

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

The meeting was called to order by SENATOR DAN THIESSEN at
Chairperson

11:00 a.m./~~p.m.~~ on Wednesday, March 28, 1990 in room 519-S of the Capitol.

All members were present except:

Committee staff present:

Don Hayward, Revisor's Office
Chris Courtwright, Research Department
Tom Severn, Research Department
Marion Anzek, Committee Secretary

Conferees appearing before the committee:

Mark Burghart, KS Department of Revenue
Senator "Gus" Bogina
Ernie Mosher, League of Municipalities

Chairman Dan Thiessen called the meeting to order at 11:18 a.m. and told the members they have minutes from March 1 and March 2, and he would ask for a motion later in the meeting.

He said, Senator "Gus" Bogina, Chairman of Ways and Means Committee is going to be here to talk about SB783, and he will recognize him, when he arrives.

The Chairman recognized Senator Audrey Langworthy on HB2637.

Senator Audrey Langworthy said this is the bill that would allow for cities and counties to obtain sales tax information, so they can do better planning and budgeting, and she said, there seems to be some concern about confidentiality in the bill. Those who testified said they would not protest to tightening the language a bit, and she passed a handout with suggested language from the staff, and she asked, Don Hayward if he would explain it to the members. (ATTACHMENT 1)

Don Hayward said it is pretty self explanatory, he said, all it does is say "Any violation of this paragraph or sub-section, by an employee of a city or county should be guilty of a class B misdemeanor, if they divulged the confidential information, and that such officer or employee, be dismissed from office" He said, that is exactly the same penalty that is imposed upon the Department of Revenue employees, with regard to income tax information confidentiality.

Chairman Thiessen said we had hearings on this bill March 20, and confidentiality was something that was discussed quite a bit.

Senator Langworthy said she felt, this bill is needed in certain parts of the State, and she said, it is an issue that has been brought to her attention for quite some time. She felt, it would be good to help the cities and counties on this issue.

Senator Montgomery asked why they can not get the information now.

Mark Burghart, Department of Revenue said they are closed records, they have a general provision that applies to any information, excise tax information, that is derived from a return, unless there is an exception, and there are no exceptions at this time.

Senator Langworthy said occasionally they have cash flow problems, when they are counting on a certain amount of money coming in, and then when it doesn't come in, you can only pay out what you have on hand, and you can not anticipate things that you are not sure you are going to get, there have been times where the city is getting money and all of a sudden there is a drop somewhere, and nothing major has gone out of business and no changes, and this is disrupting, day to day.

Chairman Thiessen asked Don Hayward, what a misdemeanor is? Don Hayward said it is up to 6 months, or up to \$1,000.

22 B10

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION,

room 519-S, Statehouse, at 11:00 a.m./~~p.m.~~ on Wednesday, March 28, 1990

Senator Langworthy moved to amend HB2637 on page 2, page 4 and page 5 as in Attachment 1, 2nd by Senator Lee. The motion carried.

Senator Audrey Langworthy moved to recommend HB2637 favorably for passage, as amended, 2nd by Senator Lee.

Chairman Thiessen recognized Senator "Gus" Bogina, on SB 783 so he could get back to his committee.

Senator "Gus" Bogina said SB783 concerns a constitutional mill levy of property taxes, $\frac{1}{2}$ mill levy that the State levies on all real property, or construction, of bricks and mortar institutions, and they use that money for hospitals, mental health and mental retardation. Except for in the last several years, we have diverted $\frac{1}{2}$ of that levy to a corrections institution building fund, and this must be done on an annual basis, for out-patients, because a constitutional levy says it is to be used for institutions, and we have asked that this statute periodically divert $\frac{1}{2}$ of that amount to collections.

He said, this year, this bill was in the House, but attached to the bill was also a roll-back of the property taxes, 1 mill for education or universities, and $\frac{1}{2}$ mill for institutions. The roll-back proposal, died. So the bill is no where right now, and unless we pass this bill, the $\frac{1}{2}$ mill will be deposited in the institution building fund. We can amend this at the omnibus time, when we have made appropriations for corrections, construction out of this body, which won't be there, if we don't adopt this bill. He said, he is recommending the bill to the committee.

Chairman Thiessen thanked Senator Bogina, and turned attention back to HB2637, saying we still have a motion on the floor, and he asked Mark Burghart, if they request that information, would you send that out to each Motel or what ever, or would it be the total of what is happening to the revenues, the total for the county that is requesting information?

Mark Burghart said it is his understanding, that under the bill, they would have to provide them specifics, individually for each taxpayer.

