scouts
Kansas Elks Training Center for the Handicapped	YWCA of Wichita
Heart of America, United Way, Inc.	Coronado Area Council Boy Scouts
United Way of Lyon County	

Tuesday, March 15, 1988

TO: The Kansas State Senate Assessment and
Taxation Committee

BY: YWCA of Wichita

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III. Geographic Area Served

The YWCA serves people of all ages in Wichita and Sedgwick County. The YWCA Women's Crisis Center program also shelters clients from neighboring areas, as needed. Such an arrangement is reciprocated by other Kansas domestic violence programs when necessary.

IV. Current YWCA Programs and Services

A. YWCA Women's Crisis Center

Shelter for battered women and their children.
Counseling and support groups for battered women in residence and not in residence.
24-hour crisis counseling.
Court advocacy.
Services for children in shelter.

B. Employment and Resource Network

The YWCA Employment and Resource Network provides emotional and employment support services to all women who need to become self-sufficient and job ready. A special component is a re-education service for women who are faced with being alone because of separation, divorce or widowhood and need to join today's work force. The EARN Center offers assistance and guidance to the employed and unemployed through job readiness workshops, assertiveness training, career planning seminars and support groups.

C. Health Services and Programs

Youth

- Lynette Woodard Basketball (league for girls)
- Camp Kaleidoscope (summer)
- School's Out (1 week day care 5 times a year)
- Gymnastics
- Cheerleading Clinics
- Gym and Swim Program
- NutriKids Classes
- Family Swim Program
- Aqua Tot Swim Lessons
- Youth Learn To Swim Lessons
- Private Swim Lessons
- Karate
- Open Swim
- Scholarships
- Adaptive populations programs (recreational & rehabilitative)
- Stepping Out Dance (dance for handicapped)
- Special groups programs (recreational & rehabilitative)

Adult

- Adult Learn to Swim Lessons
- Private Swim Lessons
- Family Swim Program
- Volleyball League
- Yoga
- Massage
- Tai Chi
- Tennis
- Karate
- Fitness Appraisals
- Hydrostatic Weighing
- Weight Room
- Scholarships
- Aerobic Conditioning Classes at YWCA and off-site
- Aqua Conditioning classes
- Lap/Open Recreation Swim
- Executive Women's Health club
- Pre-Post Natal Fitness
- Corporate Discounts
- Corporate Programs Available
- Adaptive population programs
- Arthritis Swim and Executive
- Golden Age Swim

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TO: The Kansas State Senate Assessment and
Taxation Committee

BY: YWCA of Wichita

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D. YWCA Widowed Persons Service

After the funeral of a spouse, widowed persons must deal not only with their own personal bereavement, but also with new dilemmas in almost every aspect of their lives.

1. OUTREACH-providing volunteers who have been widowed to visit the newly bereaved and discuss on a one-to-one basis their adjustments to the problems of widowhood.
2. TELEPHONE SERVICE-offering a telephone number which the widowed can call for referral information and assistance.
3. GROUP SESSIONS-establishing formal group sessions which bring together the widowed to discuss problems and provide mutual assistance.
4. PUBLIC EDUCATION-using the resources of local public service agencies and educational media to call attention to the needs of the widowed and services available to them.
5. REFERRAL SERVICE-providing widowed persons with a directory or manual of local services that can be of assistance to them.

V. Fee Schedule and Policies

A. No Fees

Basically no fees are charged for or YWCA membership dues required for program participants in:

1. Widowed Persons Service
2. Women's Crisis Center
3. Employment and Resource Network

B. Membership Dues are required as basic eligibility for program participants in the Health Services Program.

1. Annual Dues Structure

Adult (17-59)	\$25.00 a year
Children (under 17)	15.00 a year
Adults (60+)	15.00 a year
Family	65.00 a year
Single Parent Family	50.00 a year

Tuesday, March 15, 1988

TO: The Kansas State Senate Assessment and
Taxation Committee

BY: YWCA of Wichita

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C. Health Service Program fees range from \$10.00 to \$50.00 a month.

D. Scholarships

The YWCA does not refuse service to anyone based on inability to pay fees.

Op-Ed Page

Charities give; state tax board takes

Remember the grinch who stole Christmas?

Today in Kansas, we have a grinch who's trying to steal a lot more than Christmas. He's trying to steal the kettles from the Salvation Army, the tents from the Boy Scouts and the basketballs from the YMCA.

He's trying to pick the pockets of all the wonderful community services that we support with our donations.

The grinch's name is the Kansas Board of Tax Appeals.

In a series of cases that have come before it since 1983, the board has been denying property-tax exemptions to charitable agencies we've exempted for years. Worse still, it's been basing those denials on a line of reasoning that logically could eliminate virtually all exemptions.

This isn't what Kansans want. Our desire, expressed in the state constitution, is to exempt from tax all property that's used regularly and exclusively for "literary, educational, scientific, religious, benevolent or charitable" purposes.

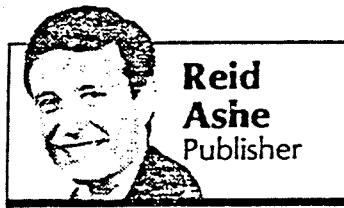
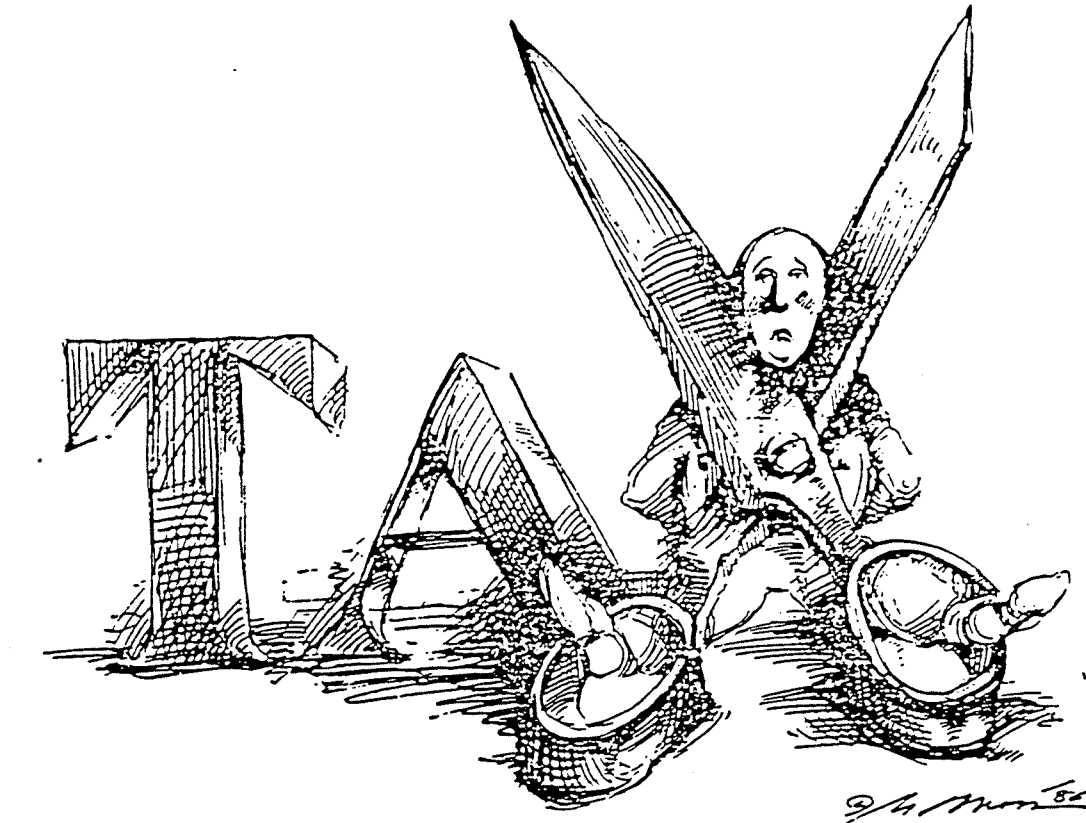
Statutes add a proviso that property held for investment purposes by otherwise qualifying agencies won't qualify. In other words, if a church buys an adjacent house and rents it out, the house will stay on the tax rolls.

UNFORTUNATELY, the Board of Tax Appeals is carrying the idea of "investment income" to ridiculous extremes. It's saying, in effect, that if any activity conducted on a property makes money — even the kind of activity that makes the organization exempt in the first place — then the whole property is disqualified from exemption.

The most notorious case involves the Topeka YMCA. Like most YMCAs, Topeka's makes money on adult programs and uses the surplus to subsidize services for needy children. The board has ruled that the cross-subsidy makes the whole YMCA ineligible for tax exemption.

In another case, the board has denied an exemption to the Salvation Army in Johnson County, where a money-making thrift shop subsidized adult rehabilitation. There have been others.

The board hasn't said this yet, but it's clear that the same logic would disqualify all kinds of insti-



tutions and discourage some of the most valuable services they provide. A hospital could lose its exemption for providing free care for indigents — because it would have to make up the difference by charging higher rates for paying patients. A university could lose its exemption if it let high-priced executive seminars subsidize undergraduate education. A church bake sale, a hospital gift shop, a car wash or even Girl Scout cookies could put whole institutions in jeopardy.

Some of these institutions enjoy specific statutory protection that doesn't yet cover the Topeka YMCA. Others are safe only because they haven't yet visited the tax board.

IF THIS sounds alarming, it is. The Topeka YMCA is facing a bill

for more than \$500,000 in back taxes, plus \$112,000 a year in ongoing taxes. It's spent more than \$150,000 so far in the legal battle to regain its exemption. Scout leaders are worried. United Way workers are worried. College presidents are worried. And you should be worried, too.

Unless this grinch is stopped, we're going to cripple the whole network of non-profit agencies that serve our communities and survive on our gifts. Some will die. Others will have to cut back.

The Topeka Y, for example, is facing an annual tax bill that amounts to roughly 8 percent of its revenue. It can't get that money out of profits, because it doesn't have any. It would be nice if people would increase their donations that much, but that's unlikely. It can't raise fees in any significant way, because fees are already based on what clients can afford to pay. The only thing the Y can cut, if it's to survive, is services that don't produce revenue. And that means less service for those who can't pay.

It's the beneficiaries — the poor, the young, the old and the

sick — who'll suffer most directly if the board of tax appeals continues on this path. But they aren't the only ones.

ULTIMATELY, you'll suffer too, because if we destroy our non-profit, volunteer-based service agencies, the only way to fill their role will be with expensive, tax-supported government bureaus. So the final result will be services provided with less efficiency, less diversity and less caring — and higher taxes for everyone.

The Board of Tax Appeals is way out of bounds. It's pursued its misinterpretation of the law's intent to the point of folly, and in the process it's doing the people of this state a dangerous disservice.

This nonsense needs to stop, and it's up to the Legislature to stop it. We need new legislation to invalidate the board's recent rulings and to reaffirm our desire to exempt all the traditional, apple-pie, do-good agencies we've always exempted.

So send an extra Christmas card this year. Send one to your state legislator, or to Gov. Mike Hayden. Tell 'em merry Christmas. And tell 'em to stop the grinch!

Kansas City Kansan

The Daily Newspaper for Wyandotte County

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Editorials: Our View

Editorial opinions represent a consensus of The Kansan's editorial board. Questions or comments should be directed to the managing editor, 371-4300, ext. 72. Other articles, columns, and cartoons on this page are opinions of the authors, who are staff writers and syndicated columnists. Readers are invited to write their opinions in "Your Views."

Non-profit groups need tax relief

Action expected in the Legislature next year to assure that non-profit organizations do not have to pay property tax deserves the support of local residents and local legislators.

The need for the support was emphasized with the recent ruling by the state Board of Tax Appeals requiring the Topeka YMCA to pay property tax. The Topeka YWCA is now facing that threat.

The ruling could lead to required property tax payments by other state organizations, including Kansas City, Kan., organizations such as the Salvation Army, Red Cross, Cancer Action, YMCA and YWCA and others.

That could result in significant financial hardship for non-profit agencies and substantially impact clients they serve, as a resolution recently passed by United Way board members pointed out. Requiring non-profit agencies to pay property taxes would affect those who need help the most. It would result in cuts to the needy, and it would cost taxpayers in the long run.

Officials wanting to maintain the traditional property tax exemptions for humanitarian service agencies believe new language in the statutes would assure that the exemptions are maintained. Otherwise, some organizations formed to help the needy simply would be forced out of business.

It has always been the American way to help people in need, those who don't have the money or the opportunity more fortunate people have. Local organizations have been providing help effectively in organized efforts. Those efforts are too valuable to be lost. Legislators should work to help maintain non-profit agencies, and not to work against these agencies that represent our best methods of providing help to people who need it most.

Rick Dean



The Y deserves better

Robert C. Henry is not a member of the Topeka YMCA. But the Atchison resident nonetheless has a high opinion of the programs and work being conducted there.

"The Topeka YMCA is a well-established and venerable organization in the City of Topeka," Henry has written. "It is ... a non-profit corporation under the laws of the state of Kansas (that) serves large numbers of young people in the Topeka area. It organizes and operates many youth programs and offers these services based on the ability to pay."

Nice words, but nothing earthshaking. Not until you realize that they were part of an order that puts the Topeka YMCA's very existence in jeopardy.

Henry's was the sole dissenting voice on the five-member Board of Tax Appeals which on Sept. 9 upheld an earlier decision to revoke the tax-exempt status of the local Y. Its decision ordered the Shawnee County Appraiser to place the Y's holdings on the tax rolls — a move that could cost the organization an estimated \$86,000 yearly.

Losing its tax-exempt status for the first time in its 108-year existence in Topeka was bad enough. But the Tax Board didn't stop there. It also ordered the Y to pay back taxes to 1978 — a figure estimated to be in the range of one-half million dollars.

The immediate implications of the decision were obvious to Henry.

"It strikes this member," Henry wrote, "that a well-established, non-profit institution, functioning in the private sector with the cooperation of the citizenry and performing a beneficial function in serving the youth of the community, is to be placed in jeopardy by the imposition of the property tax after years of being exempt."

THE KEY ISSUE seems to be whether the Topeka YMCA was truly non-profit in nature. And, whether its programs qualify under the "literary, educational, scientific, religious, benevolent or charitable purposes" for which an organization can qualify for exempt status under Kansas law.

Taking the most narrow view possible, the Tax Board said the YMCA was not much different from its com-

mercial health club counterparts when it came to making money. It said the Y's practice of charging adult members fees in excess of costs for the use of its property constitutes what the law calls "investment use" of property, which is illegal for tax-exempt organizations under state law. It questioned whether Y members had "donative intent" upon paying membership fees that are used, in part, to fund other benevolent programs and free memberships for youths and adults who cannot otherwise afford Y membership. It ruled that the use of property, and not the good intentions of the ownership, decides whether property is to be taxed.

Citing the continuing growth of exempt property and the "stream of tax bills" incurred by the taxpayers, the appeals board seemed eager to draw the line.

"If we were to adopt the Y's approach to exemption," it said, "every gymnasium, health club or backyard pool would soon be exempt. All of those properties are the site of instruction or practice at various times.

"What we cannot find in the record is one distinguishing characteristic between the Y and most other taxable businesses. The evidence shows the Y to be engaged in the business of providing recreation and fitness facilities. They 'educate' members in physical fitness techniques and various games. They take readings to assess physical condition."

With that, the report took a cheap shot worthy of a Philadelphia sports writer.

"The Y is no more educational than a doctor's office; no more charitable than the average merchant; no more religious than a clearing in the woods.

"What evidence shows the use of this property to be more than a place to play? The fact that they allow less fortunate persons to use the facility free or nearly so is admirable; the fact they charge fees to others in excess of cost is profitable and thus taxable.

"If we were to adopt the Y's arguments, the result would exempt practically every commercial property. ... The Y's position is so broad that the Board would be forced to grant exemption to any business that donated time or service."

THE LONG-RANGE implications are even more staggering.

Continued on page 12

Business Speaks

Business Speaks is a regular feature of The Topeka Metro News. Each week we will publish the responses from area business people to a specific question.

Seven (7) out of eight businesses support YMCA tax exemption

QUESTION: Do you feel the YMCA should pay property taxes?

"Yes, they should pay property taxes. They are close to (being) like a private club. I feel they have strayed in purpose from the original intent or idea. They perform services like private industries do and should pay taxes as others are required to."

Jim Herynk, owner
Herynk's Greenhouse

"No, I would keep them off of the tax roll. I can remember through the years many nice and positive (YMCA) programs that have been for the good of our entire community. If they continue to be an asset to all of the people, they should get all of the help they can (get)."

Judy Price, co-owner
Solar Enterprises of Kansas

"As long as it's a non-profit organization, they should not be required to pay property taxes. There are, I'm sure, other avenues that could be used to offset this loss of revenue."

Richard Schurle, owner
Schurle Signs, Inc.

"They should be tax exempt if they continue to do community related projects. I believe they have been positive in community work for 100 years. Let's leave them be."

Tony Calabria, general manager
Express Rentals

"Leave them alone. They do a good job with kids, as well as adults. It's well run, has good programs and I feel we all benefit from the organization."

Jim Slaton, manager
Kamen Supply Company, Inc.

"As long as they are non-profit, and as long as they continue to work for the good of our citizens, I feel they shouldn't have to pay property taxes. They must be a service to the community to remain off of the tax rolls."

Jack Area, manager
Lloyd's Upholstering and Interiors

"Let's keep them exempt. They have performed for 100 years for the good of our community. Why change things now? Without their exemption status they could not provide such quality services for the Topeka area."

Renee Gardner, associate
Gardner Floor Covering

"Keep them off (of tax rolls). They should be exempt because of their past 100 years of performance. They perform to the betterment of our community, why penalize them?"

Ray Browning, president
Capital Concrete

Taxing issue for YMCA, charities

KANSAS tax law appears to be uncharitable toward charities. Under a recent ruling by the Kansas Board of Tax Appeals, the Topeka YMCA was ordered to pay \$500,000 in property taxes because some of its operations make money. If enforced statewide, the tax board decision could have a devastating effect on YMCAs, YWCAs, churches and other non-profit associations.

Tax board chairman Keith Farrar said state law bars an organization from earning cash in a tax-exempt building. As regards the Topeka YMCA, the board said memberships were sold at a "profit," even though the money was used in other YMCA operations.

Although the Topeka YMCA has appealed the ruling to the Shawnee County District Court, the issue should be addressed by the 1988 Legislature. It is not in the public interest to have some of the state's most valuable social institutions threatened by the taxman.

As interpreted by the tax board, current state law fails to recognize the special financial situation of the YMCAs and similar organizations. Such groups seldom get enough money from government, the United Way or other donations and must generate part of their operating funds themselves. The practice at most Kansas YMCAs has been to set membership fees above the cost of actually providing physical fitness and related facilities. The "profit" then is used to subsidize

memberships for low-income children, day-care services or other societal needs.

