

Approved August 17, 1990
Date

2ND MEETING

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. ~~xxx~~ on Tuesday, April 3, 1990 in room 521-g 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:

Keith Farrar, Board of Tax Appeals, Department of Revenue

Chairman Thiessen called the meeting to order at 11:15 a.m. and said some copies we will need are being xeroxed, and in the meantime he passed copies of State Sales Tax Rates, in surrounding state's. (ATTACHMENT 1) He said looking at the handout all the surrounding state's authorize local sales taxes, and when you add those on it changes the picture dramatically.

He said rather than try to amend the resolution that we have we should just start with a new one, and agree on what the assessment rates should be for different classes. The Chairman recognized Senator Lee.

Senator Lee said she would like to hear from the Board of Tax Appeals, as to the amount and number of changes. The information that we have been working with comes mostly from the Board, where adjustments were made, and the Board of Tax Appeals has made a lot of deductions in rural commercial property in general, and unless we have that data to start from, or at least to put on top of what we have, we have no real idea of what we are doing by going from 20% to 25%. The reason we re-opened the appeals process in December was to allow for some better appraisals out there, and if we don't have that information to work into our schedule, we don't even know what we are working with.

Chairman Thiessen told the Senator, she had a point and yet you won't have those statistics until probably the end of the year. If you want something to happen in 1990, it has to happen during this session. The Chairman asked Tom Severn if he could reach someone from the Board of Tax Appeals to come over to the meeting?

Senator Martin said in this mornings discussion, this really adds just to the margin of error, and there is probably not a lot that we can do to correct or adjust that.

Senator Fred Kerr said for clarification on that, remember when we looked at the classification changes on residential, we mentioned residential would be a little higher, because apartments are at 15% and all properties are inflated 7%. He said according to the Board of Tax Appeals, the process is, the counties make the decision as to changes being made, and the Board of Tax Appeals has 45 days to overturn that, so it is a county decision, and the Board of Tax Appeals overturn if they feel it is suggested it should be. He said, that goes on all the time, there will be more changes tonight than there was this morning, so there is no way you can get the numbers for that. There may be some sort of feel as to what percent of the protest the counties are changing. He said, we have had periodic updates on that on our desks as the weeks have gone by. Most counties are running about 30% and 30% of the protests are successful from the standpoint of the taxpayer getting a reduction.

Senator Lee said for clarification the Board of Tax Appeals also have to lower, if the county doesn't give you the satisfaction, and she felt this is where many changes are be made.

Sentor Petty said first, she would like to thank Senator Fred Kerr for putting this simulation together for the committee, and she said, as she reads the run on Shawnee County, the effect of the shift is within the business community. It has very little impact on residential, but it does in terms of machinery, it does shift some of the

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

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revenue within the business community, all commercial does go down 6%, and she said she thought that is offset by the addition of the machinery issue, and that is without any new sales tax dollars. The general effect is minimum.

Chairman Thiessen asked Chairman Keith Farrar, "are you making a lot of substantial changes as to where it will affect the values of these properties to a degree, where we change the assessment rates, we may be doing more or less than what we intended"?

Keith Farrar said what they are reviewing right now, are the changes made at the county level. We are just getting the reviews that have gone on past the appraiser to the county commissioner. Some are very substantial changes being made across the state. He said, what he is going to look at this morning, was reduced from \$400,000 to \$170,000+ for commercial property, and this is because of a sale of property.

There have been some substantial changes in commercial property, and really substantial changes in the older homes, the computer system was not set up to handle the older homes. We feel some of the appeals don't have enough information to go ahead, but most of the changes have been well substantiated. We are more concerned why they make the changes, than what the changes are.

Chairman Thiessen asked Keith Farrar what percent of the taxpayers, pay under protest? Keith Farrar said, there are over a 100,000 that paid under protest, in our office we have 27,363 reviews that have gone through the process in some manner, and then they come to us to either o'k or not, and many of those, there might have been a change made. The only one's that we are seeing on county review right now, is where a change was made. There may have been a substantial change made and the taxpayer still thinks it should have been lower, so they are going to appeal further, whether they come to us or not, we don't know, but we have a lot in the files. Most were filed before the 16th of January.

He said, he feels comfortable in saying that in 1990 the values are going to be a lot better, a lot closer to fair market value, than for 1989.

Chairman Thiessen asked if there a pattern on those high valuation changes, is it mostly the big urban centers or does it go out into the smaller towns.