Senator Langworthy said this would be necessary, because often times, it's one place of business that gets mis-coded, so that money will then go to another city or county, so it certainly, is much more helpful to know, if you have been paying dollars into something and suddenly your getting this drop, and you need to know where it is, in terms of sbsubtracting it.

After committee discussion, The Chairman recognized Ernie Mosher.

Ernie Mosher, League of Muncipalities said Salina has an ordiance to receive some information given to the Department of Revenue.

Chairman Thiessen said we still have a motion and a 2nd on HB2637 and asked for the committees pleasure on the motion.

The motion by Senator Langworthy to favorably pass HB2637 as amended, and 2nd by Senator Lee, failed.

The Chairman turned attention back to SB783.

Senator Francisco moved to favorably pass SB783, 2nd by Senator Kerr. The motion carried.

The Chairman said we have a number of resolutions and bills, that deal with property tax and classification and he intends to get into full discussion, next week and maybe some action on something in that direction, as he felt, we need to start discussion on these issues, and he recognized Senator Fred Kerr.

Senator Fred Kerr said he thinks, there is some potential in working out sort of a combination of roll-back and a slight constitution adjustment. He thinks, one House or the other can pass something viable prior to recess. A major tax policy change

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION,
room 519-S, Statehouse, at 11:00 a.m./~~p.m.~~ on Wednesday, March 28, 19 90

would be somewhat scary but we could have both Houses working with it during veto session for 3 or 4 days. He said, he has some runs, but there is no time now to pass them out, and he said, the Ways and Means committee will be meeting tomorrow on adjournment, and maybe we can meet at the same time they do, which is at 3:00 p.m.

Chairman Thiessen said he would be announcing on the floor what time we will be having meetings, and he recognized Senator Karr.

Senator Gerald Karr said his thought is, we need to clear a few of these areas out, that we clearly don't want to have on the table, and to start clearing the books out, he would make a motion.

Senator Karr moved to report SC1619 adversely, 2nd by Senator Fred Kerr. The motion carried.

Senator Karr moved to report SB619 adversely, 2nd by Senator Fred Kerr. The motion carried.

Senator Martin moved to report SB227, SB229, and SB228 adversely, 2nd by Senator Fred Kerr. The motion carried.

Senator Karr moved to report SB195 adversely, 2nd by Senator Francisco. The motion carried.

Senator Fred Kerr moved to pass SB656 adversely, 2nd by Senator Karr. The motion carried.

Senator Francisco moved to report SB197 adversely, 2nd by Senator Karr.

After committee discussion on SB197 not to be re-referred, Senator Francisco withdrew his motion on SB197, and Senator Karr withdrew his 2nd.

Senator Montgomery moved to adopt the minutes of March 1, and March 2, 2nd by Senator Langworthy. The motion carried.

Chairman Thiessen adjourned the meeting at 11:52 a.m.

GUEST LIST

COMMITTEE: SENATE
ASSESSMENT & TAXATION

DATE: wednesday, 3-28-90

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Robert E. Anderson	Ottawa	Midwest Oil
DAN STEVENS	TULSA	TEXACO INC.
Steve Hoag	Topeka	Revenue
MARK A. BURGHART	"	"
Norman Lunsford	Topeka	KASIB
George Barber	Topeka	K's Lodging Assn.
Janet Stubbbs	Topeka	NBA of K.
Rich McKee	Topeka	KIA
Randy Burkson	Columbus	EDEC
DENNY KOCH	TOPEKA	SWR
Tim Gartner	Topeka	SWBT
Nike Reecht	Topeka	AT&T
Ed W. L. Brown	Topeka	W.U.
JIM LUDWIG	Topeka	KPI
Marshall Clark	topeka	KEC
Ed Barber	Topeka	League of Minors
John T. Torbert	"	KAC
Bill Musick	St. Louis Muncie, Ind.	STBZFD
CHUCK STUART	TOPEKA	United Schoolbus
Harriet Lange	Topeka	KAB
Joey Conrad	Lawrence	KGE
LISA GETZ	WICHITA	KANSAS ASSOCIATION FOR SMALL BUSINESS
Bob Corkins	Topeka	KCCI
Kathy Humphrey	"	KMHA

Proposed Amendment to HB 2637
(As Amended by House Committee)

On page 2, in line 27, after the period by inserting "Any violation of this paragraph by a city or county officer or employee is a class B misdemeanor, and such officer or employee shall be dismissed from office.";

On page 4, in line 4, after the period by inserting "Any violation of this subsection by a city or county officer or employee is a class B misdemeanor, and such officer or employee shall be dismissed from office.";

On page 5, in line 29, after the period by inserting "Any violation of this subsection by a city or county officer or employee is a class B misdemeanor, and such officer or employee shall be dismissed from office."