Most people who join the YMCA understand the system and realize the YMCA is more than simply a fitness club — that it is an organization dedicated to the betterment of the entire community. If asked, most YMCA members have no complaints about subsidizing the organization's charitable functions, so there is little fear that YMCA members are being cheated.

The issue, however, becomes complicated when private health clubs argue that they are placed at a competitive disadvantage if the YMCA gets a tax break. While the private clubs have a point, it may be that the extra money the YMCA charges to earn a "profit" off memberships cancels out the tax advantage — it all depends on the profit margin of a specific private club and the fee structure of a specific YMCA.

The YMCAs and other organizations that could be affected by the tax appeals board ruling should present their case to the 1988 Legislature. City and county governments also have a stake in the matter because property tax exemptions affect the local tax base. Ultimately, the Legislature must determine what is a "charity" in Kansas. Most Kansans would include the YMCA in their definition of the word.

The Wichita Eagle
Established 1872

The Wichita

Eagle-Beacon

The Wichita Beacon
Established 1872

Editorials

An agenda for 1988

Property taxation

The 1986 Legislature pledged to defray half the counties' costs for reappraising real property. It's "kept" that promise by earmarking part of the Kansas Lottery proceeds for reappraisal reimbursement. The state's 105 counties deserve a more certain reimbursement source, and the Legislature should provide it.

As well, legislators should rein in the Kansas Board of Tax Appeals. The board's propensity to disallow tax exemptions for charitable institutions that happen to have a profit-making arm — such as the YMCA — is alarming.

Thanks to those who positively influence children

Its games usually end up hurting the children, where children involuntarily are involved. Whether it's evicting a family from their former home, or letting accused killers of children go free on a technicality, or whether it's running up a huge public and private debt, or whether it's taking an ex-spouse to court, when children are involved they are the victims.

Known child molesters lurk with their illnesses and perversions near elementary schools. And that's just in small-town, mid-America, two-tank Topeka.

And that might be the way life is, but I don't have to like it. How about you?

Some punk in a fast red car runs over and kills a boy at a crosswalk that was poorly marked then and is still poorly marked about a year later.

A lot of old-timers brag about how they walked to school. They're wimps, compared to today's city boys and girls.

Today in Topeka some children walk more than a mile to school one way, everyday. And, believe me, it's not across some pristine pasture. They walk through heavy auto traffic, dope traffic, construction sites, past known perverts' residences, and finally in school zones where traffic generally ignores them and the 20 miles per hour speed limit. They have to cross four lanes of rush hour traffic on foggy and dark mornings.

The children are making a statement. Have you noticed how few of them use sidewalks, instead challenging the vehicles in the street? Wonder why?

Thousands of children through the years participated in YMCA programs. Many of them could not have played on an organized basketball, soccer, baseball or football team without the Y's program. Now that's threatened by adult fun and games.

They can't even coordinate the school opening and closing times in Topeka. Middle schools, at least one I know of, take in about 8 a.m. Grade schools get started 30 minutes later.

We are now in the process of giving the children more government of contract, twice removed. I'm talking about the atomic waste compact and all the bull surrounding that overblown hysteria. First, we trotted out a "study" that would have made a failing grade in fourth grade geography. At least Arkansas residents have the courage to fight against such usurpation of democracy.

RFD Kansas

JIM
SUBER



We've got an underground network of rural teachers who will tell you in private that they dread the day after snow days the most. That's when the stressed out farm or rural families about to go bust do the most pounding on their children. I bet it's the same in the city.

We've got a USDA running a 1-800 hotline telling people to be careful in their food (chicken) preparation. I doubt if many 10-year-old latchkey children call in before they pop some semi-thawed slop into the microwave in a courageous attempt to feed themselves and their working guardian.

Paradoxically, when children do get to play in the city, it's usually either with adult supervision or in extremely confining circumstances. Vacant lots? They're trespassing and-or tumbling in and around trash and waste dumps. I know of one potentially wonderful woods and former pasture near a neighborhood. The owner is a speculator, but he goes out of his way to discourage children from playing on his property. I'm sure he has a sound rationale.

In fact, all the circumstances above have come about from adult machinations and reasoning and compromising and you-name-it.

I don't care about all that crap. All I know, the quality of life for a child in Topeka (what must it be like in Philadelphia?) can be very iffy, at best.

Television and movies throw no more sex and violence at children than the real-life figures around them, in many cases. Again, all the right rationale is there. And all the proper denial.

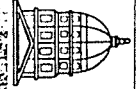
The children learn. They see that affluence can buy a lot. They learn to rationalize away wrong. They

learn to dissemble and lie. They learn to sneak. They learn when to keep a low profile. They learn how to manipulate. They learn hypocrisy and how to be self serving. And they learn adult escape mechanisms, and instant gratification as opposed to fulfillment.

I used to catch Topeka High students shooting up in back alleys in that neighborhood during lunch hours.

But thank goodness itself for goodness. Thank you for the young father who went deeper into debt to buy his son's wardrobe up to snuff, and who paid the contract school bus \$25 a month so his son would not have to walk more than a mile through the slums in sub-freezing darkness. The same father was at open house at school the other night.

Thanks for the Bob Chipmans who are Big Brothers. Thanks for the Y parents and staffs for devoting much time and energy to the youth programs through the years. Thanks to the Scout leaders and volunteers. Thanks to the scores of underpaid teachers who put up with the spectrum of the product and still find it in their hearts to try to teach. Thanks to the cops who do hang out in school zones. Thanks to the Shriners, who try to restore some quality of life to maimed and burned children. Thanks to the sportswriters, who provide the young some news of their own. Thanks to the church youth workers, who try to offer a more wholesome setting than the VCR. Thanks for the single parents who do manage to put their children first.



The Topeka Capital-Journal

Authentic American Indian cuisine — page 13.

SPORTS: Tampers flare among striking Chiefs' players — page 21.

THURSDAY, September 24, 1987 40 pages

Official County and City Newspaper

single copy 25¢

Topeka, Kansas

TESTIMONY

TESTIMONY

HOUSE BILL No. 2651

MARCH 15 & 16, 1988

- 1) James McBride, Volunteer
United Way of Greater Topeka
 - Kathy Champlin, Volunteer
United Community Services of Johnson County
 - Allan Bram, Executive Director
Jewish Federation Campus, Inc.
 - Larry Otto, Scout Executive
Quivira Council Boy Scouts
 - Major Everett Jordan
Salvation Army
 - Jane Gilcrest
YWCA of Wichita
 - Other written testimonies included:
 - Sam Evans, President
National Council of YMCAs
 - Charles Firth, President
Interstate Federal Savings of Kansas City
 - Sydney Soderberg, Vice-Mayor
Salina, Kansas
 - John Butler, Coach of the Year (Youth Sports)
YMCA of Topeka, Inc.
- 2) Representative Joan Wagnon
Kansas House of Representatives
- 3) Robert Londerholm, Attorney
Kansas Community Service Agencies



United Way
of Greater Topeka

P.O. Box 4188
Topeka, Kansas 66604
Telephone 913 273 4804

TESTIMONY BEFORE THE
SENATE ASSESSMENT & TAXATION COMMITTEE

HOUSE BILL NO. 2651

MARCH 15, 1988

PRESENTED BY:

JAMES MC BRIDE, VOLUNTEER

UNITED WAY OF GREATER TOPKEA

— A & T

3/15/88 —

Mr. Chairman and Honorable Members of the Taxation Committee. My name is Jim McBride and I serve as a volunteer for the United Way of Greater Topeka. Today, however, I am here as a spokesman for Kansas Community Service Agencies. This group, to date, represents some 45 agencies across the state which provide services to people in need, ranging from handicapped programs for victims of cerebral palsy to counseling for victims of sexual assault. The volunteer and professionals of these agencies are very much concerned with the Kansas Supreme court's decision in the Lutheran Homes case and recent rulings by the Board of Tax Appeals.

As a result, agencies committed to serving the whole community are placed in a terrible dilemma: serve only the poor or lose the traditional property tax exemption. The narrow definition of charity as almsgiving -- as one who has, giving to one who has nothing -- simply does not work in today's complex society. Indeed, agencies today must rely on fees for service, special event fund raising and government grants, in addition to charitable donations, in order to survive and meet the demand for service.

We believe that the legislature intended to correct the problem in 1986 with Senate Bill 450. Today, we are not asking you to change the law but only to further clarify and thus, preserve the exemption of traditionally exempt community service organizations.

As much as the United Way in every community would like to fund all agencies' needs 100 %, it is simply not possible. For example, in Sedgwick County the operating budgets of their thirty-five member agencies has increased 212% in the last ten years, while United Way support in the same time has increased less than half that rate of just 86%. The result is that in 1978 United Way provided 30.51% of agencies' operating budgets -- today it provides just 18.24 % of those budgets.

United Ways in Kansas and across the nation for many years have encouraged our member agencies to stretch our annual allocation to them by using realistic sliding fee scales based on a clients ability to pay. The birth of a retarded child -- or a marriage in trouble -- or a child on drugs -- are problems that know no income guidelines. Agencies are dedicated to helping people in trouble whether rich or poor. However . . . the sliding fee scale guarantees that

those who can afford to pay do so; so that charitably donated dollars are used to help those who cannot afford service. The principle is simple, sound and proved over many years in every state. Without the clarifying legislation we propose, I am concerned that even this time honored method will be in jeopardy. Sliding fees, memberships and product sales, such as Girl Scout cookies, do produce income using an exempt property. That fact alone should not cause an agency to lose an exemption. Much more important is the fact that these funds are plowed back into services as subsidies for those who cannot pay. By utilizing these methods to produce income along with the charitable donations, agencies are operating at maximum efficiency to serve the most people as possible. A return to the strict definition of charitable giving as almsgiving would be detrimental to the tens of thousands of low and middle class individuals currently receiving help across the state.

The clarifying legislation we need to protect traditional agencies' exemptions is also good business for the state of Kansas. Across the state, agencies work in close partnership with Social Rehabilitation Services (SRS) to provide quality services. SRS this year will funnel millions of dollars to United Way agencies in the state to provide handicapped day care, foster care, parent/child counseling to name just a few services. Likewise, county, city and school districts work closely with charitable agencies. These programs do not fall under the strict definition of almsgiving. They may not be programs just for the needy -- but they certainly are needed programs for the community. For example, who can find fault with a program that last year educated 5,811 children in grades K through 12 on avoiding incest, abuse, date rape and assault -- or with an early prevention and intervention program to turn around first time juvenile offenders -- saving a child from a life of useless crime and saving the state untold thousands of dollars eliminating a potential prison inmate in 5 to 10 years.

We have a good system of charitable agencies in Kansas serving thousands of people each day. The agencies are partners with you in a common mission to help people. The clarifying legislation in the form of House Bill No. 2651 is needed. Passage will not open the floodgates for new exemptions, nor will it make it easier for fly-by-night operations to obtain exemption. Passage

will insure that traditional charitable agencies can continue to provide quality services to the good people of Kansas.

Thank you for your time and consideration in this important matter.

Seated in the audience are representatives from various agencies I would like to introduce for just a few brief comments and to answer your questions. The problems they describe are representative of the problems agencies across the state are experiencing. There is written testimony from each of them in your packet of material --

Kathy Champlin, Volunteer
United Community Services of Johnson County

Allen Bram, Executive Director
Jewish Federation Campus, Inc.

Larry Otto, Scout Executive
Quivira Counsel Boy Scouts

Major Everett Jordan
Salvation Army

Jane Gilcrest
YWCA of Wichita

Also included in the packet is testimony from individuals who were unable to be present today,

San Evans, President
National Council of YMCAs

Charles Firth, President
Interstate Federal Savings of Kansas City, Kansas

Sydney Soderberg, Vice-Mayor
Salina, Kansas

John Butler, Coach of the Year (Youth Sports)
YMCA, Topeka, Kansas

(Questions of agency representatives)

Tomorrow, former Attorney General, Robert Londerholm, will appear on behalf of the coalition to discuss just exactly what is included under 501(c)(3) and to review the language of the bill.



United Community Services of Johnson County, Inc.
 5311 Johnson Drive, Mission, Kansas 66205
 913/432-8424

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TO : Kansas Senate Committee on Assessment
 and Taxation

FROM: Kathie Champlin, UCS Legislative
 Committee

DATE: March 15, 1988

RE : TAX EXEMPTION
 FOR NONPROFIT ORGANIZATIONS

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Gina Pulliam
Executive Director

I'm Kathie Champlin representing United Community Services in Johnson County. I'm a volunteer and served as chairman of a legislative task force two years ago. Our purpose then was to stop the growing trend of taxing previously tax-exempt, nonprofit organizations. The result was SB 450, which passed. At one time during the 1986 session, consideration was given to "humanitarian" language similar to what is in today's bill. My understanding is that the conference committee dropped the humanitarian exemption language because they thought the original bill encompassed their intent without it.

Since that time, numerous agencies with long-standing records of community service have been put back on the tax rolls. Obviously further clarification is needed for the State Board of Tax Appeals to reflect legislators'



intent. That intent was to retain the historical tax exempt status of nonprofit charitable organizations.

The humanitarian service criteria for tax exemption is not a new concept in Kansas. It was the accepted approach until the 1973 court decision which switched from the humanitarian service concept to the alms-giving approach. This significantly narrowed the definition of charitable organizations.

It's generally agreed that the Legislature has the right to provide tax exemptions so long as they serve the public purpose. So here we are, once again, trying to get back on track.

United Community Services is aware of ten agencies in our county that are no longer considered charitable under the current interpretation. These agencies' recent property tax bills come to roughly \$18,000 per year. In addition, the Salvation Army in our area, with a \$10,000 annual tax price tag, is being forced to use its hard-earned funds to hire a lawyer and take its plight to court. These taxes are trifling additions to the county budget, but the loss of funds can devastate vital community programs.

For example, two years ago our YWCA came to the rescue when community leaders identified a

crying need: affordable kindergarten and after-school care for children of low to moderate income families. The Y had to renovate their building in order to accomplish what was asked of them, which was to serve five elementary schools. The city of Overland Park offered them Community Development Block Grant funds, but since HUD can't give to a "Christian" organization, the Y formed a new corporation in order to get these funds. Eventually their building was in place, and their day care was in place. But, because the building was under new ownership, the corporation had to re-apply for their usual and expected tax exemption. Guess what. They were denied because their building is not a "church."

The result of all this is that 1,000 hours of after-school day care for 12 children will be cancelled. Because of this new \$5,000 annual tax assessment, we have 12 more latchkey children and a renovated building that is not being used at full capacity.

With the threat of new taxes on these agencies we have an amazing contradiction. At a time when we must look more and more to the private sector to provide unmet needs, we are taxing the hands that feed us. Our state government should be courting social services

agencies rather than stifling them. Government cannot provide the necessities of life to many of our needy citizens, and government cannot provide sufficient practical services, such as day care and family counseling, for the good of the community. Communities realize they must fill in the gaps with social service agencies, but they don't expect their efforts to be taxed.

The reality is that these human service organizations are out there scrambling for a limited amount of private donations, and their contributors are really miffed that part of their donations must go to pay taxes rather than to services for people.

As volunteers, we see our work as a partnership with government. We need to cooperate with each other in order to stretch the available resources. United Way agencies pick up where government leaves off.

With this bill we hope to stem what could be an epidemic of taxes on nonprofit agencies that are struggling with skimpy budgets and a long list of clients. We ask, once again, that you support HB2651 and shore up the intent of our legislators. Let's retain this historical tax exemption status for our nonprofit charitable organizations.



**QUIVIRA
COUNCIL**

1555 East Second
Wichita, Kansas 67214
(316) 264-3386



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Testimony before the Kansas State Senate Assessment and Taxation Committee
By Larry Otto, Scout Executive
Quivira Council, Boy Scouts of America, Wichita, Kansas
Tuesday, March 15, 1988

MR. CHAIRMAN AND HONORABLE MEMBERS OF THE ASSESSMENT AND TAXATION COMMITTEE:

My name is Larry Otto, and I am the Scout Executive for the Quivira Council, Boy Scouts of America. Quivira Council serves 16,000 youth and 4,000 adult volunteer Scouters in 19 counties of south central and southeastern Kansas.

It is the mission of the Boy Scouts of America to serve others by helping to instill values in young people and in other ways prepare them to make ethical choices over their lifetime in achieving their full potential. These are high-sounding words to a boy of ten; we teach him the Scout Oath and Law and tell him Scouting helps make those decisions that he must make when no one's looking.

Scouting helps young people understand and make personal decisions about concepts such as duty to God, duty to country, duty to others and duty to self; to internalize commitments about family and friends, and words like Honor and Trust. Scouting helps youngsters deal with tough questions as well . . . drugs, child abuse, and illiteracy. I suggest that Scouting is what America at its best is all about.

The Quivira Council has been pursuing this mission on behalf of Kansas youth since 1918. For 70 years the State of Kansas has seen fit to grant the Boy Scouts of America an exemption from property taxes in support of our worthy goals. Today there's a cloud over this exemption, and we ask your help in removing that cloud.

A & T 3/15/88
Att. 1 (c)

The Quivira Council owns three properties; Camp TaWaKoNi, a 177-acre site adjacent to Santa Fe Lake in Butler County; the 3600-acre Quivira Scout Ranch in Chautauqua County; and the Council Service Center, an office building in Sedgwick County. These properties are central to Scouting's mission and used exclusively to that end.

Six months ago the Boy Scouts' interest in HB 2651 was only casual. We considered it a response to the YMCA's problem, and something that was going on in Johnson and Shawnee counties. The Boy Scout Executive Board met November 25, 1987, and voted to join in support of the work of the Kansas Community Service Agencies Coalition. This Coalition helped promote HB 2651. We were sympathetic, yet did not see its significance to the BSA since we had been exempt from property tax for 70 years.

Two weeks later on December 10, 1987, the Quivira Council received notice that we are to attend a hearing to consider the property tax exempt status of Camp TaWaKoNi in Butler County. The hearing has been continued to be rescheduled at a later date.

Since that time we have been contacted by the Tax Assessor in Chautauqua County and advised that they are watching the Butler County case with interest, however will wait to see its outcome before taking action.

Today, we are right in the middle of this issue. We are expending valuable time of staff and volunteers, not to mention the considerable unbudgeted expense of attorneys fees.

This is not an isolated problem. The property tax issue impacts agencies statewide. In the BSA alone, there are 90,000 Scouts and adult volunteer leaders . . . Kansans who want your assistance in solving this problem.

We do not pretend to know the technicalities of the tax law; but we are absolutely certain that unless the clarifying legislation in the form of HB 2651 gains passage, there will be fiscal crisis in the Boy Scout councils of Kansas. Passage will be consistent with the values we teach the Scouts in Kansas.

Thank you for your time and interest.

TESTIMONY OF ALAN BRAM ON BEHALF OF
THE JEWISH COMMUNITY CAMPUS OF GREATER KANSAS CITY, INC.

My name is Alan Bram. I am the Executive Director of the Jewish Community Campus of Greater Kansas City, Inc.