Keith Farrar said what he is revealing is mostly update, and he said there have been a lot of changes and maybe more so in the rural area than the urban area, as you see more people coming in and asking to appeal their valuation, say in June than what was previously thought, because they are going to say "I know Joe, he went in, and he got some benefits, and my house is just like his, and I am going to go in and apply for help" he said, they have had any number of appraisers that say, their concern, is there are going to be a lot more applications at a later date, when people have a chance to go to appeals.

Senator Petty said, Keith you mentioned the differences in terms of the values that have been appealed and the dramatic reductions that are occurring, which raises the question, "in terms of the accuracy of the initial appraisers, whether they are being appealed or whether they are not". She asked, Mr. Farrar "if he had an opinion in terms of the uniformity across the state with which property was valued, for such things as replacement costs, etc. she said, you deal with a case by case basis but she said, she was looking at a big picture in terms of an opinion, of some uniform application among counties or between counties"?

Keith Farrar said his personal feeling would be on a statewide basis, he is very upset with the value, the quality of the work that was done, it is showing up all the time. He said, he has had changes of value, the appraiser even writes a note and says "I don't know where they came up with this value" the building has been gone for 10 years, but they still have the measurements because they have the old card. There has been some sloppy work. They are making a lot of adjustments, and there is a lot of variation between counties.

Senator Martin asked Keith Farrar if he could tell the committee how much they should take into consideration in terms of an error? Do you know how much affect it will have on the figures in the memorandum before us? We are working on putting together another classification amendment and the figures here, possibly are incorrect, but not to the degree of 50% or 20%. What your talking about will make some slight

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difference when you look at the big picture out there. The things you are talking about are very important but they are not going to have a great bearing upon figures that we have received so far.

Keith Farrar said in some USD you may see a substantial change, but it would probably be a small USD, and he said he was aware that the committee had data by county.

Senator Martin said he had hoped the committee might start at the other end of the spectrum, and talk about what level of relief we want to provide to the property tax in total, and work their way back up to the constitutional question. He thought, one of the most important issues that the committee has, is determining how much the committee wants to provide in relief to everybody out there, and talk about that in terms of total rather than starting with the constitutional amendment and the percentages of what is contained within it and the various rates that are pertained to this.

Chairman Thiessen what you are saying, is to decide how much we want to relieve property taxes and some other to replace it.

Senator Martin said if \$200.M is the concensus or \$250.M, he thought that is what the committee needs to work for, and if it is not the concensus then the thought, it becomes a different scenario, in terms of enhancements that go into that, and also he said, it plays an important part of some of the things that go into the constitutional amendment as well, on some of our feelings.

Chairman Thiessen said we have two issues, how much do we want to relieve property taxes and the the other issue is, through the classification, how much do we change the assessment rates?

Senator Martin said we actually have three, the level and the funding sources to provide to the level, he said he see's this as the intermediate step in there, and he said, he thought the committee had to determine how much they want to relieve the property taxpayer, and then talk about what sources we are going to put into that, then get to the constitutional question, and perhaps by that point it would be easier, in terms of what goes in there, what the percentages are and some of those questions, which evolve around the constitutional amendment.

Chairman Thiessen said if we are looking at fairness equity in assessment rates, then it is very essential to make that decision.

Senator Fred Kerr said he thought we had decisions to make on both issues, and if we use this as a starting point, he thought, then we have the proposed classification changes which are at the top of the page (in the handout) and we have the roll-back component. He said he does not think it matters which we start with, as he thought they go hand in hand, and he said in order to get enough of a roll-back that people would see some difference, you do have to get into that \$200.M range, but the Senator's are going to have to support enough alternative taxes to raise that kind of money. He said, he agreed with Senator Martin that you have to get up around that level to provide much help.

He said, he hoped that within today, the committee can come to some agreement on both and send the issue to the floor of the Senate, because he felt the issue had been so prominent in Kansas for the last several months, that it should be debated on the floor of the Senate.

Senator Martin asked The Chairman if the committee would have time to develop a concensus on a level among the committee members, to how much we would like to see property taxes reduced or people willing to go for a target of \$200.M+, or are they dead set against it?

Chairman Theissen said there is one thing to keep in mind, and that is, we have to absorb that 7% inflation factor in there, before you actually give relief, so it takes a little more money to do the job that most of us would want to do.

