

Approved April 8, 1988
Date

MINUTES OF THE Senate COMMITTEE ON Governmental Organization

The meeting was called to order by Senator Vidricksen at
Chairperson

1:18 ~~xxx~~/p.m. on April 6, 1988 in room 531-N of the Capitol.

All members were present except:

Senator Winter Senator Gaines
Senator Bogina Senator Frey
Senator Francisco

Committee staff present:

Julian Efird - Research
Theresa Kirnan - Revisor

Conferees appearing before the committee:

Representative Dale Sprague
Representative Denise Apt
Bob Clawson - SRS
Mark Burghart - Department of Revenue
Chip Wheelen - Kansas Medical Society

The Chairman called the meeting to order and introduced Representative Sprague who addressed the committee on HB 2700 which would establish the Kansas Department of the Civil Air Patrol. Representative Sprague stated that he had spent considerable time working on this bill and that it meshes federal operations with state operations and allows establishment of the Civil Air Patrol to be active and working in this state. He thought the bill was workable and it is modeled after other states. Representative Apt also spoke in support of this bill and stated that 46 other states have taken the Civil Air Patrol under their "wing".

Attention was turned to HB 3083 concerning state institutions under the jurisdiction of the Secretary of Social and Rehabilitation Services. Bob Clawson spoke in support of this bill explaining that it would provide greater flexibility in establishing rates charged for patient care at state institutions and would conceivably allow the agency to receive more federal funding.

(Exhibit A)

(Exhibit B)

Mark Burghart addressed the committee on HB 3095 relating to licensure, certification or registration of certain professionals. He explained that the major problem in tax administration is the detection and identification of nonfilers. The Department of Revenue proposes a procedure which would require certain identifying data to be provided to State licensing authorities prior to the issuance of a professional or trade license by an agency of the State of Kansas. Chip Wheelen spoke in opposition to this bill stating that he thought the bill was discriminatory in nature as it would treat members of the medical profession differently than other professionals or businessmen who are not licensed by state agencies. He expressed concern that this bill would create a confusing and time consuming situation for the agencies as well as the licensee. (Exhibit C)

There being no more time the meeting was adjourned by the Chairman with no action taken.

GUEST LIST

COMMITTEE: Senate Governmental Organization DATE: April 6, 1988

NAME	ADDRESS	COMPANY/ORGANIZATION
Rep D Spang	House	
Rep D [unclear]	House	
Chip Wheelen	Topeka	Ks Medical Society
Bob Clawson	Topeka	SRS
MARK A. BURGHART	"	REVENUE

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
Winston Barton, Secretary

House Bill No. 3083

An Act concerning state institutions under the jurisdiction
of the secretary of social and rehabilitation services;
relating to charges for treatment of patients

Summary: The proposed amendment to this statute would allow the Secretary greater flexibility in establishing rates charged for patient care at state institutions and would conceivably allow the agency to receive more federal funding.

Background: This statute currently provides that rates are established annually between July 1st and October 1st. The rates are thus set only once a year and the time frame in which to do so is specified. There could be no change in the rate at any other time of the year.

During the previous year, Parsons State Hospital, left patient beds open for a period of time to accommodate transfers from Winfield State Hospital. In light of the low census during this time, the allowable medicaid rate for care at PSH exceeded the rate we were able to charge and there was no mechanism to alter this rate. This amendment would provide such a mechanism.

Fiscal Impact: No agency funding is necessary to implement this amendment and in fact, had this amendment been in effect during the current fiscal year, there would have been a projected receipt of \$25,000 in additional federal funds.

Submitted by

Robert A. Clawson
Fiscal Administrator
Department of Social and
Rehabilitation Services
(913) 296-3536



File AD 3012 (see)

KANSAS DEPARTMENT OF REVENUE
Division of Taxation
Robert B. Docking State Office Building
Topeka, Kansas 66625-0001

M E M O R A N D U M

TO: The Honorable Ben Vidricksen, Chairman
Senate Committee on Governmental Organization

FROM: Harley T. Duncan
Secretary of Revenue

DATE: April 6, 1988

RE: Tax Clearance Legislation

Thank you for the opportunity to appear today on House Bill 3095. The Department of Revenue believes this legislation will enhance taxpayer compliance and help to assure that business people receiving substantial benefit from the state are fulfilling their state tax responsibilities.

A major problem in tax administration is the detection and identification of nonfilers. The Department of Revenue proposes a procedure which would require certain identifying data to be provided to State licensing authorities prior to the issuance of a professional or trade license by an agency of the State of Kansas.

The Department's Fair Share Program has worked in the past with several state boards in an attempt to obtain a listing of licensees. One procedural difficulty has been that most license registration forms do not request social security numbers from applicants. In spite of some additional work required to match license applicant data with taxpayer information in the Department's files, we believe prior efforts have been successful and beneficial to the state. In particular, the program to identify nonfiling attorneys generated additional revenue to the state general fund of over \$140,000 this past year. All Kansas Lottery retailers must obtain a tax clearance prior to selling lottery tickets. To date, this program has generated about \$70,000 in additional tax revenue.

We believe that a systematic monitoring program should be established to give the state the opportunity to determine if people who have the benefit of a trade or business license granted by the state are fulfilling their state tax responsibilities. Therefore, we respectfully request legislation which would require an applicant for a business or professional license to provide his or her social security number to the licensing agency at the time of application for issuance or renewal of a license.

If passed, this legislation would be effective for licenses issued or renewed after December 31, 1988.

I would be happy to respond to any questions you may have.



KANSAS MEDICAL SOCIETY

1300 Topeka Avenue · Topeka, Kansas 66612 · (913) 235-2383

April 6, 1988

TO: Senate Governmental Organization Committee
FROM: Kansas Medical Society *Chip A. Truelson*
SUBJECT: House Bill 3095, As Amended by House Committee

Thank you for this opportunity to question the provisions of HB 3095. We believe that until such time that evidence can be produced which indicates that licensees are escaping or evading taxation by the state, that there is no need to impose an unnecessary reporting requirement.

Furthermore, we question the discriminatory nature of HB 3095 inasmuch as licensees are singled out for computerized oversight. Why should our members be treated differently than professionals or businessmen who are not licensed by state agencies? In addition, it seems inherently unfair that the fees paid by licensees should be spent to generate lists of names and social security numbers so that more money can be spent to verify that taxpayers do indeed pay taxes.

We would also point out that some physicians who neither reside in Kansas nor practice medicine here do maintain licensure in Kansas. Obviously these licensees would be identified as non-filers when compared to lists of taxpayers who did file returns. Would this not create a confusing and time consuming situation for the agencies as well as the licensee?

Lastly, we would ask you to inquire who would be affected by this reporting requirement. We assume that the House Committee amendments make HB 3095 applicable to a wide range of licensees including, for example, food service operators licensed by the Department of Health and Environment.

We respectfully suggest that there are better ways to expend the time and resources of our state agencies. Thank you for considering our concerns.

CW:nb