The Jewish Community Campus corporation was created two years ago out of the desire to expand social services and education and enhance the effectiveness and economy of the local Jewish communal non-profit agencies by constructing a facility which will house all or parts of these agencies. There are more than thirty communities nationwide that have built similar facilities.

The new Campus, which is scheduled for completion in the Fall of 1988, will house in one building eight charitable agencies, namely: Jewish Federation of Greater Kansas City, the Hyman Brand Hebrew Academy (an accredited religious school serving K through 12), the Jewish Community Center of Greater Kansas City, Menorah Medical Center, Jewish Vocational Service, Jewish Family and Childrens Service, Jewish Community Foundation of Greater Kansas City, the Jewish Education Council and Jewish Community Relations Bureau. The building was designed to achieve sizeable economies of scale to allow the maximum amount of charitable dollars contributed to benefit directly those desiring our services, including the poor, sick, handicapped and those seeking educational, religious and cultural fulfillment.

In deciding to build the Campus facility, we were unaware that Johnson County would assess taxes against us, citing the Lutheran Home case, which we understand narrowly defines charity to distributing money to the poor. We have now paid under protest to Johnson County more than \$17,500.

While much of our activity is directed to meeting the needs of the poor and destitute, our agencies were set up originally to operate in a wider field of charitable endeavors which fall well within the Federal

We support the adoption of House Bill 2651 because we do not believe the 1986 amendment went far enough in protecting the tax exemption of those charities which undertake obviously benevolent activities and whose counterparts in other states are tax exempt. The new legislation would return Kansas to the majority of states which define charity as including all humanitarian activities which are operated not for profit. The bill supplies sufficient tests to eliminate any chance of granting exemptions to sham organizations. The restriction that exempt organizations also be exempt under Section 501 (c)(3) of the Internal Revenue Code insures that only bonafide charities receive the exemption.

If this legislation is not passed, the financial impact on our social service agencies could be tragic. It could mean severe cutbacks in services provided by all resident agencies, which could be reflected in the reduction or elimination of programming for the developmentally disabled, reduced purchases of educational materials, and reduced help to the poor, elderly and disadvantaged. Right now the Campus is awaiting a determination of its case before the Kansas Board of Tax Appeals. Should it lose because of the Board's interpretation of existing law, the annual net property tax for our facility could exceed \$120,000 upon its completion.

We do not believe that the Kansas legislature ever intended to allow the situation to exist where well intending individuals contribute to charities to further a humanitarian cause only to have those very same contributed dollars paid by charities to county assessors.

It is our belief that the new legislation that you are introducing will reaffirm the historic role of not for profit groups in the fabric of American cultural life, to provide valuable services to support, without the cost or fear of taxation, the well-being of our society.



GORDON A. SPICER
MAJOR
DIVISIONAL COMMANDER

The Salvation Army

MAJOR EVERETT E. JORDAN
CITY COORDINATOR and
CITADEL CORPS OFFICER

FOUNDED IN 1865 BY WILLIAM BOOTH

1320 EAST SIXTH STREET
POST OFFICE BOX 599 TELEPHONE (913) 233-9648
TOPEKA, KANSAS 66601

March 14, 1988

Kansas House Committee on Taxation
Topeka, Kansas

My Dear Friends:

RE: HOUSE BILL 2651

We would like to go on record in support of House Bill 2651.

The Salvation Army, as well as many other non-profit organizations, will breathe a great sign of relief when this bill is passed. The money saved from paying real and property taxes will continue to be used in service programs to people.

The Salvation, along with the YMCA, has been serving the people of Kansas for more than 100 years with an outstanding service record. We would like to carry on the tradition of helping as many people with the programs as our dollars will allow. Your support of House Bill 2651 will make that possible.

We would also support the YMCA request to forgive the back tax issue as well as any future assessments towards the Y, The Army, or any other non-profit organization with a proven record of religious/social service to the people of Kansas.

Thank you for considering this request. We trust you will agree with us that the loss of tax revenue not assessed to non-profit organizations will be more than off-set by the services rendered to the people of Kansas, thus in the long run, saving the people of Kansas tax dollars.

God bless YOU!

Your friend in Christ,

Major Everett E. Jordan
City Coordinator and
Citadel Corps officer

cc: Major Gordon A. Spicer - Kansas City DHQ
George Scobus - Topeka YMCA



United Way of Greater Topeka

Member Agency

A & T

3/15/88
Att. 1 (e)



Tuesday, March 15, 1988

Presented To: The Kansas State Senate Assessment and Taxation Committee

BY: V. Jane Gilchrist, YWCA Executive Director
Jane Barrier Sudermann, YWCA Board Member and Chairperson of the YWCA Community Advisory Council

YWCA of Wichita
350 North Market
Wichita, KS 67202 316/263-7501

RE: Support for House Bill No. 2651

The Young Women's Christian Association of Wichita is a member of the Kansas Community Service Agencies and supports House Bill 2651 which would continue to confirm the tax exemption of properties used by the Young Women's Christian Association of Wichita to provide "humanitarian" service. We need our property tax exempt status reaffirmed to continue to serve thousands of families in Sedgwick County.

- I. The Young Women's Christian Association of Wichita
 - A. 501 (c)(3) of the Internal Revenue Code
 - B. Contributors exempt under Kansas income tax.
 - C. Founded in 1906 by 500 women, this agency has assisted over 250,000 Wichita youth and more than 500,000 families through its programs and services.
 - D. The 80 year legacy of the Young Women's Christian Association of Wichita has been filled with the dedication and the belief in the good of all people. Today, our services range from saving the life of a battered woman, to the instruction of a three month old infant to swim, to the job placement of a woman coming back to "paid" employment after years of absence.
- II. Location, Physical Plant and Equipment
 - A. The 28,000 square foot YWCA Headquarters and primary service center is located at 350 North Market, Wichita, Kansas.
 - B. The YWCA Women's Crisis Center is located at a building nearby. (Because of the necessity for protection of the women and children sheltered there, the exact address is not made public.)
 - C. Both facilities are owned by the YWCA.

JOAN WAGNON
 REPRESENTATIVE, FIFTY-FIFTH DISTRICT
 1606 BOSWELL
 TOPEKA, KANSAS 66604



TOPEKA

HOUSE OF
 REPRESENTATIVES

COMMITTEE ASSIGNMENTS
 MEMBER: TAXATION
 JUDICIARY
 AGENDA CHAIR: DEMOCRAT CAUCUS

TESTIMONY FOR SENATE ASSESSMENT AND TAXATION COMMITTEE HB2651

The bill is aimed at preserving the exemptions that have traditionally existed under the constitution and statutory provisions of 79-201 second or restoring those which have been lost in recent BOTA decisions. The bill is intended to provide a new vocabulary to replace the words, "charitable and benevolent" (which have been narrowed by the courts) with others which convey the broader and more traditional concept of benevolence as providing something of benefit to the community. The notion that an agency cannot be "charitable" unless it serves exclusively the poor is unworkable in today's society where the community expectation is to serve everyone, regardless of ability to pay, but charge based on an individual's ability to pay.

I am as concerned as you about narrowing the tax base with exemptions. I don't believe HB2651 will have that effect.

I wrote all the county appraisers early in January when the House was considering this bill and asked which agencies had lost an exemption under 29-201 second, or had a case pending. I was concerned about how many agencies would come forth to claim exemptions under this bill that had been denied by the Board of Tax Appeals on other grounds and what that financial impact would be on the counties. Would there be others we didn't know about who would come forth to "destroy the county tax base".

I received answers by mail or phone from 96 counties.

Seventy four (74) basically are unaffected by HB 2651. Many appraisers stated they had no agencies in their counties which would come under the provisions of HB2651; no exemptions denied, none pending. In other words, three-fourths of the tax base will be unaffected by this bill.

In the remaining 22 counties, the results were mostly what I expected, with a few surprises.

Many applications were still pending months or more than a year after they were filed.

I attempted to review the exemption applications or orders when docket numbers were available. At least five more counties and numerous applications in the large urban counties were eliminated because they were not community service organizations as defined in HB2651. There was some confusion by count

whether grange halls, masonic lodges, rural housing projects, etc. would qualify so they had been included.

The list of who is probably affected by this bill is attached, with fiscal impact if it was known. These are formerly or currently exempt agencies which are being put back on the tax rolls or have a case pending at BOTA. You can see that the fiscal impact is negligible. Only in urban areas where you have large agencies owning property would there be any opportunities for counties to expand the tax base by putting these agencies on the tax rolls.

The most surprising finding is how day care centers are being systematically denied exemption with a rationale that is contrary to legislative action. The BOTA has found them not to be educational even when fully complying with licensing laws of Kansas which mandate that they are educational; and erroneously asserts in multiple orders that the legislature considered the entire question of day care exemptions and found them exempt only when operated in churches. (orders attached) What the legislature found exempt was churches--the exclusively religious requirement was not violated even if they operate non-profit day care centers in their buildings.

The list of affected properties will include several YMCA's, YWCA's, 15 day care centers, several community centers, several scout camps including the ranger houses, perhaps thrift stores (depending on how they are operated), and perhaps a local historical society.

Probably the only unintended impact (from my point of view) will be on vehicles. Without the "exclusive use" provision, some agency vehicles which are currently denied exemption because they are used for personal use by agency staff as well as agency business may be exempted which otherwise would be denied. This information was not available to the House Taxation committee when it considered the bill.

The House has passed this bill twice by overwhelming margins. I urge you to join with us in affirming in more appropriate statutory language the exemptions which community service agencies have enjoyed in Kansas, and across the country, for more than a hundred years. There has been ample proof of the public benefit derived from the services provided.

COUNTY	AGENCIES	AMOUNT OF TAXES
Cloud	Community living services (Residential Service for Handicapped Adults)	\$ 900.00
Dickinson	Child Care Center	(Assessed @ \$4,655)
Ellis	Day Care Center, #5116-86-TX	
Ford	Boot Hill Incorporated	17,000.00
Johnson	(1) Shawnee Mission Medical Center Educational program building (Life Dynamics Center) retro- active to 1983. \$100,000 total	20,000.00/yr.
	(2) From House Testimony--10 agencies YWCA (9200 Santa Fe Corp) Salvation Army NCJW Jr. League Jewish Community Campus	15,000.00/yr
Kingman	Cunningham Community Center	Unknown
Leavenworth	Tonganoxie Community Historical Society	Unknown
Lyon	Camp Alexander, #7046-86-PR	915.00
Logan	Logan County Day Care Center (Personal Property)	Unknown
McPherson	YMCA (Application pending)	Unknown
Neosho	Neosho Valley Historical Society #4405-85-TX (Now Chanute Arts Council)	720.00
Reno	YWCA of Hutchinson Mothers Day Club Nursery, #3256-84-TX Hadley Day Care Friendship Day Care Et. Cetera Shop, #1930-86-TX	
Riley	Seven Dolors--Day Care, #1930-86-TX Thrift Shop	

Saline	YMCA	660.00
	Smokey Valley Historical Society	Unknown
	Boy Scouts, #7136-86-TX	1,998.42
	Land Institute, #4584-87-TX	662.00
	ODAT, Inc. (?)	660.00
	Gospel Ministry, #0753-87-TX	200.00
Sedgwick	Disabled American Thrift Store, #0606-87-TX	Unknown
	Some vehicles	
Seward	Liberal Good Samaritan Center (elderly housing)--pending Seward Day Care Centers	Unknown
Shawnee	Topeka YMCA	86,000.00/yr.
	Topeka Day Care	
	Topeka YWCA	
	KVGSC--Caretakers house	
Washington	Community Activity Center, #3652-87-TX	
Wyandotte	Catholic Housing and Others	Approx. \$5,000
	Wyandotte Mental Health Center	321.00
	Campfire Girls (Camp)	2,058.39
	Boy Scouts (several parcels)	12,522.00
	Salvation Army (several parcels)	1,056.00
		5,178.00
	Red Cross	4,177.00
	Bethany Recreation Center	10,981.00
	Granada Theater Historical Society Society	
	YMCA--KC, KS.	16,310.88
	YWCA	11,052.84
	Martin Luther King Urban Center	12,656.45
Boys Club	5,141.23	



Member
International Association
of Assessing Officers

Cindy L. Simons C.K.A.

Seward County Appraiser

*Courthouse, 415 N. Washington
Liberal, Kansas 67901*

Phone 624-0211

Joan Wagon
Representative, Fifty Fifth District
1606 Boswell
Topeka, Kansas 66604

RE: Exemption requests pursuant to KSA 79-201 (Second) since
January 1st, 1986.

Dear Ms. Wagon,

Pursuant to your request concerning the charitable agencies
who have lost their tax exemptions, I reviewed the records from
the County and found only one:

Liberal Good Samaritan Center
Docket No. 6975-86-TX.

However, there seems to be several Day Care Centers and
Schools that have their operations located within a church that
we will be placing on the tax roll. Some of these centers already
pay personal property taxes, but the Church will be placed on
the Real Estate tax roll for a redetermination of "exclusive use."
You will find attached a list of such Day Care Centers, Schools,
and Nurseries.

Should you have any questions, please feel free to contact
me anytime.

Sincerely,

Cindy L. Simons

Cindy L. Simons
Seward County Appraiser

CLS/tb

CHILD CARE CENTERS:

Kids Connection	615 W. 5th
Tiny Tot Center	8th & Pershing (First Church of God)
Munchkin Academy	521 No. Sherman (St. Andrews Episcopal Church)
Rainbow Room	3rd & Grant (First United Methodist)

PRE-SCHOOL CENTERS:

First Baptist Church - 204 No. Sherman
Fellowship Baptist Church - 216 W. Wilson
First United Methodist - 3rd & Grant
Grace Lutheran Church - 1200 W. 11th
St. Anthony Catholic Church - 1510 N. Calhoun



Appraiser

RENO COUNTY
206 West First St.
Hutchinson, Kansas 67501
Real Estate 316 665-2915
Personal Property 316 665-2918

January 25, 1988

Joan Wagnon
Representative Fifty-fifth District
1606 Boswell
Topeka, Kansas 66604

Dear Ms. Wagnon:

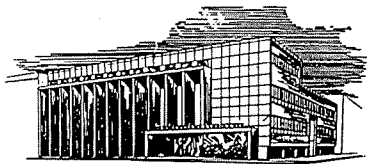
In reply to your letter of January 14th regarding property tax exemptions for community service agencies:

1. YMCA - built on land owned by USD 308. No record of an exemption number. Has been listed to put on tax roll pending disposition of Topeka YMCA. Valuation N/A.
2. HUTCHINSON MOTHER'S DAY CLUB NURSERY - Carried as exempt since 1917. Partially supported by Hutchinson and Reno County tax funds. Denied exemption by BTA Order No.3256-85-TX. Valuation 14,900.
3. HADLEY DAY CARE - located in old Lakeside School owned by USD 308. No valuation at this time. Was exempt - order number no known.
4. FRIENDSHIP DAY CARE CENTERS - Located in residential properties used for day care. They have been exempt. Valuation 7930.
5. ET CETERA SHOP - Operated by Mennonite Central Committee. Denied exemption by BTA Order No. 1930-86TX. Real Estate valuation - 11,070; Personal Property valuation - 3912. Operated much like Salvation Army stores although they do sell items made by people served by overseas missionaries.

I hope this information is of some help. Please advise if you need more information.

Sincerely,

Alice Bragg, CKA
Reno County Appraiser



LYON COUNTY APPRAISER
LYON COUNTY COURTHOUSE
EMPORIA, KANSAS 66801
(316) 342-4950

January 29, 1988

Joan Wagnon
State Representative
1606 Boswell
Topeka, Kansas 66604

Dear Ms. Wagnon:

In response to your letter dated January 14, 1988, Lyon County is anticipating returning two properties to the tax roll for 1988.

The properties in question are Camp Alexander and the Girl Scout Camp located near Emporia. Both organizations charge a fee for use of their facilities.

Camp Alexander purchased additional land in 1986 and filed for exemption with the Board of Tax Appeals. The order on that exemption has not been received at this time. The Docket number is 7046-86-PR.

The taxes in question on these properties probably would amount to \$915.

I hope this information will help you.

Sincerely,

Marvin L. Brinkman
Marvin L. Brinkman
Lyon County Appraiser

MLB;dw

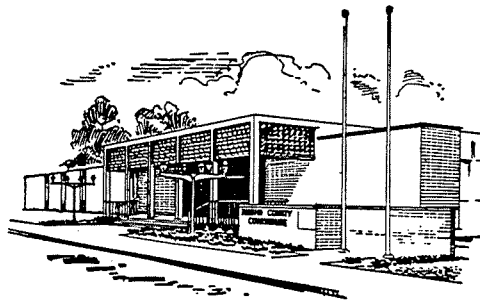
RODGER D. BUSKIRK
Neosho County Appraiser

BOARD OF COMMISSIONERS

Don Edwards
William F. Richman
William G. Neely

Meet Friday

Office Phone:
Area Code 316 244-3656



APPRAISER
ERIE, KANSAS 66733

January 20, 1988

Joan Wagnon
Representative, Fifty-Fifth District
1606 Boswell
Topeka, Kansas 66604

Dear Joan,

We have only one parcel that might fall into the category you are considering.

The Neosho Valley historical Society, Inc. was exempted in 1976 Docket No. 1118-6.

This property was sold to the Chanute Arts Council, inc. in 1984 and their exemption was denied by The State Board of Tax Appeals Docket No. 4405-85-TX.

The taxes on this property for 1987 is \$719.82.

Sincerely Yours,

Rodger D. Buskirk
Neosho County Appraiser

RDB/bw

COUNTY OF LEAVENWORTH
COURTHOUSE

4TH & WALNUT
LEAVENWORTH, KANSAS 66048
AREA CODE 913-682-7611 ext. 224

OFFICE OF
COUNTY APPRAISER



February 4, 1988

Joan Wagnon
Representative Fifty-Fifth District
1606 Boswell
Topeka, Kansas 66604

Dear Mrs Wagnon

In respose to your letter dated January 14, 1988, concerning property tax exemptions for community service agencies, please find enclosed a listing of all such agencies that have filed with our office since January 1, 1986. I have listed the organization, the property exemption was sought on, the docket number, and the board decision on each.

Iwould also like to point out that The Sisters of Charity file for several exemptions each year on vehicles. Many of these vehicles are listed as being used for both religious purposes and in one or more of their community service organizations if needed. Up until now these have always been exempted. I am not including these on the enclosed list, if you need a list of these exemptions , please contact me and I will be happy to provide it to you.

If I can be of any futher assistance please feel free to contact me.