Senator Martin said what he was trying to target, is the 1¢ sales tax which raises \$210.M, we would be tied back to the print-out, if that is what we are interested in,

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we can legitimately tie back to this print-out, and if we are not interested in that level, and are only interested in \$50.M to \$100.M then he said, he thought the committee would have to make adjustments to the print-out, again. The print-out comes in 3 parts, you have the rate changes, you have classification changes and also reductions, through a 1¢ sales tax increase, and the 1¢ sales tax increase is the thing that makes the biggest reduction in the over-all level of property tax, so the \$200.M to \$215.M is very important to this print-out.

Chairman Thiessen recessed the meeting at 12:04 and said we will meet again at 1:00 p.m.

The Chairman reconvened the meeting at 1:02 p.m.

Chairman Thiessen said we have hit a bit of a snag on classification, so let's start looking at the other side and talk about how much tax relief we want to give the people of Kansas, in the form of other sources of revenue, we have been looking at sales tax.

Senator Martin said to start things out, he thought we should look at a target of \$200.M to \$215.M to provide over-all relief to all taxpayers.

Senator Martin made a motion to target \$200.M to \$215.M for over-all relief to the taxpayers of Kansas, 2nd by Senator Petty.

Senator Fred Kerr said he agreed. That is what we had in the print-outs, and this is the easy vote, but if we are not willing to vote enough tax to pay for it, then it becomes mute, but as a working target for the committee, if that is what the motion was, then there is no problem.

Senator Audrey Langworthy said, she can't separate where we will find the money, and just where we want to be, and she said, it is wonderful to want to do this, this year, but what about next year, we have problems facing us next year at the state level, and it will be hard to hold the line on our budgets, and look around for another tax increase somewhere else, and do we want to consider that fact that maybe next year, we are going to really need it at the state level.

Chairman Thiessen said he thought we have a high percentage of the people of the State of Kansas that expect some property tax relief, and they expect this session to do it, some have said, they will live with those valuations, assessments and taxes that was put on them in 1989, but they sure expected something different in 1990 and the following years, and he thought we should make some movement in that direction.

Senator Montgomery asked, Chairman Thiessen if this is anticipating putting this tax on, whatever it amounts to, so we can give tax relief next year?

Chairman Thiessen said yes, it will. It would impact in 1990 tax statements.

Senator Karr said what we are saying is, that we are going to earmark \$200.M, and this is a target for an indefinite period of time, for property tax relief. That is \$200.M out of potential revenue or current revenue to alleviate local property tax problems, and that addresses the question of better balance at the local property tax level. It does however, create constraints at the state revenue level, and we are looking at questions of a potential short fall in our current budget, we are looking at the potential of having to draw either from the highway money, the lottery money or across the board cuts. He said, from discussion standpoint he would support moving this, if we move at least to the point to see if there is revenue, we can find. We may have a permanent change in the balance of the local governments in funding services, specifically, education and he thought that was a desired goal.

Senator Montgomery said to clarify the motion by Senator Martin, if he understood the motion, this \$200.M would be new revenue, not \$200.M out of present revenue.

Senator Martin said that is right, but he thought, because of administrative problems, from the new revenue side we would have to probably earmark, twice a year for \$100.M or what ever we end up with around the \$200.M for distribution. He did not think we could sift out any type of increase and separate it.

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Senator Montgomery said he would like this clarified in the original motion by Senator Martin, that the money would come from new revenue sources.

Senator Martin agreed to add to his motion "the money is to come from new revenue sources, and Senator Petty agreed on her 2nd.

Senator Francisco said if we are going to talk about people voting for a constitutional amendment, then he thought they should include in the \$200.M maybe a proviso, that we are going to talk about a tax lid. He said, he could not see the people of Kansas on the second time around voting for a constitutional amendment.

Senator Martin said this motion is not dealing with any of those things, just a sense of how much of a target the committee is attempting to reach. The next step is the components of enhancement to get to that \$200.M and then he said, he thinks there is a whole series of things that once we get to the constitutional amendment we will be talking about caps, whether the sales tax can be transferred and all of those things. This first vote is just on what target we would like to achieve in terms of reductions.

Chairman Thiessen called for a vote on the Motion by Senator Martin, 2nd by Senator Petty. The motion carried.

Chairman Thiessen said we now have a target.

Senator Martin said in Senator Kerr's hand-out on the front, he has part of the assumptions that would get to the \$200.M+ target, and he said he did not intend to support a 1¢ sales tax, himself, and he didn't know if it was proper to move at this time, or to amend, but would like to amend to get to that point.

