

Approved _____

Date

2/28/89

MINUTES OF THE Senate COMMITTEE ON Federal & State Affairs

The meeting was called to order by Senator Edward F. Reilly at
Chairperson

11:02 a.m./~~p.m.~~ on February 24, 1989 in room 254-E of the Capitol.

All members were present except:

Senator Anderson who was excused.

Committee staff present:

Mary Galligan, Legislative Research Department
Mary Ann Torrence, Revisor of Statutes Office
Marty Robison, Secretary

Conferees appearing before the committee:

John Luttjohann, Director of Taxation, Department of Revenue
Terry Hamblin, Director of PVD, Department of Revenue

Chairman Reilly called the meeting to order.

Senator Morris moved the minutes of February 21 and 22 be approved. Senator Bond seconded and the motion passed.

John Luttjohann appeared before the committee to ask consideration of three requests dealing with: 1) Sales tax, 2) Income tax withholding, and 3) Inheritance tax law (Attachment 1). Senator Bond moved the 3 proposals be introduced. Senator Yost seconded and the motion passed.

Retirement legislation for Kansas police and fire was distributed (Attachment 2). Senator Bond moved the introduction of the proposal. Senator Morris seconded and the motion carried.

Terry Hamblin asked the committee for the introduction of legislation to change the statutory "certified" Kansas appraiser to read "eligible" Kansas appraiser. Senator Bond moved the introduction of the request and Senator Ehrlich seconded. The motion passed.

The second request was for the repeal of existing statutes regarding the sales ratio study and new language giving the Secretary of Revenue authority to promulgate the rules and regulations to conduct those studies. Senator Bond moved the introduction and Senator Daniels seconded. The motion carried.

The third request dealt with three local tax administration items. Senator Bond moved the introduction of the proposal which would set the date certain for county clerks to certify the mill levies for taxing districts. Senator Ehrlich seconded and the motion passed. The second item would allow them to make the date of the tax effective to the next January 1 after the district boundary change. Senator Bond moved the introduction and Senator Daniels seconded. The motion carried. The third item would repeal the requirement to maintain an exempt personal property roll. Senator Bond moved the introduction and Senator Ehrlich seconded. The motion passed.

The last bill request by Mr. Hamblin was for redefining mobile homes. Senator Vidricksen moved the introduction of the proposal. Senator Daniels seconded and the motion carried.

The meeting was adjourned at 11:34.



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

MEMORANDUM

TO: THE HONORABLE EDWARD F. REILLY, CHAIRMAN
SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS

FROM : JOHN R. LUTTJOHANN
DIRECTOR OF TAXATION

RE: PROPOSED LEGISLATION

DATE: JANUARY 23, 1989

I appreciate the opportunity to appear before you today to present the following bill requests for the Committee's consideration.

1. Sales Tax. We would suggest two amendments to the Sales Tax Act.
 - a. The first would specifically provide for the taxation of charges for tele-facsimile services. There is some question as to whether this item is taxable currently under our law.
 - b. The second item would be a clarification of the sales tax exemption language relating to property used for purposes of human habitation. This technical change is a result of an agreement reached between the Department of Revenue and the State Board of Regents, Regents' institutions are most directly affected by this provision.
2. Income Tax Withholding. We would suggest a provision similar to one enacted a few years ago by the state of Oklahoma which requires Kansas Oil and Gas producers to withhold Kansas tax on royalty payments made to non-residents.
3. We would request two changes which relate to our Inheritance Tax law.
 - a. The first item is in the nature of a technical correction to our QTIP (Qualified Terminable Interest Property) provisions. It would specifically provide that property not taxed in the estate of the first of a married couple to die due to this special provision would be taxable in the estate of the second to die.
 - b. The second change is a clarification and amplification of existing law. It would be a change to K.S.A. 17-4911 to make it clear that transfer agents need not require a fiduciary to furnish a consent to transfer form as proof of release of the state's inheritance tax lien prior to the completion of a transfer. This change would not impact the state's ability to collect tax due, but would merely simplify property transfers.

I sincerely appreciate the opportunity to appear before you, and would be happy to respond to any question which you may have.

For [unclear]

Kansas Police and Fire

RETIREMENT LEGISLATION 1989

KANSAS CHIEFS OF POLICE ASSOCIATION

KANSAS STATE TROOPERS ASSOCIATION

KANSAS FOP

FIREFIGHTERS

presented to:

President of the Senate Burke

Senator Bogina

Senator Reilly

January 25, 1989

*SFOSA
2-24-89*

Attachment 2

Senators: Burke
Bogina
Bond
Reilly

Under the present Kansas Fire and Police Retirement System normal retirement is defined by a combination of age and service. The term "normal retirement" would reflect twenty-five years of service at fifty-five years of age. Most police personnel enter the police service well before their thirtieth birthday. If an individual enters police service at twenty-one years of age that individual would have to stay in the system thirty-four years before being able to retire without penalty. This presents several problems concerning the police service. Thirty-four years of service is too long for a line officer to serve. It must be mentioned that the great majority of police, fire, and sheriff's departments in Kansas are made up of small to medium size agencies and every position in those departments is vital to the delivery of public safety services. Most departments do not have positions where they can place officers other than line functions and not everyone is going to be able to be in an administrative position. Employees who are artificially trapped below the levels of their capabilities suffer from the same burn-out effects as employees who are forced to remain past their productive work lives. The police service, because of the very nature of work, is experiencing some very serious problems:

1. An alcoholism rate that is in the top three of service professions.
2. The highest divorce rate of any profession.
3. A suicide rate 6.5 times as high as any non law enforcement related field.
4. Tremendous exposure to physical and psychological stresses: shift work, civil litigation, eating habits that never become habit, time lost from family, public expectations that cannot be met, salaries so low that it is not usually thought of as a profession, and numerous physical assaults during their career.

According to the Law Enforcement Stress Association the average young person that becomes a police officer is decreasing his life expectancy by twelve years due to occupational stress. The Federal Bureau of Investigation, an organization that investigates fewer types of crime in terms of responsibility, where what confrontation they have is handled by a group of agents instead of an individual officer, has recognized the problem by establishing normal retirement at twenty years of service at age fifty. Although there are officers that have successfully maintained their physical capabilities, most who have been in service for

*25 years of service but age reduction from
55 to 50 + 25 years of service*

twenty-five years should no longer be placed in situations where they may be the primary targets for a physical contest.

Every political subdivision has the right to expect the most and the very best from its law enforcement officers and on balance, every law enforcement officer is giving his or her very best. The Legislature has an opportunity to present an option to Members of The Kansas Police and Fire Retirement System that will in some part address some of the problems that have been outlined.

1. For full retirement benefits at age 50 with 25 years of service would increase the employer contribution rate by .1%. When translated to dollars, this would require an additional \$18,000 for the state and \$91,000 for local units of government. This would be an on-going cost.

2. To increase the retirement benefit formula from 2% to 2.4% would increase the employer contribution rate by 5% and would require additional employer contributions of \$910,000 for state employers and \$4.6 million annually for local units of government. *High Cost*
DD

3. To decrease the vesting requirement from 20 to 10 years would increase the employer contribution rate by .3% and require additional employer contributions on an annual basis of \$55,000 for state employers and \$273,000 for local units of government. *3/10th of 190*

Kansas Association of Chiefs of Police Legislative Position Statement

The Kansas Association of Chiefs of Police has adopted a position that supports the following:

1. Legislation that authorizes retirement under the Kansas Police and Fireman's Retirement System at fifty years of age and twenty-five years of employment. Such legislation would also establish a ten-year vestment.
2. Legislation to allow police officers, emergency medical providers, firefighters, and funeral home personnel access to information concerning persons who are or where in contact with these professionals where that person has been diagnosed as positive for the HIV Virus (and associated medical terminology) or the Hepatitis-B Virus. Access to such information is intended for circumstances where the medical condition represents a health hazard to the professional.
3. Due to the increased responsibilities, hazards and potential liabilities present in law enforcement the present mandated basic training offered to police officers at the Academy level is insufficient and needs to be increased.

The Kansas Association of Chiefs of Police, as a matter of principle, believes that every jurisdiction employing full-time police or fire personnel should become a member of the Kansas Police and Fireman's Retirement System unless the jurisdiction adopts their own retirement program. Further, we believe that all accrued liability should be paid for by the employer.

The Kansas Association of Chiefs of Police strongly supports the Automated Fingerprint Identification System (AFIS) as purposed by the Kansas Bureau of Investigation.

MEMORANDUM

TO: All Individuals and Organizations Interested
in Law Enforcement Training

FROM: Larry E. Blomenkamp, Subcommittee Chairman,
Kansas Law Enforcement Training Commission

DATE: January 16, 1989

On December 13, 1988, the Law Enforcement Training Commission elected to begin studying the need to expand the number of hours of basic training which all full-time law enforcement officers must complete during their first year of employment. A three (3)-member subcommittee was appointed and directed to seek input from the director of the Kansas Law Enforcement Training Center and from interested law enforcement officials, officers, and organizations regarding the need to increase the number of hours taught and, if an increase is deemed necessary, what subject matter should be increased. The subcommittee was further instructed to prepare a report to be presented to the Commission in February of 1989.

On January 13, 1989, the subcommittee met with Maynard Brazeal, Director, and Larry Welch, Associate Director, of the Kansas Law Enforcement Training Center. Based upon recommendations from K.L.E.T.C. staff, the subcommittee has prepared a working draft of proposals. The draft outlines curriculum presently taught at K.L.E.T.C., the number of hours available, and the number of hours instructors feel they need to adequately cover the material. In many instances, instructors feel the time allocated to the material being taught allows certification but is not adequate to develop skills to the fullest extent of the students' abilities. The additional hours requested would be utilized in hands-on training and classroom review of practical exercises.