Respectfully,

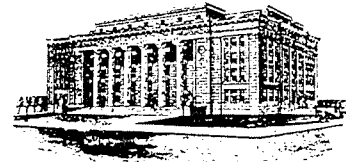
Handwritten signature of Mark Buchanan

Mark Buchanan
Feild Appraiser

Leavenworth County

ORGANIZATION	PROPERTY	DOCKET NUMBER	DECISION
American Red Cross	1987Dodge	1264-87-TX	Exempt
Salvation Army	1987 Dodge	2457-87-TX	Denied
Sisters of Charity of Lv. Health Services Corp.	1988 Chevrolet	5518-87-TX	Exempt
Cushing Memorial Hospital	1986 Chevrolet	2516-86-TX	Exempt
Handicapped Educational & Living programs Inc	1979 Plymouth	0749-86-TX	Exempt
Handicapped Educational & Living Programs Inc.	1980 Pontiac	6989-86-TX	Exempt
Saint Vincent Clinic Inc	1979 Chevrolet	4034-86-TX	Exempt
Salvation Army	1977 Ford	5395-86-TX	Exempt
Salvation Army	1982 Dodge	3427-85-TX	Denied
Handicapped Educational & Living Programs Inc	Real Estate	1267-87-TX	Exempt
Help Housing Corp.	Real Estate	4447-87-TX	Exempt
Leavenworth County Fair Association	Real Estate	0539-87-TX	Exempt
Tonganoxie Community Historical Society Inc	Real Estate	2901-87-TX	Denied
The Salvation Army	Real Estate	5048-86-TX	Exempt

OFFICE OF
ROBERT C. GARDNER
COUNTY APPRAISER
913/573-2889



WYANDOTTE COUNTY COURTHOUSE
KANSAS CITY, KANSAS 66101

February 16, 1988

Representative Joan Wagnon
Representative Fifty-Fifth District
1606 Boswell
Topeka, Kansas 66603

Dear Representative,

Attached, please find a listing of properties that are being reviewed by this office for exempt status. Some of these properties are presently exempt. These are being reviewed in light of recent decision to determine if they should be put back on the tax roll for 1988. Some of these properties are being taxed, but have a request for exemption on file with the Board of Tax Appeals. Some of the hearings have been held, but no order received, as of this date.

I have indicated the amount of tax on all properties for your convenience.

Should you have any questions, please feel free to contact me. I will be more than happy to make myself available, should you wish to discuss the above.

Sincerely,

Robert C. Gardner, CAE
Wyandotte County Appraiser

RCG:clk

enc: Listing of real property.

BEFORE THE BOARD OF TAX APPEALS OF THE STATE OF KANSAS

IN THE MATTER OF THE APPLICATION
OF DICKINSON CO. CHILD CARE CENTER, INC.
FOR EXEMPTION FROM AD VALOREM
TAXATION IN DICKINSON COUNTY, KANSAS

Docket No. 0676-87-TX

O R D E R

Now, on this 21st day of October, 1987 the above captioned matter comes on for consideration and decision by the Board of Tax Appeals of the State of Kansas.

The Board, being fully advised in the premises, finds and concludes as follows:

1. The Board has jurisdiction over the parties and the subject matter of this proceeding, pursuant to K.S.A. 79-213.
2. The subject matter of this tax exemption application is described as follows:

Real Estate and
Improvements described as
Tract 1877 Abilene City
Lot 1 exc North 50' Lots
2 & 3 exc S 12' Block 1,
Eisenhower Addition,
Abilene, Kansas.
3. Applicant operates a private day care center and is incorporated a not-for-profit organization. Applicant seeks exemption pursuant to the amendments enacted in 1986 to K.S.A. 79-201 First and K.S.A. 79-201 Second.
4. K.S.A. 1986 Supp. 79-201 First allows a church or place of worship to retain its property tax exempt status even though it is the site of a day care center. Applicant does not allege nor does the evidence establish, that the above described property is a church or place of worship as described by K.S.A. 1986 Supp. 79-201 First.
5. The Board concludes that the property is not exempt pursuant to K.S.A. 1986 Supp. 79-201 First.
6. Applicant also requests exemption pursuant to K.S.A. 1986 Supp. 79-201 Second. Applicant alleges the property is used for educational purposes in providing day care services to children.
7. K.S.A. 1986 Supp. 79-201 Second requires that the property be used exclusively for educational purposes. The Board finds insufficient evidence that the property is used only, solely and purely for the education of children. Further, legislative history suggests that the Legislature

considered exempting all day care centers at the same time as it enacted K.S.A. 1986 79-201 First. The amendment adopted by the 1986 Legislature restricted day care center exemptions to those properties already exempt as a place of worship.

8. The Board concludes there is insufficient evidence to grant the relief herein requested.

IT IS, THEREFORE, BY THE BOARD OF TAX APPEALS OF THE STATE OF KANSAS, CONSIDERED AND ORDERED that, for the reasons more fully set forth herein, the application must be, and the same is hereby, denied.

If any party to this appeal feels aggrieved by this decision, they may file a written request for a rehearing with this Board. The written request for rehearing shall set forth specifically and in adequate detail the particular and specific respects in which it is alleged that the Board's Order is unlawful, unreasonable, capricious, improper or unfair. The written request must be received within thirty (30) days of the certificate date of this Order. If, at the end of thirty days the Board has not received a written request for a hearing, this Order will become a final Order from which no further appeal is available.

CERTIFIED COPY

APPLICANT _____ ✓
APPLICANT'S ATTY _____
CLERK _____
ASSESSOR _____ ✓
ATTY/COUNSELOR _____
CO. COMM. _____
CO. TREAS. _____

DATE 10-26-87

BY David C. Cunningham
DAVID C. CUNNINGHAM, SECRETARY

SEAL: BOARD OF TAX APPEALS, STATE OF KANSAS

Keith Farrar
KEITH FARRAR, CHAIRMAN

Robert C. Henry
ROBERT C. HENRY, MEMBER

Fred L. Weaver
FRED L. WEAVER, MEMBER

Victor Elliott
VICTOR ELLIOTT, MEMBER

James P. Davidson
JAMES P. DAVIDSON, ATTORNEY

Conrad Miller, Jr.
CONRAD MILLER, JR., MEMBER

BEFORE THE BOARD OF TAX APPEALS OF THE STATE OF KANSAS

IN THE MATTER OF THE APPLICATION
OF LOGAN COUNTY DAY CARE CENTER
FOR EXEMPTION FROM AD VALOREM
TAXATION IN LOGAN COUNTY, KANSAS

Docket No. 2810-87-TX

O R D E R

Now, on this 4th day of November, 1987, the above captioned matter comes on for consideration and decision by the Board of Tax Appeals of the State of Kansas.

The Board, being fully advised in the premises, finds and concludes as follows:

1. The Board has jurisdiction over the parties and the subject matter of this proceeding, pursuant to K.S.A. 79-213.
2. The subject matter of this tax exemption application is described as follows:

Swing Set
Toy Shed
Tricycle
Cots
Lockers
Vacuum Sweeper
Fans
File Cabinet
Miscellaneous Office Furniture
Toys
Books
Puzzles.

3. The applicant operates a day care center is incorporated a not-for-profit organization. Applicant seeks exemption pursuant to the amendments enacted in 1986 to K.S.A. 79-201 First and K.S.A. 79-201 Second.
4. K.S.A. 1986 Supp. 79-201 First allows a church or place of worship to retain its property tax exempt status even though it is the site of a day care center. Applicant does not allege nor does the evidence establish, that the above described property is a church or place of worship as described by K.S.A. 1986 Supp. 79-201 First.
5. The Board concludes that the property is not exempt pursuant to K.S.A. 1986 Supp. 79-201 First.
6. Applicant also requests exemption pursuant to K.S.A. 1986 Supp. 79-201 Second. Applicant alleges the property is used for educational purposes in providing day care services to children.

- 7. K.S.A. 1986 Supp. 79-201 Second requires that the property be used exclusively for educational purposes. The Board finds insufficient evidence that the property is used only, solely and purely for the education of children. Further legislature history suggests that the Legislature considered exempting all day care centers at the same time as it enacted K.S.A. 1986 79-201 First. The amendment adopted by the 1986 Legislature restricted day care center exemptions to those properties already exempt as a place of worship.
- 8. The Board concludes that is insufficient evidence to grant the relief herein requested.

IT IS, THEREFORE, BY THE BOARD OF TAX APPEALS OF THE STATE OF KANSAS, CONSIDERED AND ORDERED that, for the reasons more fully set forth herein, the application must be, and the same is hereby, denied.

If any party to this appeal feels aggrieved by this decision, they may file a written request for a rehearing with this Board. The written request for rehearing shall set forth specifically and in adequate detail the particular and specific respects in which it is alleged that the Board's Order is unlawful, unreasonable, capricious, improper or unfair. The written request must be received within thirty (30) days of the certificate date of this Order. If, at the end of thirty days the Board has not received a written request for a hearing, this Order will become a final order from which no further appeal is available.

CERTIFIED COPY.

IT IS SO ORDERED.



APPLICANT _____ ✓
 APPLICANT'S ATTY _____
 CO. CLERK _____
 CO. ASSESSOR _____ ✓ Keith Farrar
 CO. ATTY/COUNSELOR _____ KEITH FARRAR, CHAIRMAN
 CO. COMM. _____
 CO. TREAS. _____ Robert C. Henry
 DATE _____ 11-9-87 _____ ROBERT C. HENRY, MEMBER
 BY _____ Sgt Fred L. Weaver
 _____ FRED L. WEAVER, MEMBER
 _____ Victor Elliott
 _____ VICTOR ELLIOTT, MEMBER
 _____ Conrad Miller
 _____ CONRAD MILLER, JR., MEMBER

David C. Cunningham
DAVID C. CUNNINGHAM, SECRETARY

James P. Davidson
JAMES P. DAVIDSON, ATTORNEY



Kansas Association of Rehabilitation Facilities

Jayhawk Tower • 700 Jackson • Suite 802
Topeka, Kansas 66603 • 913-235-5103

TO: Senate Assessment and Taxation Committee
Senator Fred Kerr, Chairman
FROM: Kansas Association of Rehabilitation Facilities (KARF)
Yo Bestgen, Executive Director
RE: HB 2651: An Act Relating to Property Taxation
DATE: March 15, 1988

1.0 Position Statement

The KARF supports HB 2651 exempting property used by community service organizations for the provision of humanitarian services. By including "employment and training programs for handicapped persons", as per lines 0143 and 0144 of the bill it defines the services provided by community programs. This language would be an assurance that these programs would continue their property tax exempt status.

2.0 Justification

Not for profit community facilities provide employment and training programs for those with mental retardation, physical and developmental disabilities (handicaps). As these programs are currently tax exempt the fiscal impact would be neutral.

These employment and training programs for those with disabilities have been exempt from property taxation as they function for educational, charitable and/or governmental purposes. Through governmental support by way of grants and tax monies, these programs provide training and employment for individuals with disabilities so that they might be productive self-sufficient members of society. They provide a meaningful work and training environment to individuals who would otherwise be unemployed and unemployable due to their handicap. Without such employment and training programs these individuals would have to be supported directly by governmental agencies and be nonparticipatory members of society. These community employment and training programs provide services to approximately 4400 adults each year. Many of these individuals are placed in competitive employment and become taxpayers, others are kept from institutional placement due to the opportunities provided by these programs. Community programs reduce the cost of care to the state.

Currently, community facilities have a waiting list of 1500 individuals seeking their services. These individuals, who now wait two and three years for services, would be further jeopardized access to these services if programs were unduly burdened by a tax from which they are currently exempt.

We would ask your support of HB2651
disabilities who are served by not f
facilities.

A & T

3/15/88

Att. 3



Kansas Association of Rehabilitation Facilities

Jayhawk Tower • 700 Jackson • Suite 802
Topeka, Kansas 66603 • 913-235-5103

FACT SHEET

Identity of Kansas Association of Rehabilitation Facilities (KARF)

KARF is an Association of 40 Rehabilitation Facilities throughout Kansas providing Vocational/Day Activity Programs, Community Living Programs, Children's Services Programs, and Individual Support Programs.

The facilities provide programs/services to over 14,000 individuals with disabilities throughout the year with an average daily census being approximately 4,000 individuals.

Definition of Habilitation/Rehabilitation Programs for Individuals with Disabilities

Habilitation/Rehabilitation is the process by which an integrated program of services is provided to help a person disabled at birth or by illness or injury, gain a higher level of function. Such services address vocational, community living, medical, education and support needs. The goal of the rehabilitation process is to help the person become capable of self support by enabling him or her to engage in employment, live as independently as possible, exist outside institutional settings, or otherwise improve his or her situation.

ASSOCIATION MISSION, BELIEFS AND VALUES

Mission

The purpose of the Kansas Association of Rehabilitation Facilities is to serve its membership in developing and pro-

moting quality programs for individuals with disabilities and to communicate essential information between its membership and its publics.

Beliefs and Values

The Association is founded upon certain shared beliefs and values which are an expression of our mission and pur-

pose as individuals, as professionals, as facilities and as a voluntary organization.

We believe in the inherent dignity of the individual with disabilities.

We believe that no applicant or participant in services, employment or housing should be discriminated against on the basis of race, color, national origin, religion, sex, age, or handicap.

We believe in the community's right and responsibility to provide services that are reasonably accessible and available on a local or regional basis to individuals with disabilities.

We believe that it is the responsibility of government to address the needs of individuals disabled at birth, or by illness or injury; and provide needed support and reimbursement for services needed to assist them to live as independently as possible.

We believe in integrating individuals with disabilities into community programs/services, business and industry, and social settings without compromising the quality of service needed to meet each person's needs.

We believe that government should provide incentives to business and industry to promote employment and other opportunities for individuals with disabilities.

We believe that transitional living support, and medical and vocational rehabilitation should be provided by the private sector (insurance) to prevent long term government support through SSI, SSDI and long term care.

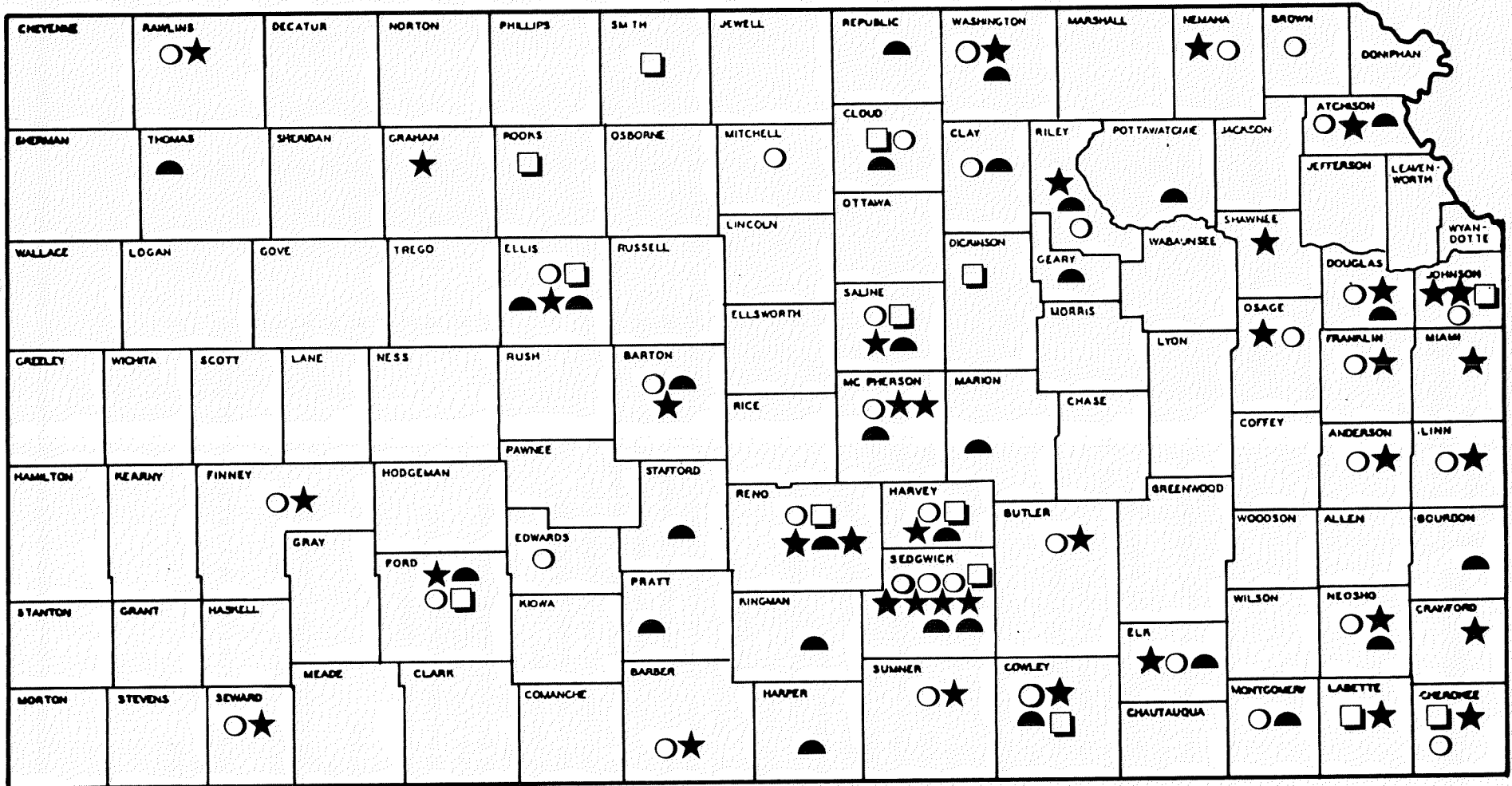
We believe that services should be available in the community to prevent institutionalization.

The Future
AN
Investment
TOGETHER

KARF MEMBERSHIP

Facility	Vocational	Residential	Childrens Services
Achievement Services of NE Kansas, Inc.	X	X	X
Arrowhead West, Inc	X	X	X
Big Lakes Developmental Center, Inc.	X	X	X
Brown County Developmental Services, Inc.	X		
Cerebral Palsy Research, Inc.		X	X
Chikaskia Area Training Center	X	X	X
CLASS, Ltd.	X	X	X
COF Training Services, Inc.	X	X	
Community Living Opportunities, Inc.		X	
Community Living Services, Inc.		X	
Cottonwood, Inc.	X	X	X
Cowley County Developmental Services, Inc.	X	X	X
Developmental Services of NW Kansas	X	X	X
Early Childhood Developmental Center			X
Futures Unlimited, Inc.	X	X	X
Goodwill Industries Easter Seal Society	X		
Hutchinson Heights		X	
Johnson County MR Center	X	X	X
Kansas Elks Training Center	X	X	
Lakemary Center, Inc.	X	X	X
McPherson County Diversified Services	X	X	X
Nemaha County Training Center, Inc.	X	X	
Northview Developmental Services, Inc.	X	X	X
Occupation Center/Central Kansas, Inc.	X	X	X
Pennington's Residential Homes, Inc.		X	
Rainbow's United, Inc.			X
Sheltered Living, Inc.		X	
Southwest Developmental Services, Inc.	X	X	
SRS, Div. VR and KVRC	X	X	
Starkey Developmental Center, Inc.	X	X	X
Sunflower Training Center, Inc.	X		
TECH, INC.	X	X	X
Terramara, Inc.	X	X	
Tri-Ko, Inc.	X	X	
Tri-Valley Developmental Center, Inc.	X	X	
Twin Valley Developmental Services	X	X	X
Handicapped Education & Living Programs	X	X	X
Meadowlark Homestead, Inc.		X	
Topeka ARC	X		X

KARF MEMBERSHIP



- Independent Living
- Vocational Facilities
- ★ Residential Facilities

◐ Children's Services



GIRL SCOUTS

**Flint Hills
Girl Scout Council**
P.O. Box 309
Emporia, KS 66801
(316) 342-4532

March 15, 1988

Betty L. Wright, Executive Director, Flint Hills Girl Scout Council

In this changing, complex world, I believe Girl Scouts to be the "DIFFERENCE MAKERS"! Girl Scouting's contemporary program is built on a foundation of proven values, and is designed to help a girl make intelligent choices for herself, her career and her future. The program is carried out through ways of work that support the aim of helping each girl develop to her fullest potential through group experiences.

By providing a strong Girl Scout program, we are able to supply the community with youngsters who are aware of and concerned for the community in which they live. These children grow into women who enrich our community by becoming the parents, teachers, career women, the BUILDERS and MOTIVATORS of the community in which they live.

I mention these benefits to the community because I feel these are the reasons behind our tax exempt status. For many months now I've known of concern throughout the non-profit organizations in Kansas about a changing of status for property taxes, and in some cases exemptions have actually been revoked. This fear of increased expenses came home to our Girl Scout Council recently when I received word that our local assessor was anticipating returning our campgrounds to the tax rolls. Our camp has been tax exempt since its formation in 1950. ---- Young girls have been planning, organizing, learning and participating in this adventure in outdoor living for almost 40 years with absolutely no user fees ---- and yet our local assessor was anticipating putting our camp on the tax rolls simply because he had heard of the YMCA case.

A healthy community needs Girl Scouting and programs like ours ---- our time needs to be spent continuing to develop and promote positive, building programs, not seeking additional funds to either pay taxes or hire expensive lawyers to help us state our case.

It is up to you people to clarify this tax situation, --- to set our fears aside. I don't really feel intentions by local or state officials have changed on our property tax status, but apparently a legislative bill is needed to continue this needed exemption. We need your help! I ask you to support this bill.

I appreciate and thank you for this opportunity to speak.

Tuesday, March 15th, 1988

Senator Fred Kerr, and members of the Senate Tax Assessment Committee.

Thank you for allowing us this opportunity to appear before your Committee relative to House Bill 2651. My name is Dr. Stacy Ollar Jr. I am the pastor of the Bristol Hill United Methodist Church and I live in a church-owned parsonage at 5421 Queal Drive, Shawnee, Kansas, 66203 (432-2399).

First, we wish to take opportunity to personally thank you for your work in 1986, when you passed Senate Bill 400 to exempt Church-Owned Parsonages from local property tax. That was good legislation and 104 counties out of 105 counties in the State of Kansas abided by that new law.

However, we in Johnson County did not benefit from that legislation, particularly for property taxes for the calendar year, 1985, which is the primary year that we are concerned about at this time.

Therefore, we are here today to call to your attention a problem of inequity that needs to be legislatively corrected. All parsonages owned by the local church in all counties in the state of Kansas should and ought to be exempt from property taxes for 1985.

The local Johnson County Tax Appraiser, however, proceeded to place all Church owned parsonages in Johnson County on the local tax roll for payment of property taxes in 1985, while other counties did not, thereby setting up an inequity and discrimination.

We would like to present to you 3 primary reasons to justify a change at this time in HB 2651 in order that all religious bodies in the state of Kansas are treated fairly under the law in this particular matter.

A & T

3/15/88

Att. 5

Our first reason to JUSTIFY the change in the law is to raise the question of your Intent as legislators in 1986 to correct the problem at that time for all church-owned parsonages in the State of Kansas. I remember very vividly testifying before the combined SENATE and HOUSE Committee meeting in the Old Supreme Court Justice Room and had the privilege of being on the Senate floor when the Senate Bill was voted by the Senate in an overwhelming response. Hopefully, it was your intent to resolve this matter once and for all back in 1986. We are here today, to solicit your support to resolve this concern for those of us from Johnson County who feel strongly concerning the uniform and standard application of the tax law in this matter. If other churches in the state of Kansas did not have to pay property taxes on their church-owned parsonages for the calendar year 1985, why should we be discriminated against in Johnson County in this matter. We believe that it was your INTENT that all religious bodies be treated fairly and just and equal in this matter.

Our second reason that we offer to JUSTIFY the change in the law and in HB 2651 to resolve this issue is in the role of the Tax Appraiser in this matter. It is our contention that the Johnson County Appraiser cannot act independently of the rest of the taxing districts of the State. When this happens, we do not have uniform and standard application of the state law.

Our third reason that we offer to JUSTIFY the change in the date of the exemption from December 31st, 1985 to December 31st, 1984, is the whole principle of separation of Church and State. As a practical matter, no traditional church parsonage has been taxed since shortly after Vail vs.

Beach, 10 Kansas 166 (1872). We believe this to be the true legislative history of the church parsonage exemption.

We respectfully request that following line 0000 in the current HB 2651, that you insert the following: "The provisions of this paragraph shall apply to all taxable years commencing after December 31st, 1984."

This change should and ought to clarify and resolve this issue for the religious bodies of Johnson County, Kansas.

We truly hope that the wisdom of this Committee will prevail to support the adoption of this change and thus do away with any inequity and discrimination relative to churches paying property taxes for church-owned parsonages in Johnson County for the calendar year, 1985.

Thank you.

(For your information: The Bristol Hill United Methodist Church Board of Trustees did apply Property Tax Exemption on the Church-Owned Parsonage, 5421 Queal Drive, Shawnee, Kansas, 66203, in 1986, according to the 1986 Law and was granted exemption by the State Board of Tax Appeal in 1986.)

Bristol Hill United Methodist Church

4826 COUNTY LINE ROAD, KANSAS CITY, KANSAS 66106 • (913) 432-2318

Sunday, March 13th, 1988

Senator Fred Kerr
Chair Person - Senate Tax Assessment Committee
State Capitol
Topeka, Kansas, 66612

Dear Senator Kerr:

This is a letter of authorization on behalf of the Administrative Board of the Bristol Hill United Methodist Church, to authorize our pastor, Dr. Stacy Ollar Jr., to officially speak on behalf of the Administrative Board and the congregation concerning the changing of the provision in HB 2651 relative to the section of tax exemption of Church-Owned Parsonage from local property tax particularly for the calendar year, 1985.

Our Administrative Board supports the changing of the provision of the law pertaining to parsonage to read "The provision of this paragraph shall apply to all taxable years commencing after December 31st, 1984."

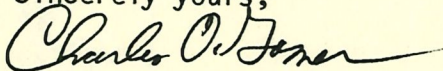
The reason that we ask for this change in the date is that Johnson County, to our knowledge, was the only county in the state of Kansas to place the parsonage on the local property tax roll for the calendar year 1985. The other 104 counties did not place similiar properties on the tax roll, therefore this discrimination of taxation needs to be resolved so that all parties are treated equally and fairly.

We would deeply appreciate the support of the Senate Tax Assessment Committee in making the necessary and appropriate change in this particularly matter.

Even though our local church is located on County Line Road, we have 149 families that live in Shawnee, Merriam, Overland Park, and Prairie Village (Johnson County).

Thank you for hearing our concern.

Sincerely yours,



Mr. Charles Gomer
Chair Person of the Administrative Board
4724 Stearns
Shawnee, Kansas, 66203

building bridges for people - in service to God.

Senator Kerr and Committee Members:

I am David P. Brown, and I reside at 10417 west 50th Place in Shawnee, Kansas (66203). I am the Senior Pastor of First Baptist Church of Shawnee, a congregation of nearly 600 families, most of whom live in Johnson County.

I'm here to urge this committee to help correct a situation whereby Johnson County has taken advantage of a loophole in previous legislation that has allowed the county to collect ad valorem taxes for 1985 from churches owning parsonages. To correct this breach of church and state separation, I ask that this committee amend House Bill 2651, line 0146, to read "commencing after December 31, 1984." I urge you to do this before it goes to the floor of the Senate.

First Baptist of Shawnee paid the 1985 taxes under protest. I understand that not all churches have done so, choosing rather to refer the matter to litigation. I am aware of one such lawsuit filed by the Roman Catholic diocese. Your wise amending of this document would save a long costly legal battle in at least that one situation. In our own situation, we have yet to hear from the State Board of Tax Appeals on our protest. Your positive action would untangle much paperwork in that office as well.

I am sure it is your desire to have a uniform and consistent application of the laws of the State of Kansas. It is unfair that the churches of Johnson County have been singled out from among all of the more than 100 counties in the state to pay property taxes because of this loophole.

As I look at House Bill 2651, the provisions of this legislation call out for this change. As the bill seeks to clarify and unify what kinds of property will be exempt from ad valorem property taxes throughout the state, I believe it would be in keeping with the excellent provisions of the bill to extend exempt status to the parsonages of Johnson County for the year in question.

Church owned parsonages have been tax exempt by Constitutional tradition since early times in this country. Since Senate Bill 400 in 1986, they have been tax exempt by legislation in the state of Kansas. I hope now that you will take the opportunity to apply the principle of tax exempt parsonages consistently and fairly by amending the date on line 0146 to read December 31, 1984.

Thank you.

David P. Brown
First Baptist Church
11400 Johnson Drive
Shawnee, KS 66203

DPB:hb
3/14/88

A & T

3/15/88

Att. 6

TESTIMONY

SENATE ASSESSMENT & TAXATION COMMITTEE

Thursday, March 15, 1988

RE: House Bill 2651

KANSAS CATHOLIC CONFERENCE

BY: Robert Runnels, Jr., Executive Director

Mr. Chairman, members of the Senate Assessment and Taxation Committee, my name is Bob Runnels and I am here today to testify in support of H.B. 2651.

As a community volunteer for thirty years I can attest to the vital need of this legislation. I have served as President of the Johnson County United Way and as President of the Boy Scouts, Heart of America Council.

Let me cite you a scout example. Currently our council has a scout camp in Bonner Springs, Kansas which is located in Wyandotte County. We serve youths from Anderson, Douglas, Franklin, Johnson, Leavenworth, Linn, Miami and Wyandotte counties. Last year our Scout Camp Naish camped 13,045 youths and leaders. Even with this high usage last year Camp Naish lost \$36,580 which had to be supplemented out of our operations budget. If taxed this 1,000 plus acres would create an intolerable burden for our council and community in Eastern Kansas. As chairman of our Long Range Property Committee we are looking for helpful answers not new taxes.

From the very beginning of our statehood religious living in convents have served the community. They have dedicated their lives to helping others without regard to race, religion or financial return. They serve as ministers in churches,

Senate Assessment & Taxation Committee
March 15, 1988 - H. B. 2651

hospitals, nursing homes and other related activities. Usually their pay is a minimal stipend set at a poverty level.

More than anytime in memory religious are being challenged to carry on an ever larger role in administering to those in need ... those in the cities being cut off of federal and state programs ... those in our rural areas who are now facing financial disaster.

Today the best known nun is Mother Theresa of India ... you should know the community service of our nuns in Kansas is just as dedicated and as meaningful even though not as well known.

In the past convents and community service property have not been taxed ... taxing is a recent undertaking by some county assessors ... our request then for tax exemption is to continue a long standing tradition.

This tax exemption bill will leave in place a wholesome relationship.

We ask you to favorably report H.B. 2651 for passage by this committee.

* * * * *

TESTIMONY OF SISTER JUDITH LINDELL, O.P., A
MEMBER OF THE DOMINICAN SISTERS OF GREAT BEND,
KANSAS, IN FAVOR OF SEC. 1, ART. TENTH OF HOUSE
BILL NO. 2651 GIVEN BEFORE THE ASSESSMENT AND TAXATION
COMMITTEE OF THE KANSAS SENATE ON MARCH 15, 1988

I am Sister Judith Lindell, O.P., a member of the Dominican Sisters of Great Bend, Kansas. We also are known as the Sisters of St. Dominic and are part of a larger world wide group called the Dominican Order. I serve in the Sisters Mother House in Great Bend, as the Controller for the Sisters organization.

Some of our 170 members in performing the duties assigned to them by the Prioress of our Order, live in other Convents apart from the the Mother House for convenience in carrying out the work assigned to them by the prioress of our Order. In addition to the Mother House, our Order has six smaller Convents, one located in Great Bend, Kansas, two in Larned, Kansas, two in Garden City, Kansas and one in Wichita, Kansas. In each instance, the property is titled exclusively in the name of the Nuns of the Third Order of St. Dominic and no third party has any interest whatsoever in the property.

Our Mother House is what the name implies, our home, from which the education, religious, benevolent and charitable activities of the Order are administered. As a part of our Mother House structure, we have a Church, our Dominican Chapel of the Plains, which will accommodate approximately 300 worshipers at any given time and in which we have Mass, on nearly a daily basis, and conduct other religious services on a daily

basis. The Chapel is open to the public and many of our neighbors and other Catholics and non-Catholics in the Great Bend community take advantage of this open invitation.

The Great Bend Dominicans have been involved in health care in Central and Western Kansas and Eastern Colorado since 1903, when St. Rose Hospital in Great Bend, Kansas was opened. At the present time we operate Central Kansas Medical Center in Great Bend, Kansas, the successor to St. Rose Hospital, St. Joseph Memorial Hospital in Larned, Kansas and St. Catherine Hospital in Garden City, Kansas. In addition, we operated Sacred Heart Hospital in Lamar, Colorado for a number of years. Each of the hospitals operated by the Great Bend Dominicans is the only hospital in each of the communities.

Our Order also has been engaged in teaching since 1902, including providing teachers for grade school, high school and college levels. At times in the past our Order has operated a high school and college in Great Bend, Kansas, which were closed when the educational needs they satisfied were capable of being fulfilled by public and other institutions.

Many of our Sisters are engaged in health care and work in not only the hospitals we operate, but in other denominational hospitals. We feel that it is desirable to have professed religious women who have dedicated their lives to human service and to God, to assist not only with the physical but with the spiritual care of hospital patients. The Articles of

Incorporation and Bylaws of each of our hospital corporations contain the following statement of purpose to which we strictly adhere and the fulfillment of which we believe only can be accomplished by having members of our Order work in the institutions:

"This corporation, in its ownership and operation of the said hospital and other health care facilities and in all of its other activities, shall be dedicated to the fulfillment of its purposes set forth in these Articles of Incorporation in a manner consistent with the Christian ideals of its parent group, Sisters of St. Dominic. These Christian ideals are based upon a profound respect for the dignity of human life in all its aspects: spiritual, psychological, emotional, physical, and mental. This respect is rooted in the belief that God is the Creator of all life. To make operative these ideals, the said hospital and any other health care facilities owned and/or operated by this corporation, shall be maintained as service institutions for the people of God."

I think it would be helpful to share with the Committee the background of our Order.

The Great Bend Dominicans, is a congregation of women who have taken common religious vows of poverty, obedience and chastity under the authority of the Roman Catholic Church. This Order of the Dominicans was established in 1902 with the opening of its Mother House in Great Bend, Kansas. The Sisters, presently consisting of 170 professed members, as mentioned earlier, live and work together in community in fulfillment of the mission of our Dominican Order, which includes teaching,

providing health care and performing other religious and charitable works.

For legal purposes the Great Bend Dominicans, in 1902, formed a non-profit Kansas Corporation, "The Nuns of the Third Order of St. Dominic," dedicated to religious and charitable service. The corporation holds legal title to the Order's property.

The Nuns of the Third Order of St. Dominic is a tax exempt organization under the Internal Revenue Code. (The same as a 501(c)(3) organization). However, the tax exempt status comes from being listed in the Official Catholic Directory, a copy of the listing from the 1987 Directory is attached hereto as Exhibit "1".

Additionally, this Dominican Order is a canonical institute authorized to exist by the Holy See of the Roman Catholic Church and is recognized as an institution of the official Roman Catholic Church. According to Canon Law, our Dominican Sisters congregation is a public juridic person and all property owned by it is property of the Roman Catholic Church, and is not the exclusive property of our Order.

All members of the Great Bend Dominicans make a vow of perpetual poverty, of chastity and of obedience. These vows are made in the presence of the Bishop of the Dodge City Diocese and of the Major Superior (Prioress) of the Order. In addition, the vows are made in writing.

The written vows taken by each Sister are illustrated by the copy of a vow of one of our Sisters, which is attached hereto as Exhibit "2".

The vow of poverty provides that money earned by the labor of a Sister belongs to our Order. A copy of the rules and regulations pertaining to the vows of poverty, taken from the Handbook of Common Law for Non-Clerical Religious Institutes which is a part of the Canon Law of the Roman Catholic Church, is attached hereto as Exhibit "3".

In addition, each Sister executes a "Declaration Concerning Remuneration" in which she agrees and declares that she will never seek any wages, compensation, remuneration or reward for the time for services or work performed by her while a member of our Dominican Order. An example of this Declaration for one of our Sisters is attached hereto as Exhibit "4".

Each of our members is assigned to her particular occupation by the Prioress of the Order. A copy of the assignments made for 1987, are attached hereto as Exhibit "5".

Generally, our Order contracts with the hospital, school or other institution to provide one or more members of the Order, in specific capacities, to work in that institution. Our Prioress has the right to replace any assigned Sister with another qualified Sister if the need arises. An example of the Agreement utilized is attached hereto as Exhibit "6". Our Order's compensation for the services of its members is paid

directly to the Order. A living allowance budget is prepared for the Sisters residing in each Convent and the money is made available for their use. There is no relationship between the compensation paid to our Order for the services of its members and the living allowance made available for the same members.

All of the Convents owned by our Order are occupied exclusively by professed Sisters who are engaged in the work of the Order. Each of the Convents contains a Chapel in which Mass and/or other religious services are conducted on a daily basis, and the public is invited to attend any of the services in any of the Convents. The Sisters residing in each of the Convents are actually and regularly engaged in conducting the services and religious ministrations of the Dominican Sisters and of the Roman Catholic Church, in the residence Chapel, in hospital Chapels where Sisters are assigned and in Catholic Churches in the Parishes where the Convents are located. The services are attended by the Sisters and in the case of Hospital Chapels, by patients and also by members of the general public. Among the religious ministrations which are conducted by the Sisters are Eucharistic celebrations, prayer services, leading Rosaries, conducting Stations of the Cross, Novenas, Bible Vigils and religious instruction. In the case of Sisters assigned to work in hospitals, they are engaged in the pastoral and spiritual care of hospital patients. Sisters in each of the Convents are designated as distributors of the Eucharist in the residence Chapels, in hospitals and in Parish Churches.