Please bear in mind this is a preliminary draft which should be utilized to stimulate thought and, hopefully, generate additional ideas and suggestions. In order to ensure the future success of law enforcement training in the state of Kansas, the Training Commission must receive your support in the form of suggestions and ideas. ~~The training subcommittee is comprised of Sheriff Bruce Hertel, Ellis County Sheriff's Department, Hays, Kansas; Det. David E. Reavis, Lawrence Police Department; and Chief Larry Blomenkamp, Emporia Police Department.~~ If you have any questions, please feel free to contact any member of the subcommittee. Suggestions or comments should be addressed in writing to the Committee Chairman, Larry E. Blomenkamp, Emporia Police Department, P.O. Box 928, Emporia, KS 66801, prior to February 10, 1989.

*Mandated Criteria on Hazardous Waste
Handling - Chief Foster possible civil
litigation -
Need to expand Training at the
Academy.*

Recommended Increase in Curriculum

Draft #1 - January 16, 1989

| <u>General Course Title</u> | <u>Proposed Hours</u> | <u>Present Hours</u> | <u>Differential</u> |
|------------------------------|-----------------------|----------------------|---------------------|
| * Hazardous Materials | 8 | 4 | 4 |
| Defensive Tactics | 10 | 5 | 5 |
| Criminal Investigations | 32 | 24 | 8 |
| **First Aid | 44 | 16 | 28 |
| Emergency Vehicle Operations | 40 | 16 | 24 |
| Vehicle Stops | 16 | 8 | 8 |
| Lineups | 1 | 0 | 1 |
| Cults | 2 | 0 | 2 |
| Crime Scene Photography | 4 | 2 | 2 |
| Officer Survival | 6 | 4 | 2 |
| Chemical Weapons | 3 | 2 | 1 |
| Report Writing | 24 | 12 | 12 |

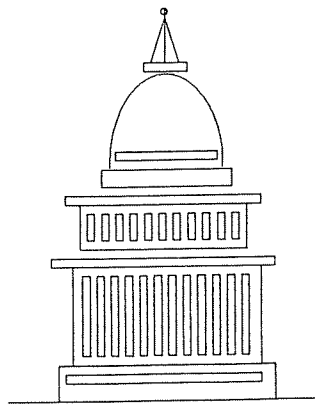
* Recent O.S.H.A. regulations require a minimum eight (8) hours training for first responders to hazardous materials, related accidents, spills, etc.

**The forty-four (44) hours would be required if training is accredited by the American Red Cross. A lesser number of hours of first aid training is needed for accreditation under the American Heart Association or under K.L.E.T.C.'s own accreditation program. At this time, the question is how much, if any, basic first aid training should be taught.

KANSAS HIGHWAY PATROL MEMBERS
25 years of service and age 50

STATUS SHEET

1989 KP&F RETIREMENT LEGISLATIVE PACKAGE



presented by the:
Kansas State Troopers Association

Kansas Highway Patrol

SENIORITY LIST OF KHP

| <u>NAME</u> | <u>YEARS OF SERVICE</u> | <u>AGE</u> |
|----------------------|-------------------------|------------|
| Lytle, Donald | 32 | 58 |
| Goddard, Frank | 29 | 56 |
| Cranor, Ronald | 29 | 51 |
| York, Norman | 29 | 53 |
| Connelly, John | 28 | 51 |
| Hammersmith, Bernard | 28 | 54 |
| Denchfield, Keith | 26 | 53 |
| Drickson, Richard | 26 | 49 |
| Hersh, Kenneth | 26 | 49 |
| Pickert, Donald | 26 | 56 |
| Dietz, Jerry | 24 | 50 |
| Jones, Harold | 24 | 46 |
| Kroeger, Verlyn | 24 | 53 |
| Mumford, Kenneth | 24 | 47 |

January 25, 1989

To: Senator Burke
Senator Bogina
Senator Reilly

November 23, 1988 the Kansas Public Employees Retirement System was asked for cost estimates for enhancing benefits and an actuary study for the following benefits.

1. For full retirement benefits at age 50 with 25 years of service would increase the employer contributions rate by .1%. When translated to dollars, this would require an additional \$18,000 for the State and \$91,000 for local unit of government. This would be an on-going cost.
2. To increase the retirement benefit formula from 2% to 2.4% would increase the employer contribution rate by 5% and would require additional employer contributions of \$910,000 for State employers and \$4.6 million annually for local units of government.
3. To decrease the vesting requirement from 20 to 10 years would increase the employer contribution rate by .3% and require additional employer contributions on an annual basis of \$55,000 for State employers and \$273,000 for local units of government.

A history of the Kansas Highway Patrol employer contributions rate follows.

| | |
|------|-------|
| 1978 | 20.8% |
| 1979 | 20.2% |
| 1980 | 20.9% |
| 1981 | 21.1% |
| 1982 | 18.0% |
| 1983 | 18.1% |
| 1984 | 18.3% |
| 1985 | 20.1% |
| 1986 | 16.1% |
| 1987 | 15.9% |
| 1988 | 16.6% |
| 1989 | 11.3% |
| 1990 | 11.% |
| 1991 | 10.9% |

As you can see, the employer rate of contributions has decreased by 50% while the employee's rate of contributions has remained constant at 7%.

Respectfully submitted,
Kansas State Troopers Association