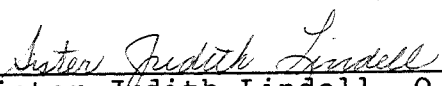
Page 7--Testimony of Sister Judith Lindell, O.P.

Each member of our Order is authorized to and does perform spiritual counseling. Some of our Sisters have been exclusively assigned to perform pastoral duties in Catholic Parishes in Western Kansas where there is not a resident Priest.

Historically, in Kansas, our Convents have been tax exempt. To lose this exemption will impact adversely on the works of our Order which we feel have been significant in all of the communities of Kansas in which our Convents are located, Great Bend, Larned, Garden City and Wichita. Our Sisters have been providing direct services to the citizens of these communities, in Great Bend since 1902, in Larned since 1936, in Garden City since 1931 and in Wichita since 1933.

Therefore, we respectfully request the Committee to act favorably on Sec. 1, Article Tenth of House Bill No. 2651 of the 1988 Session of the Kansas Legislature.

DATED: March 15, 1988.



Sister Judith Lindell, O.P.

The Official Catholic Directory

for the Year of Our Lord

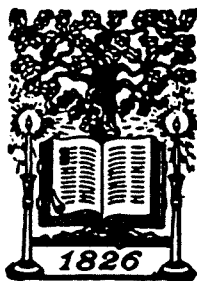
1987

GIVING STATUS OF THE CATHOLIC CHURCH AS OF JANUARY 1, 1987

Containing Ecclesiastical Statistics of

THE UNITED STATES, PUERTO RICO,
THE VIRGIN ISLANDS, AGANA, CAROLINE AND MARSHALL ISLANDS,
FOREIGN MISSIONARY ACTIVITIES, CANADA, AND MEXICO.

The information contained in this Directory is derived from reports submitted to the publishers by the ecclesiastical authorities of the countries concerned, and neither the publishers nor the ecclesiastical authorities assume responsibility for any errors or omissions.

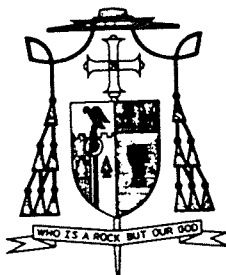


P. J. KENEDY & SONS

Printers to the Holy Apostolic See

Diocese of Dodge City

(Dodgepolis)



Most Reverend
MARION F. FORST, D.D.

Former Bishop of Dodge City; ordained June 10, 1934; consecrated Bishop of Dodge City, March 24, 1960; installed April 5, 1960; resigned from Dodge City; appointed Auxiliary Bishop of Kansas City in Kansas October 16, 1976; retired as Auxiliary Bishop December 23, 1986.
Res., 615 N. 7th, Kansas City, KS 66101.

Most Reverend
STANLEY G. SCHLARMAN, D.D.

Bishop of Dodge City; ordained July 13, 1958; appointed to the Titular See of Capri and Auxiliary Bishop of Belleville, March 13, 1979; consecrated May 14, 1979; appointed Bishop of Dodge City, March 1, 1983; installed May 4, 1983. Res., 111 East Elm st., Dodge City, KS 67801. Office: 910 Central ave., Box 849, Dodge City, KS 67801.

ESTABLISHED MAY 19, 1951. Square Miles 23,000.

Comprises the following counties in the State of Kansas: Barton, Stafford, Pratt, Barber, Rush, Ness, Lane, Scott, Wichita, Greeley, Hamilton, Kearny, Finney, Hodgeman, Pawnee, Edwards, Ford, Gray, Haskell, Grant, Stanton, Morton, Stevens, Seward, Meade, Clark, Kiowa, and Comanche.

Principal Patron: Our Lady of Guadalupe.

Secondary Patron: St. John the Baptist.

For legal titles of parishes and diocesan institutions,
Consult the Chancery Office.

Former Bishops—Most Rev. JOHN BAPTIST FRANZ, D.D., ordained Aug. 29, 1951; transferred to the See of Peoria Aug. 8, 1959.—Most Rev. MARION F. FORST, D.D., ordained March 24, 1960; transferred to See of Kansas City, KS as Auxiliary Oct. 16, 1976.—Most Rev. EUGENE J. GERBER, D.D., ordained Dec. 14, 1976; transferred to See of Wichita, KS Nov. 23, 1982.

Vicar General—Rev. Msgr. A. F. PREISNER, V.G.
Catholic Church Offices—Dodge City—910 Central ave., P.O. Box 849, Dodge City, KS 67801. r 316-227-3131. Chancery hours: Mon.-Fri. 9-4:30. All rogatorial commissions should be sent to the Catholic Church Offices.

Episcopal Asst. for Hispanic Concerns—Rev. JOHN GONZALES CASTRO, O.M.I.

Chancellor—Rev. JAMES E. BAKER, J.C.L. **Diocesan Comptroller**—Rev. STEPHEN WYLIE, Assoc. Compt. & Personnel Mgr., Mr. ROBERT J. HAMILTON.

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Officials—Rev. DERMOT F. TIGHE.
Synodal and Pro Synodal Judges—Rev. Msgr. NORBERT C. TEMAAT; Revs. STEPHEN WYLIE; DERMOT F. TIGHE; James E. Baker, J.C.L.; David H. Kraus; John R. Strasser; Charles J. Mazouch; Ted A. Skalsky.

Promotor of Justice—Rev. DONALD J. FIEDLER.
Defenders of the Bond—Rev. Msgr. NORBERT C. TEMAAT; Revs. JAMES E. BAKER, J.C.L.; DONALD V. HEIM; DAVID H. KRAUS; JOHN J. MAES; CHARLES J. MAZOUCH; TED A. SKALSKY; JOHN R. STRASSER; DER-

MOT F. TIGHE, WILLIAM A. VOGEL; STEPHEN WYLIE, J.C.L.; Mr. PAUL ZOOK.
Advocates—Rev. Msgr. NORBERT C. TEMAAT; Revs. JOHN J. MAES; TED A. SKALSKY.
Notaries—Rev. Msgr. NORBERT C. TEMAAT; Rev. STEPHEN WYLIE, J.C.L.; Mrs. LORRAINE KINCAID; Mrs. PEGGY TORLINE.

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Office Serving the Handicapped—Mrs. EDNA RICKER, Dir., Box 999 Dodge City, 67801. r 316-227-2925; Rev. JOSEPH E. BAHR, Priest Advisor, P.O. Box 280, Dodge City, 67801. r 316-225-4802.

Office of Liturgy and Worship—Mrs. EMILIE BAUER, Coord., P.O. Box 818, Dodge City, 67801. r 316-227-3131.

Catholic Agency for Migration and Refugee Services—Rev. DONALD J. FIEDLER, Dir., 804 North Colorado, Ulysses, 67880. r 316-356-1532.

Office for Migration—Mrs. ADELIA F. RICE, Exec. Dir., 504 Stillman st., P.O. Box 546, Elkhart, 67950. r 316-697-4639.

Office for Refugee Services—LEVITA ROHLMAN, Exec. Dir., 103 North Ninth, Garden City, 67846. r 316-275-2261.

Catholic Education Office—P.O. Box 999, Dodge City, 67801. r 316-227-6159.

Catholic Social Service Offices—Rev. TED A. SKALSKY, Exec. Dir., 2546 20th st., Great Bend, 67530. r 316-792-1393.

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Commission for Ministry to Priests—Rev. JOHN CASTRO, O.M.I., Chm.; Rev. Msgr. A. F. PREISNER, V.G.; Revs. JAMES E. BAKER, J.C.L.; EUGENE P. KENNY; JAMES J. SHEEHAN; TED A. SKALSKY.

Council of Catholic Women—Rev. RICHARD H. SCHIN-STOCK, Spiritual Moderator, St. Boniface Church, Box 118, Sharon, 67138.

Diocesan Attorney—Mr. BERNIE D. FRIGON, P.O. Box 1695, Dodge City, 67801.

Diocesan Presbyterial Council—Rev. Msgr. A. F. PREISNER, V.G.; Revs. JOSEPH E. BAHR; JAMES E. BAKER, J.C.L.; GERALD A. HAMMEKE; JOHN LAVRIN; DAVID DOUGHERTY, C.P.P.S.; ANDREW MCGOVERN; ROBERT A. SCHREMMER; JOHN R. STRASSER; JEROME J. STRECKER; STEPHEN WYLIE.

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Diocesan Commission For the Promotion of Christian Unity—Rev. CLETUS G. STEIN, Chm.; Mr. TOM McHALE, Vice-Chm.; Rev. ELMER A. KLENKE, Sec.; Rev. Msgr. J. A. STREMEL; Revs. EUGENE P. KENNY; F. L. LUBELEY; Mrs. JOLENE GEIER, O.P.; PATRICIA KELLY, C.S.J.; Mrs. JOYCE L. CHADD; Mrs. TERESA DAVIDSON; Mrs. MARCE ESTLACK; Mr. LAWRENCE BRENNAN; Mr. DAVID KEARNEY.

Family Life Office—Mr. FRANK BAUER and EMILIE BAUER, Dirs., P.O. Box 818, Dodge City, 67801. r 316-227-3297.

Finance Council—Mr. WILLIAM P. TRENKLE, Jr., Chm.; Rev. Msgr. A. F. PREISNER, Ex-Officio Vice-Chm.; Revs. JAMES E. BAKER, Sec.; STEPHEN WYLIE, J.C.L.; Mr. ROBERT J. HAMILTON; Revs. GERALD A. HAMMEKE; JOHN R. STRASSER; Sr. PHILOMENA HRENCHER, O.P.; Dr. MICHAEL MCCARTHY; Mrs. LYDIA GONZALES; Mrs. LEONA RANDOLPH; Mr. CHU LUI; Mr. PAUL MANETH; Mr. A. W. SCHARTZ, Jr.; Mr. ROBERTO SOBA.

Health Affairs—Rev. JAMES KELLY, Coord., 809 Coolidge, Apt. 233, Great Bend, 67530.

Lay Employees' Retirement Plan—Rev. STEPHEN WYLIE, Sec.

League of the Apostleship of Prayer—Vacant.
Legion of Mary—Rev. JAMES KELLY, Dir., of Dodge City Conitium.

Newspaper Office—The Southwest Kansas Register, Diocesan Weekly, Mrs. MARGARET KLENKE, Editor, 910 Central ave., P.O. Box 1317, Dodge City, 67801. r 316-227-8813. Rev. STEPHEN WYLIE, Bus. Mgr.

Peace and Justice Concerns Office—Mrs. RHONDA WESTERHAUS, Diocesan Coord., P.O. Box 849, Dodge City, 67801. r 316-227-7030; Rev. CLETUS G. STEIN, Vice-Chm.

Permanent Diaconate Office—Rev. ROBERT A. SCHREMMER, Dir., 419 W. 1st st., Liberal, 67901. r 316-624-4135; MICHAEL MCCARTHY, Assoc. Dir., 1211 Avenue A, Dodge City, 67801. r 316-227-2498.

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Priests' Trust Fund—Rev. Msgr. J. A. STREMEL, Chm.; Revs. CHARLES J. MAZOUCH, Vice-Chm.; STEPHEN WYLIE, Sec.; TERESA; JOSEPH E. BAHR; EUGENE P. KENNY; ANDREW MCGOVERN; Rev. Msgr. A. F. PREISNER.

INSTITUTIONS LOCATED IN THE DIOCESE

[A] COLLEGES AND UNIVERSITIES

DODGE CITY. *St. Mary of the Plains College*, 67801. r 316-225-4171. Boarding and day college for men and women. Sisters of St. Joseph. Dr. Michael McCarthy, Pres.; Sr. Therese Wetta, A.S.C., Vice pres. for Academic Affairs; Suzanne Dextras, Dean of Student Development; Vincent Laudick, Registrar; Rev. Cletus G. Stein, Chap. Faculty Members: Priests 1; Sisters 12; Lay teachers 27; Students: Women 440; Men 239.

[B] GENERAL HOSPITALS

GARDEN CITY. *St. Catherine Hospital*, 608 N. 5th st., 67846. r 316-275-4111. Sisters of the III Order of St. Dominic 9. Steve Wilkinson, Pres. Vice Pres.; Steve Bomgardner, Vice-Pres. Bed capacity 104; Patients during the year: In 4,042; Out 64,923. Rev. Francis C. Laudick, C.P.P.S., Chap., 603 Mulberry, 67846. r 316-275-5464.

GREAT BEND. *Central Kansas Medical Center*, 3515 Broadway, 67530. r 316-792-2511. Sisters of the III Order of St. Dominic 15. Sr. Philomena Hrencher, O.P., Pres.; Gerald L. Reifschneider, Exec. Vice Pres.; Peggy J. Erickson, Vice Pres., Nursing; Kenneth D. Williams, Vice Pres., Finance. Bed capacity 200. Patients during the year: In 4,554; Out 32,216. Rev. James Kelly, Chap., 809 Coolidge, Apt. 233, 67530. r 316-793-6774.

LARNED. *St. Joseph Memorial Hospital*, 923 Carroll st., 67550. r 316-285-3161. Nuns of the III Order of St. Dominic 8. Garrett E. Colquette, C.E.O. Bed capacity 68; Patients: In 1,071; Out 4,608. Rev. David H. Kraus, Chap, 1111 State st., 67550. r 316-285-2035.

PRATT. *Regional Medical Center*, 200 Commodore st., 67124. r 316-672-6476. Sisters of St. Joseph 2. Mr. Roland Walsh, Pres. Bed capacity 84; Patients during the year: In 2,061; Out 5,426.

[C] RETREAT CENTERS

GREAT BEND. *Heartland Center for Spirituality*, 3600

Broadway, 67530. r 316-792-1232. Sr. Betty Jean Goebel, O.P., Dir.
Pilgrim House of Praise-Dominican Retreat Center, 1600 Polk, 67530. r 316-792-1232. Capacity 40.

[D] EDUCATIONAL ENDOWMENT FUNDS

DODGE CITY. *The Sacred Heart School Endowment*, P.O. Box 280, 67801.

ELLINWOOD. *St. Joseph School Education Endowment Fund*, 214 North Main st., 67526.

GARDEN CITY. *St. Dominic Grade School Endowment Fund*, 615 J.C. st., 67846.

The St. Mary Grade School Education Endowment Fund, 509 St. John st., 67846.

GREAT BEND. *The St. Patrick Grade School Education Endowment Fund*, 4100 Broadway, 67530.

The St. Rose of Lima Grade School Education Endowment Fund, 1423 Holland st., Box 1007, 67530.

LARNED. *The Sacred Heart Grade School of Larned Education Endowment Fund*, 527 West 12th st., 67550.

LIBERAL. *St. Anthony School Endowment Fund*, 419 West First st., 67901.

PRATT. *The Sacred Heart School Education Endowment Inc.*, 332 North Oak st., 67124.

[E] CONVENTS AND RESIDENCES FOR SISTERS

GREAT BEND. *Immaculate Conception Convent, Motherhouse and Novitiate of the Nuns of the Third Order of St. Dominic*, 3600 Broadway, 67530. r 316-792-1232. Sr. Rene Weeks, O.P., Prioress. Final Professed Sisters 172; Temporary Professed 4; Novices 1; Lay Associates 40. Rev. Roman Ladewski, C.S.C., Chap., Res., 3617 17th st., 67530. r 316-792-1232, ex. 563.

[F] SERVICES FOR THE ELDERLY

GREAT BEND. *Cedar Park Place, Inc.*, 3910 Cedar Park pl., 67530. r 316-793-8115. Sr. Louella Stabb, O.P., Pres.; Sr. Alberta Neises, O.P., Housing Mgr. Low

and middle income housing for elderly and handicapped.

St. Martin de Porres Association, Inc., P.O. Box 837, 67530. r 316-792-8171. Golden Belt Home Health Service. Sr. Dominic Haug, O.P., R.N., Exec. Dir.

[G] MISCELLANEOUS

GARDEN CITY. *Emmaus House*, 802 N. Fifth st., 67846. r 316-275-2008. Mrs. Judy Rittgers, Dir.

GREAT BEND. *Dominican Health Services Association*, 3600 Broadway, 67530. r 316-792-1232. Sr. Anita Shugart, Pres.

Family Crisis Center, P.O. Box 1543, 67530. r 316-792-3672. Ms. Lisa Hoffman, Dir.

RELIGIOUS COMMUNITIES OF MEN IN THE DIOCESE

C.P.P.S. [49]—*Society of the Most Precious Blood*. (Kansas City Prov.)

[]—*Congregation of Holy Cross*. (Indiana Province)

[]—*Missionary Oblates of Mary Immaculate*. (Southern Province)

RELIGIOUS COMMUNITIES OF WOMEN IN THE DIOCESE

[43C]—*Nuns of the III Order of St. Dominic*.

[105]—*Hermanas Catequistas Guadalupanas*.

[165]—*Sisters of Mary Reparatrix*.

[182]—*Adorers of the Blood of Christ*.

[221]—*Sisters of St. Joseph*.

[]—*Congregation of the Carmelite Sisters of St. Teresa*.

NECROLOGY

†Vesecky, John Benedict, Pratt, KS, Chap.-Regional Medical Center.—Died March 29, 1986.

RECAPITULATION OF STATISTICS

Bishops	1	Parishes closed	1
Priests: Diocesan active in diocese	45	Catholic Hospitals	4
Priests: Active outside diocese	4	Total Assisted	118,901
Priests: Diocesan in Foreign Missions	3	Protection of Life and Family Centres	2
Priests: Retired, sick or absent	8	Total Assisted	30,359
Number of Diocesan Priests	60	Students of Diocese in other Seminaries	13
Religious Priests in Diocese	8	Students, Religious	8
Extern Priests in Diocese	2	Total Seminarians	21
Total Priests in Diocese	68	Colleges and Universities	1
Permanent Deacons in Diocese	7	Total Students	679
Total Sisters	165	Elementary Schools, Diocesan & Parochial	12
Parishes	58	Total Students	1,575
With Resident Pastor	37	Confraternity of Christian Doctrine:	
Resident Diocesan Priests	4	High School Students	1,502
Resident Religious Priests	4	Elementary Students	3,473
Without Resident Pastor	17	Total Students under Catholic Instruction	
Administered by Priests	17		

.....	7,250
Teachers in the Diocese:	
Priests	1
Sisters	30
Lay Teachers	106
Baptisms:	
Infant	969
Converts	106
Total Baptisms	1,073
Marriages:	
Catholic	153
Mixed	109
Total Marriages	261
Deaths	266
Total Catholic Population	39,341
Total Population	225,320

Internal Revenue Service

Department of the Treasury

District
Director

Person to Contact: R. D. Morris
Telephone Number: 488-3100
Refer Reply to: EP/EO:7204
Date: June 11, 1987

United States Catholic Conference
1312 Massachusetts Avenue, N.W.
Washington, D.C. 20005

Dear Sir:

In a ruling dated March 25, 1946, we held that the agencies and instrumentalities and all educational, charitable and religious institutions operated, supervised, or controlled by or in connection with the Roman Catholic Church Official Catholic Directory for 1946, are entitled to exemption from Federal income tax under the provisions of section 101(6) of the Internal Revenue Code of 1939, which corresponds to section 501(c)(3) of the 1954 Code. This ruling has been updated annually to cover the activities added to or deleted from the Directory.

The Official Catholic Directory for 1987 shows the names and addresses of all agencies and instrumentalities and all educational, charitable, and religious institutions operated by the Roman Catholic Church in the United States, its territories and possessions in existence at the time the Directory was published. It is understood that each of these is a nonprofit organization, that no part of the net earnings thereof inures to the benefit of any individual, that no substantial part of their activities is for promotion of legislation, and that none are private foundations under section 509(a) of the Code.

Based on all information submitted, we conclude that the agencies and instrumentalities and educational, charitable, and religious institutions operated, supervised or controlled by or in connection with the Roman Catholic Church in the United States, its territories or possessions appearing in the Official Catholic Directory for 1987 are exempt from Federal income tax under section 501(c)(3) of the Code.

Donors may deduct contributions to the agencies, instrumentalities and institutions referred to above, as provided by section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to them or for their use are deductible for Federal estate and gift tax purposes under sections 2055, 2106, and 2522 of the Code.

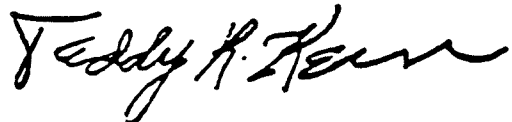
United States Catholic Conference

Beginning January 1, 1984, unless specifically excepted, you and your subordinates must pay taxes under the Federal Insurance Contributions Act (Social Security taxes) for each employee who is paid \$100 or more in a calendar year. You and your subordinates are not liable for tax under the Federal Unemployment Tax Act (FUTA).

Next year, within 90 days before the close of your annual accounting period, or by May 31, the date established by our letter of April 28, 1975, which gave an extension of time to file the information, please send one copy of the Official Catholic Directory of 1988 for each Internal Revenue District in which one or more of your subordinates are located, with four additional copies to this office.

The conditions concerning the retention of your group exemption as set forth in our previous determination letter of August 17, 1983 remain in full force and effect.

Sincerely yours,



Teddy R. Kern
District Director

cc: Mark E. Chopko
General Counsel
1312 Massachusetts Avenue, N.W.
Washington, D.C. 20005

Act of Reception

We, SUPERIOR AND SISTERS of this Congregation of the Third Order of St. Dominic Immaculate Conception assembled in Chapter, having examined or caused to be examined Margaret Schinstock, born in St. Les, Kansas, age 15 years, having admitted her to receive the holy habit, which by the permission of our Superiors has been given to her, with the name of Sister M. Francesca this 10th day of the month of March, in the year of our Lord 1925.

In Testimony of which we have subscribed this present act.

Aug. J. Schwertner, Bp. of Wichita

Novice Mistress, Sr. M. Augustine, O.P.
 Canonical year made March 10, 1925 to March 10, 1926

Act of Profession

I, Sister M. Francesca Schinstock lawful daughter of A. J. Schinstock and Katherine Schinstock born in the parish of St. Les, county of Kingman State of Kansas aged 18 years, declare and certify, that, by the grace of God, I have received the holy habit of the Congregation of The Sisters of the Third Order of St. Dominic Great Bend, Kansas this 10th day of the month of March, in the year of our Lord 1925; and afterwards I made my Novitiate in said Convent of The Immaculate Conception during the space of two years; in which time, having practiced the exercises and observed the rules of said congregation I have on this 10th day of the month of August in the year of our Lord 1927, voluntarily and freely made my profession, in the hands of Mother M. Seraphine, in the Church (or Chapel) of Immaculate Conception, taking the simple vows of perpetual Poverty, Chastity, and Obedience in this Congregation of the Third Order of St. Dominic according to its confirmed Rules and Constitutions, in the presence of Rt. Rev. Aug. J. Schwertner Bishop of the Diocese of Wichita, and Vener. Mother Seraphine Mother Superior of this Convent of the Immaculate Conception.

In Testimony of which I have signed this present act, on this same day.

Sister M. Francesca O.P.

Novice Mistress, Sr. M. Augustine
Aug. J. Schwertner, Bp. of Wichita

Act of Final Profession

I, Sister Mary Francesca Schinstock lawful daughter
of H. J. Schinstock and Katharine Schinstock
born in the parish of St. Leo State of Kansas
aged 21 years, declare and certify, that, by the grace of God I have
received the holy habit of the Sisters of The Third Order of St. Dominic in our
Convent of the Immaculate Conception, the 10th day of the month
of March in the year of our Lord 1925
and afterwards I made my Novitiate in said Convent of the Immaculate Con-
ception during the space of two years; in which time, having
practiced the exercises and observed the rules of said Congregation of the Third
Order of St. Dominic I have on this 17th day of the month of
March, in the year of our Lord 1931
voluntarily and freely made my final vows, in the hands of Mother
M. Rose O.P. in the Church (or Chapel) of The Immaculate
Conception Convent Great Bend, Kansas
taking the simple vows of perpetual Poverty, Chastity, and Obedience in this
Congregation according to its confirmed Rules and Constitutions, in the presence
of Rt. Rev. Aug. J. Schwertus Bishop of the diocese of
Wichita and Mother M. Rose
Mother Superior of this Congregation of The Third Order of St. Dominic.

In testimony of which I have signed this present act, on the same day.

Sister, M. Francesca O.P.
Mother M. Rose O.P.
Aug. J. Schwertus
Wp. Wichita

TAKEN FROM:

HANDBOOK OF COMMON LAW FOR
NONCLERICAL RELIGIOUS INSTITUTES

1975

§ 2 Poverty

43. Can. 580, § 1. Any professed of simple vows, perpetual or temporary, unless the contrary is established in the constitutions, retains the ownership of property and the capacity of acquiring other property, while safeguarding prescriptions of canon 569.

44. § 2. But whatever a religious acquires by his own labor or with respect to his institute belongs to the institute.

45. Can. 583. (c) The professed of simple vows in religious congregations are not permitted:

• To renounce the ownership of their property by a free gift effective during their lifetime (see RFR, 31-1972-961-2);

• To alter a will made according to the norm of canon 569, § 3, without the permission of the Holy See or, if the case is urgent and time does not permit recourse to the Holy See, without the permission of a higher superior, or if recourse cannot be had to the latter, without the permission of the local superior (Ibid., 962).

46. Can. 568. If during the course of his noviceship, a novice in any way renounces his benefices or property or burdens them with obligations, responsibilities or obligations is not only illicit but also invalid by law itself.

147. Can. 569, § 1. Before the profession of simple vows, whether temporary or perpetual, and for the entire time that he will be bound by simple vows, a novice must cede the administration of his property to whomever chooses and, unless the constitutions enact the contrary, freely dispose of use and usufruct.

§ 2. If this cession and disposition were omitted because the novice had property and if subsequently property comes to him, or if, after making provision, other property comes to him under any title whatsoever, he shall, notwithstanding his simple profession, make or renew the provision according to the norms of § 1 for the newly acquired property.

148. Can. 580, § 3. A professed religious may change the cession or disposition treated in canon 569, § 2, not of his own mere will, unless the circumstances permit this, but with the permission of the superior general, or in the case of nuns, with the permission of the local ordinary and, if the monastery is subject to regulars, with that of the regular superior, provided the change is not of a notable part of the property in favor of his institute. This cession or disposition ceases to have any validity by departure from the institute.

149. Can. 569, § 3. (c) Before profession of temporary or perpetual vows a novice in a religious congregation shall freely make a will concerning property he actually possesses or may subsequently acquire RFR, 31-1972-962-51.

150. Can. 594, § 1. In every religious institute common life must be exactly observed by all, even in those things which pertain to food, clothing, or furniture.

§ 2. Whatever is acquired by religious, including superiors, according to the norms of canon 580, § 2, and canon 582, n. 1, must be incorporated in the goods of the house, province, or institute, and all money or securities, if any, shall be deposited in the common safe.

§ 3. The furniture of the religious must be in accordance with the poverty of which they have made profession.

151. Can. 2389. Religious notably violating the law of common life prescribed by the constitutions are to be seriously admonished. If they fail to amend, they are to be punished by the privation of active and passive voice and, if they are superiors, also of their office.

DECLARATION CONCERNING REMUNERATION

KNOW ALL MEN BY THESE PRESENTS, that I,

Margaret Schinstack
otherwise known as Sister Mary Franciscus Schinstack
of Kinsley, in the County of Edwards, and State of Kansas.

IN CONSIDERATION of the law of the Roman Catholic Church concerning the remuneration of candidates, postulants, novices, and members of a religious community acknowledged by said Roman Catholic Church (Codex Juris Can. 643), which law I fully know and deliberately acknowledge and to which I voluntarily and fully submit myself, and

FOR AND IN CONSIDERATION of the benefits accruing to me as candidate, postulant, novice, or member of the approved religious community, incorporated as

The Nuns of the Third Order of St. Dominic of Great Bend, Kans
existing under and by virtue of the laws of the State of Kansas.

DO SOLEMNLY STATE AND DECLARE, that I shall never claim or demand, directly or indirectly, any wages, compensation, remuneration, or reward, either in specie or by way of annuity or pension, for the time or for the services or work that I devote for or with said

The Nuns of the Third Order of St. Dominic of Great Bend, Kansas.

during the time I may remain there or elsewhere in the name of or upon commission from said

The Nuns of the Third Order of St. Dominic of Great Bend, Kansas.

IN WITNESS WHEREOF I have hereunto subscribed my name this 15 day
of August, in the year of our Lord, 1927.

(Signature) Sister M. Franciscus Schinstack

This instrument was signed, published, and declared by the above named

Margaret Schinstack otherwise known as
Sister Mary Franciscus Schinstack, in the presence of us, who in her
presence and at her request, and in the presence of each other, have hereunto subscribed our names as witnesses the day and year above written.

(Witnesses) Mother M. Loretha O.S.D.

Mother M. Emilia O.S.D.

Sister M. Pia, O.P. (Notary Public)

DOMINICAN SISTERS' ASSIGNMENTS IN MINISTRY

Sent by God and Missioned in Community

Great Bend, Kansas

August 2, 1987

We strive to see and reflect
Christ contemplating and teaching,
Christ forgiving and healing,
Christ transorming the world
through the power of His Spirit. (Attentive to the Lord)

We are commissioned today for prayer and for work, for times together and for times alone. By our acceptance of the following assignments we corporately offer all the aspects of our lives in love to one another and in service to the Church.

CENTRAL ADMINISTRATION AND COMMUNITY SERVICES

Sister Rene Weeks - Prioress of the Congregation
Sister Gemma Doll - Assistant Prioress

General Councillors

Sister Gemma Doll Sister Imelda Schmidt
Sister Betty Jean Goebel Sister Rose Mary Stein
Sister Peggy Ann Martin Sister Betty Werner

Secretary

Sister Teresita Huse - Secretary of the Congregation
Sister Jane Marie McCoy - Assistant Secretary - P.T.
Sister Annette Winter - Assistant Secretary - P.T.

Finance

Sister Judith Lindell - Treasurer of the Congregation
Sister Kathleen Werner - Assistant Treasurer
Sister Roserita Weber - Assistant Treasurer
Sister Jane Marie McCoy - Foreign Mission Stateside Treasurer

Archivist

Sister Damian Schreiner - Archivist of the Congregation
Sister Mary Alberta Schreiner - Assistant Archivist

Formation

Sister Rita Birzer - Temporary Professed
Sister Francine Schwarzenberger - Novices
Sister Rebecca Otter - Pre-entrance, Postulants
Sister Jolene Geier - Associates
Every Sister in the Community - Vocation Promoter
Sister Betty Jean Goebel - Sabbaticals and Continuing Education
Heartland Center Staff - Retreat Planning

Motherhouse Administrator

Sister Marietta Urban

Communications Resource Person

Sister Elaine Osborne

CENTERS OF SPIRITUALITY

Benet Hill Center, Colorado Springs

Sister Louise Hageman

Heartland Center for Spirituality, Great Bend

Sister Betty Jean Goebel	-	Director
Sister Joan Wolf	-	Assistant Director
Sister Amy McFrederick		Sister Alfreda Thieme - P.T.
Sister Francine Schwarzenberger	-	P.T.

FOREIGN MISSION SERVICE

Nigeria, Africa

Sister Lorena Bolte	-	Superior of Dominican Sisters of St. Catherine of Siena and Directress of On-going Formation
Sister Lillian Gehlen	-	Directress of Novices
Sister Martina Stegman	-	Assistant Novice Directress
Sister Mary Terence Wasinger		Sister Clara Ann Fluech
Sister Rita M. Schwarzenberger		

Kenya, Africa

Sister Frances Biernacki

HEALTH SERVICES

Mission Effectiveness Coordinator

Sister Diane Traffas

Central Kansas Medical Center

Sister Clarissa Kinzel	Sister Eleanor Penka
Sister Charitas Steinke	Sister Alvina Miller - P.T.
Sister Salesia Schneweis	Sister Christian Ney - P.T.
Sister Romana Henning - P.T.	Sister Edna Haefling - P.T.
Sister Miriam Schremmer	Sister Corona Bayer
Sister Constance Martin	Sister Jolene Geier - P.T.
Sister Mary Urban Hitschmann	Sister Kathleen Andrews

St. Catherine Hospital

Sister Mary Ann Finkeldei - P.T.	Sister Coletta Masterson
Sister Marie Klein - P.T.	Sister Marie Hageman
Sister Eleanor Unrein	

St. Joseph Memorial Hospital

Sister Francesca Schinstock - P.T.	Sister Irene Hartman
Sister Mary Hilaria Penka	Sister Geraldine Eakes
Sister Mary William Hipp	Sister Renee Dreiling
Sister Amadea Hauser - P.T.	Sister Mary Lou Desena

Golden Belt Home Health Services

Sister Dominic Haug	-	President
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Non-Community Owned Hospitals and Nursing Homes

Enid, Oklahoma
St. Mary Hospital
Sister Celine Benoit

Mesa, Arizona
Mesa Lutheran Hospital
Sister Stella Weber

Grand Island, Nebraska
Memorial Hospital
Sister Jeanette Sulzman

Northglenn, Colorado
Castle Garden Nursing Home
Sister Mary Martin Weaver

Great Bend, Kansas
Cherry Village Nursing Home
Sister Clare Henning - P.T.

Wichita, Kansas
St. Francis Regional Medical Center
Sister Ancilla Schawe
Sister Joan Ice

Larned, Kansas
Hammond Holiday Home
Sister Carol Gerke

Health Services at I.C.C.

Sister Mary Ann Klein	-	Infirmery Supervisor
Sister Henrietta Schneweis	-	Infirmery Nurse
Sister Lucy Masterson	-	Infirmery Nurse
Sister Alberta Neises	-	Infirmery Dietitian
Sister Lucille Klein	-	Infirmery Nurse
Sister Mary Mildred Steinke	-	Infirmery Assistant
Sister Bridget Wentz	-	Infirmery Assistant

Other Health Related Services

Alamosa, Colorado
San Luis Valley Detox Center
Sister Mary Sigala

Great Bend, Kansas
Wholistic Health-Therapeutic Massage
Sister Anita Schugart

Garden City, Kansas
Hearing Aid Office
Sister Virginia Brungardt

Homemaker
Sister Amata Pantel

Assistant to Dr. Fry
Sister Charlotte Unrein

McPherson, Kansas
Area Council for Alcohol/Drug Service
Sister Charlene Eisenbart

Kingman, Kansas
Reflexology, Homemaker
Sister Celestine Henning

HOMEMAKERS IN RESIDENCES

Hutchinson - 1015 Main
Sister Sophia Vesecky

Schulte - St. Peter
Sister Angela Leiker

Larned - 808 Mann
Sister Anastasia Kuntz

Wichita - 201 S. Millwood
Sister Benigna Albers
Sister Pauline Schneweis
Sister Rosalia Govert

St. Leo - St. Leo
Sister Monica Staudinger

HOUSING

Cedar Park Place

Sister Louella Staab - President and Accountant
Sister Regina O'Rourke - Resident Manager

Denver Archdiocesan Housing

Sister Adeline Wedeking - Sister Teri Wall

PASTORAL SERVICES

DENVER ARCHDIOCESE

Thornton - Holy Cross
Sister Peggy Martin

DODGE CITY DIOCESE

Dighton- St. Theresa; Scott City -
St. Joseph
Sister Rose Mary Stein
Sister Celeste Albers

Dodge City - Sacred Heart Cathedral
Sister Esther Fiegel

Hoisington - St. John
Sister Beatrice - P.T.

Liberal - St. Anthony
Sister Rita Birzer - P.T.

Jetmore - St. Lawrence; Hanston -
St. Anthony; Burdett - Holy Rosary
Sister Nancy Jane Kuntz

KANSAS CITY ARCHDIOCESE

Lawrence - St. Lawrence Catholic
Campus Center
Sister Malachy Stockemer

SALINA DIOCESE

Salina - St. Elizabeth Seton
Sister Connie Haug

Salina - St. Mary
Sister Cornelia Bock
Sister Jean Glach

WICHITA DIOCESE

Wichita - C.C.D. Office
Sister Frances Marie Heitz

SPECIAL COMMUNITY SERVICES AT I.C.C.

Sister Kathleen Werner	-	Motherhouse Contact Person
Sister Bertilla Brungardt	-	Motherhouse Contact Person
Sister Marcella Landwehr	-	Rosary Shrine
Sister Mary Alberta Schreiner	-	Transcripts for I.C.C. & I.C.H.S.
Sister Frances Schreiner	-	Homemaker
Sister Baptista Luebbers	-	Ceramics
Sister Teresa Rottering	-	Work for Missions
Sister Kathleen Werner	-	Sewing Room
Sister Veronica Staudinger	-	Craft store, hair dresser, sewing
Sister Jordan Rziha	-	Work for Missions
Sister Aquinata Penka	-	St. Joseph Shrine
Sister Josephine Blazek	-	Homemaker
Sister Stanislaus Blazek	-	Homemaker
Sister Carmelita Husmann	-	Librarian
Sister Norberta Miller	-	Homemaker
Sister Joan Forward	-	Sewing, chauffeur, Swap Shop
Sister Clare Henning	-	Lourdes Shrine, chauffeur
Sister Germaine Heiman	-	Receptionist
Sister Catherine Miller	-	Hospitality for Heartland Center and Motherhouse
Sister Christine Zerr	-	Store, homemaker, chauffeur, rose garden
Sister Ruth Klein	-	Liturgy Contact Person, sewing - P.T.

Sister Isabel Miller	-	Beautician, car maintenance, sacristan, chauffeur
Sister Leocadia Rachbauer	-	Seamstress, chapel helper
Sister Alvina Miller	-	Librarian - P.T.
Sister Alfreda Thieme	-	Receptionist
Sister Amata Pantel	-	Homemaker
Sister Seraphine Grabbe	-	Homemaker
Sister Christian Ney	-	Circulating Tape Library
Sister Edna Haefling	-	Receptionist, Paperback Library
Sister Bertilla Brungardt	-	Kitchen Supervisor - Evening Shift
Sister Jolene Geier	-	Fatima Shrine
Sister Camillus Bayer	-	Physical Therapist in Infirmary
Sister Marie Antoinette	-	Organist, Homemaker
Sister Ignatius Galvan	-	Ceramics, Bazaar items, correspondence for Farm Worker Movement
Sister Judith Lindell	-	Minister of Environment
Sister Annette Winter	-	Receptionist
Sister Roserita Weber	-	Minister of Environment
Sister Alvarita Brungardt	-	Homemaker

Many Sisters help with homemaking services and receptionist duties.

PRAYER AND SUFFERING FOR THE APOSTOLATES OF THE CONGREGATION
AND VOLUNTARY SERVICES

Sister Joseph Tockert	Sister Felicitas Lingg
Sister Cunigunda Ridder	Sister Evangeline Bohrer
Sister Perpetua Lingg	Sister Raphael Husmann
Sister Emmanuel Debes	Sister Mildred Marie Eakes
Sister Juliana Henning	Sister Ignatius Galvan

PILGRIM HOUSE OF PRAISE

Sister Michael Schwarzenberger	Sister Rebecca Otter
Sister Beatrice Hartman	Sister Annette Winter
Sister Elaine Osborne	

SABBATICAL AND/OR STUDY

Sister Philomena Hrencher	-	Sabbatical
Sister Cecilia Ann Stremel	-	Sabbatical
Sister Joel Christoph	-	Sabbatical
Sister Rosemary Mauler	-	Institute for Spiritual Leadership, Chicago, Illinois
Sister Lucille Strohl	-	Aquinas Institute, St. Louis, Missouri

SOCIAL SERVICES

DODGE CITY DIOCESE

Elkhart - Diocesan Mexican-American
Affairs Office
Sister Teresa Orozco

OKLAHOMA CITY ARCHDIOCESE

Canton - Las Casas Team for Cheyenne
and Arapaho Tribes
Sister Imelda Schmidt
Sister Kathy Goetz

SPECIAL EDUCATION

DODGE CITY DIOCESE

Great Bend - Speech Therapy
District #428
Sister Margarita Tockert

Assistant Rehabilitation Teacher
Sister Camillus Bayer

WICHITA DIOCESE

Wichita - Art of Learning Center
Sister Sibyllina Mueller
Sister Rosalia Govert - P.T.

ELEMENTARY SCHOOLS

DODGE CITY DIOCESE

Garden City - St. Mary
Sister Bernice Wenke - P.T.

Great Bend - St. Patrick
Sister Dorothy Felder - P.
Sister Nicholas Tockert - P.T.

Great Bend - St. Rose
Sister Dorothy Felder - P.
Sister Veronica Staudinger - P.T.

Liberal - St. Anthony
Sister Mary Ellen Dater

PUEBLO DIOCESE

Durango - St. Columba
Sister Edith Marie Hauser - P.
Sister Kevin Clavin

Trinidad - Trinidad Catholic Elementary
Sister Nancy Rose Giarratano - P.

Walsenburg - St. Mary
Sister Betty Werner - P.
Sister Charlotte Brungardt
Sister Myra Arney

TULSA DIOCESE

Tulsa - Holy Family and Immaculate
Conception
Sister Dana Rausch - P.

SALINA DIOCESE

Manhattan - Manhattan Catholic School
Sister Linda Sheeran - P.
Sister Ann Metzen

Salina - St. Mary
Sister Yvonne Clark

WICHITA DIOCESE

Haysville - St. Cecilia
Sister Eloise Hertel - P.
Sister Denise Muetting

Hutchinson - Holy Cross
Sister Conrad Miller - P.
Sister Petrona Stockemer

St. Leo - St. Leo
Sister Mary Rose Engel - P.
Sister Monica Staudinger - P.T.
Sister Crescentia Peschka

Schulte - St. Peter
Sister Lawrence Hoffman - P.
Sister Angela Leiker
Sister Hermina Oeding

Wichita - St. Anne
Sister Loretta Podlena

Wichita - Magdalen
Sister Patricia Martinez

SECONDARY SCHOOLS

SALINA DIOCESE

Junction City - St. Xavier Junior and
Senior High
Sister Janice Thome

WICHITA DIOCESE

Hutchinson - Trinity High
Sister Theodosia Tockert
Sister Markita Haefling

COLLEGE

DODGE CITY DIOCESE

Dodge City - St. Mary of the Plains
Sister Carolyn Ann Bayer
Sister LeAnn Probst

DOMINICAN SISTERS OF ST. CATHERINE OF SIENA

Temporary Professed

Sister Josephine Ottah
Sister Magdalene Okerie
Sister Martha Offor
Sister Joan Ofuokwu
Sister Caroline Chilaka
Sister Betty (Beatrice) Ogwu
Sister Monica Oboagwina

Sister Dorothy Ogujawa
Sister Regina Anyaorah
Sister Catherine Ezeh
Sister Francisca Olisah
Sister Christiana Umeadi
Sister Anne Okafor

Novices

Sister Helen Ekueme
Sister Regina Onyegbule
Sister Caroline Okeke
Sister Rita Onwuliri
Sister Francesca Igweilo

Sister Comfort Odumodu
Sister Regina Odum
Sister Augusta Nyong
Sister Catherine Akaile

EXCLAUSTRATION

Shawn Pickett

BASE AGREEMENT

THIS AGREEMENT is made and entered into this 1st day of January, 1987, by and between CENTRAL KANSAS MEDICAL CENTER, hereinafter referred to as "HOSPITAL", and THE NUNS OF THE THIRD ORDER OF ST. DOMINIC, hereinafter referred to as "DOMINICAN ORDER".

WHEREAS, the Hospital is owned by a nonprofit charitable and religious corporation which was formed under the laws of Kansas by Dominican Order and Dominican Order remains Hospital's parent and sponsoring group, and

WHEREAS, Dominican Order recognizes its obligation to offer qualified personnel from among its members to assist in the performance of the Hospital's role as a health care institution operated in accordance with the stated philosophy of Dominican Order, and

WHEREAS, Hospital desires to secure the services of members of Dominican Order,

NOW THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. Hospital agrees to advise the Prioress of Dominican Order, hereinafter called "PRIORESS", of its present and anticipated personnel needs for which members of Dominican Order may be qualified and available.

2. Dominican Order will advise Hospital of the mane of its members, hereinafter called "Sisters", who are available for positions in Hospital.

3. Dominican Order and the Hospital will enter into an annual agreement covering the Sisters who will provide services

in Hospital and the compensation therefor; the compensation for their services shall be based upon rates paid to employees of Hospital in comparable positions with similar length of service. The services of Sisters will be subject to the established personnel policies of Hospital.

4. That by reason of Sisters' religious profession and vows of poverty, the assignment of all Sisters who serve at Hospital shall be made under the following conditions:

a. That compensation for the services of Sisters will be paid directly to Dominican Order.

b. That before any Sister assumes a position with Hospital, she must have been assigned thereto by the Prioress.

c. That any Sister providing services in Hospital shall terminate her relationship with Hospital upon notification to Hospital by the Prioress that she is being recalled to serve in another capacity or that her services are being terminated for any other reason.

d. That if any Sister providing services to Hospital is recalled by Dominican Order to serve in another capacity, or if her services are terminated for any other reason, Dominican Order reserves the right to substitute another Sister, if available, to serve in the position of the Sister leaving Hospital's service. Such substituted Sister shall have the required qualifications for that position.

5. That the same notice of termination required of an employee in a comparable position will be expected of a Sister whose relationship with Hospital is being terminated.

6. The parties further agree that, in accordance with Section 952 of the Omnibus Reconciliation Act of 1980, Dominican Order shall retain and for four (4) years after services are furnished hereunder and under the Annual Agreement between the parties, shall allow the Comptroller General of the United States, the United States Department of Health and Human Services, and their duly authorized representatives access to this contract and to such of Dominican Order's books, documents, and records as are necessary to verify the costs of such services. Dominican Order agrees that, if any of its duties under the agreement are carried out through subcontractors that are related to it by control or common ownership, it shall obtain the written undertaking of such subcontractor that it shall make its books, documents, and records available on the same basis and to the same extent.

7. This agreement shall remain in full force and effect until amended or terminated by the subsequent written agreement of the parties.

"DOMINICAN ORDER"

"HOSPITAL"

THE NUNS OF THE THIRD
ORDER OF ST. DOMINIC

CENTRAL KANSAS MEDICAL CENTER

By: Sister Renee Hucks, O.P.

By: Sister Philomena Henker

DATED this 1st day of January, 19 87.

TESTIMONY
ASSESSMENT AND TAXATION COMMITTEE

March 15, 1988

I appreciate the opportunity to address the Assessment and Taxation Committee again. As you know, I presented oral and written testimony concerning Senate Bill #514 on March 1, 1988. Since Article tenth of House Bill #2561 is essentially the same, it will not be necessary for me to repeat that testimony. However, I would like to reiterate some salient points:

1. The present legislation omits convents of religious women in the tax exclusion clause while exempting parsonages.
2. The authority to grant tax exemption to convents of religious women resides in the Kansas Constitution which holds exemption for property used for religious purposes.
3. I would add that the mission and works of the religious women lessen to some degree the tax burden of the state.
4. If in the discretion of this Committee on Assessment and Taxation a joint action of both house and senate seems appropriate, I am confident that House Bill #2561 clearly enunciates the intent of this Committee, namely to grant tax exempt status to convents under the authority of the Kansas Constitution.
5. Finally, I would repeat that a government which fosters the religious and spiritual development of its constituents promotes, in the final analysis, the good of the total society.

Submitted by

Sister of Charity of Leavenworth
Sister Mary Perenna Sherkey

Mike Hayden

Governor

THE STATE



OF KANSAS

BOARD OF TAX APPEALS

Docking State Office Building, 10th Floor
Topeka, Kansas 66612-1582
AC-913 296-2388

Robert C. Henry, Member
Fred L. Weaver, Member
Victor M. Elliott, Member
Conrad Miller, Jr., Member

Keith Farrar, Chairman

MEMO TO: Senator Fred Kerr, Chairman
Senate Assessment and Taxation Committee

FROM: Keith Farrar, Chairman
Board of Tax Appeals

RE: House Bill 2651, Exemption for "Humanitarian
Services" Organizations and Convents

DATE: March 15, 1988

Bill Status: House Bill 2651 was introduced and referred to House Taxation. The committee held a hearing, appointed a sub-committee, added a convent exemption to the bill and it passed the House by a large majority. The bill is in the Senate Assessment and Taxation committee. The Senate scheduled the bill for hearing March 15-16, 1988.

House Bill 2651 currently exempts two types of property: property owned by "humanitarian services" organizations and some convents. Since the two exemptions are not necessarily related, they are discussed separately.

Humanitarian Services

The bill exempts property owned by a federally recognized, 501(c)(3) corporation. The corporation may not compensate its directors, pay more than a "reasonable" salary to its; employees, or engage in other practices resulting in private gain. The specific language is stated at lines 119-137.

2651 departs from the "exclusive use" standard embodied in every other exemption statute. The result is any use for "humanitarian services", no matter how slight, exempts the property. The only possible restriction is the limits imposed by recognition as a 501(c)(3) corporation. The I.R.S. recognizes an organization if only 80% of its operations are exemptible.

"Humanitarian services" is defined as any activity dedicated to the improvement of the physical, mental, social, cultural or spiritual welfare of others or the relief . . . of persons in distress." Any one or a combination of more than one use exempts

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all property owned. The language is so broad that, in the Board's view every program or activity is permissible because all human activities are "dedicated" to "improving" a person's welfare in some form. A few examples should illustrate the point:

1. The PTL corporation's property "improves" spiritual and perhaps cultural welfare.
2. The Unification Church is "dedicated" to "improving" one's spiritual welfare.
3. The Wood Valley Racquet Club "improves" one's physical welfare.
4. The Topeka Bridge Center "improves" its members physical, mental, social and perhaps cultural welfare.
5. Other examples are listed on the attachment.

Each of these organizations is or could be recognized as a 501(c)(3) corporation.

It is obvious that the bill does not prohibit any activity or use. Thus, the only real test for exemption is recognition under I.R.C. 501(c)(3).

Legislation may not discriminate between properties used for the same purpose but owned by different entities. Topeka Cemetery Association v. Schnellbacher, 218 Kan. 39; Mount Hope Cemetery Co. v. Pleasant, 139 Kan. 417. The Board would be forced to deny exemption to any applicant not recognized under 501(c)(3) regardless of how the property was used.

The scope of exempt activities is so broad that the distinction between exempt and non-exempt use is unconstitutionally vague.

H.B. 2651 represents a radical departure from use-based exemptions. The policy set by 2651 is to exempt any property owned by a 501(c)(3) entity as long as the organization is "dedicated" to providing services. What this means is that the corporation could engage in any business enterprise so long as it was "dedicated" to providing "humanitarian services" as part of its business or used the proceeds to fund operations. The Board's concern is that the Legislature is again attempting to broaden exempt properties without an appreciation for the meaning

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of the actual language used in the statute.

Apparently, supporters of H.B. 2651 intend to exempt some additional property. However, the language used is so broad as to include much more property than even the most generous apparently perceive. For example, any 501(c)(3) child-care facility would be exempt. This represents an expansion of exemption beyond home child-care property exempted in S.B. 687.

Convents

H.B. 2651 was amended in the House to include a limited convent exemption. The amendments exempts the residence of nuns engaged in religious, charitable and educational activities. The bill does not exempt residences occupied by nuns assigned to work in hospitals or other duties. Since this section retains "exclusive use" provisions, any convent used to house one "hospital" nun is taxable.

The Board is also concerned that other, less "desirable" "religious" groups may make minor organizational changes in order to qualify. Some would not need any change under 2651. For example, groups commonly referred to as "cults" could easily draft "vows" and engage in "religious" ministrations to gain exemption. Our research also indicates that the federal Tax Court and District Courts have considerable difficulty making rules that consistently distinguish between taxable and exempt activities. The Board anticipates similar difficulty if H.B. 2651 passes in its present form.

In general, the two new exemptions are not tied to each other. They could be separated if necessary for individual consideration. If a majority favors convent exemptions, the provisions of K.S.A. 79-201 Tenth (lines 147-157) could be recommended favorably without passing K.S.A. 79-201 Ninth (lines 112-114). The Board of Tax Appeals favors this approach for the reasons stated above.

EXAMPLES OF EXEMPT ORGANIZATIONS UNDER
HOUSE BILL 2651

1. This corporation has a large facility where groups of adults regularly congregate for social enjoyment and exercise. This organization also has a youth program which is aimed at teaching children better motor skills, sportsmanship and team spirit. The youth program is provided for a cost less than what it actually costs to provide the service but it is subsidized by the adult programs.

Likewise, there is a senior citizen program which provides the seniors with exercise and social interaction. The cost of their program is less than regular adults and is subsidized by the regular program.

This organization operates a small snack shop where the prices are determined by taking the cost of product and multiplying by three. It makes up less than 5% of the total floor space of the facility.

This organization also provides free child care for the children of participants in its programs.

It provides athletic equipment to participants at "lowest feasible cost."

It owns two vehicles which are used by the director and assistant primarily for organization business.

2. This organization operates as a religious organization. It provides educational video tapes for students on campus at various universities through a mobile home which circulates throughout the state. The people who run the video presentations also live in the mobile home. They are assigned to live there by their headquarters and take vows to their religion.
3. This organization provides social interaction for adults. They serve meals and often cater special events. They are controlled by a board that serves without pay. The

organization does not make enough in the aggregate to pay its way. It often has to seek additional support from its members by way of contributions. They have been organized as a not-for-profit organization.

4. This organization is similar to 1 and 3. However, this organization operates a large physical education facility. It provides educational opportunities to youth and has a senior program where the fees are less than the regular fees which are regularly charged to its members.

It also has an area where food is available, but comprises even less of the total facility than #1. It also provides athletic equipment to its members.

It is organized not-for-profit and regularly loses money. It is governed by a board that serves without pay.

Example #1 is a bowling center. The uses described are actual uses. This only need be run by a not-for-profit organization to have the whole facility deemed tax exempt. Further, under the provisions of H.B. 2651 the vehicles used "primarily" by the organization would be exempt. The food costs are calculated the same as the Y.W.C.A. calculates their food costs.

Example #2 is the unification church's mobile home located in Douglas County. This mobile home is used to promote their religion and to persuade the young students at K.U. to join their cause.

Example #3 is a Private Club. Under the provisions of H.B. 2651 they would be exempted from paying taxes on their personal property. Their main thrust is "social" and therefore would be exempt.

Example #4 is a private country and golf club. This is organized not-for-profit and operates in the red.

All these could conceivably be run by 501(c)(3) organizations if not already recognized as such. Other examples would be Jim and Tammy Bakker's Heritage U.S.A. Under this bill this facility would be exempt because it is "owned" by a religious organization. The bill totally ignores the way the property is "used" and how that "use" may create unfair competition to other businesses.

Also a "thrift store" which is owned by a not-for-profit may well be run by a for-profit organization which allows the not-for-profit only a fraction of the proceeds. This is not idle speculation but has occurred in some other states where these for-profit entities have literally made billions while enjoying tax exempt status.

It is clear that any organization has some "social" value whether for-profit or not-for-profit. The lines to be drawn would be further fuzzied by this legislation.

On the other hand, some organizations might even be denied exemption even though now they are granted that status. For example, in case #87-1515-TX, an exemption from ad valorem taxation was granted to Franklin Food and Fountain Corporation. This organization runs a small coffee shop and grocery in Kansas City, Kansas. The area was poor and there were no other services like theirs available in the area. They maintain certain basic food stuffs which are sold at cost. Volunteers manned the store and there was also temporary financial assistance available at no charge.

The restaurant is manned by volunteers and cost is determined by multiplying the cost by two. No one can eat at the center unless they at some point volunteer to work at the

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facility.

This is clearly a charitable service for the area and is in no competition with anyone. However, this organization would not be exempt under H.B. 2651 because it has no federal 501(c)(3) designation.

Whether a 501(c)(3), a not-for-profit or a for-profit organization fulfills some social need or it would not be in existence.

These examples are presented to point out the fact that the designation as a 501(c)(3) organization has nothing to do with the way in which the property is "used." It is the use, and not the organization or corporate status which determines whether property is exempted under the State's Constitution. This is a fundamental policy of long standing in the state and would be altered by H.B. 2651 to eliminate any use requirement.

The Supreme Court has declared exemption statutes unconstitutional where the basis for exemption was founded solely on ownership Topeka Cemetery Ass'n. v. Schnellbacher, 218 Kan. 39. Since any activity, i.e. use, is exemptible, the sole test for exemption is whether the owner is recognized by the I.R.S. under 501(c)(3).