Senator Fred Kerr said both on this issue and the classification issue, since we are targeting the run, maybe we can start with these assumptions and amend from there, and if there is dis-agreement on the roll-back or classification changes, just make a motion to change it.

Senator Martin moved to amend to include $\frac{1}{2}$ ¢ sales tax, and \$100.M in exemptions.

Chairman Thiessen said he thought the members would like to know what exemptions they would be talking about.

Senator Martin withdrew his above motion.

Senator Montgomery moved to amend a $\frac{3}{4}$ ¢ sales tax, 2nd by Senator Fred Kerr.

Senator Martin made a substitute motion to amend $\frac{1}{2}$ ¢ sales tax, and add exemptions of interstate and intrastate telephone and telegraph service at \$6.5M, and sales of gas, water, electricity and heat sold by utilities, at \$41.0M and \$1.6M, sales and new and used farm machinery, \$15.M, and sale of any motor vehicles, semi-trailer, pole trailer, or aircraft which is purchased by and delivered to a non-resident in the state of Kansas, \$30.M to \$40.M.

Tom Severn said he thought the committee should know that this represents probably the face amount of the exemption certificates that come in and are processed by the Department of Revenue. He said he did not think this was prepared necessarily with the idea that you could raise that amount of money by repealing the exemptions. He felt, it would be too easy for motor vehicle dealers to deliver those vehicles into the other State and thus avail non-residents of the agreements that they now have under current law, and a substantial amount of this is for aircraft and of course aircraft can be delivered fairly easily to other State's as well. He said, he did not know how much money they would get by repealing (K) (in ATTACHMENT 1) but it wouldn't be anything like the \$30.M or \$40.M that is shown.

In addition, he said other state's that have reciprocal agreements that relate to the forms and procedures, for selling to non-residents, if they repealed their provisions that would mean we would no longer get use tax on automobiles that our residents bought in other State's, then we might lose a substantial portion of any additional revenue, we received because we would not get the use taxes on our automobiles purchased in another state.

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Senator Lee said she is concerned about the sales of natural gas and electricity. This will hit the low income people real hard, as a major part of their income is spent on utilities, and we are just raising the utilities whether they own or rent.

Senator Martin said if you raised the sales tax by 1¢ you are also going to be regressive to that same group of people on food, which is not exempt from sales tax.

Senator Fred Kerr said on the point about the food, we could clarify that in the proposal that we have, if we would go with the 1¢, we could favor raising the rebate to lowincome people to compensate for that increase. We usually do that when the sales tax increases.

Chairman Thiessen said the comment about keeping it even, you put the used farm machinery and equipment in there, and in 1988 the average farm management that farm in Kansas paid \$996.00 in sales tax and that is the farm business, plus they had the taxes on all the cost of living items, just like everybody else has, so it's not like they are not being hit pretty good anyway. These figures are from Kansas State Farm Management.

Senator Montgomery withdrew his motion, 2nd by Senator Kerr.

Senator Martin withdrew his motion, 2nd by Senator Petty.

Chairman Thiessen said all motions have been withdrawn, and we do not have a motion on the floor.

Senator Martin moved to have a 1¢ sales tax increase, as in the print-out of Attachment 1, 2nd by Senator Francisco.

Senator Fred Kerr "if we turn this down with what we are starting to do, we should just decide that we are not going to have much of a roll-back. That is the decision that we are moving toward, and if this is what you want to offer to the Senate and the people of Kansas, then that is alright".

Senator Martin said he did not think this meant we are going to abandon a significant amount of roll-back, he said he thought, it means we are not in agreement that the roll-back should be funded exclusively by the sales tax and many of us seek a level of \$200.M as a roll-back but there has been no concensus developed, and we are getting to the point of discussion, and if this motion fails that doesn't mean that we are unwilling to seek that level of roll-back.

Senator Karr said you are looking at 2 different items, you are looking at a statutory change in sales tax, which would be linked to classification amendment, and you are looking at a potential classification amendment, so you are going to have some different votes, whether in this committee or on the floor. We have to look at the assumptions and try to modify them, or vote them in or out in order to build a package to target the \$200.M

Senator Lee asked "what if you want the roll-back, will the bill have provisions for a roll-back if the amendment doesn't pass, and what if we make those amendments in the constitution and we still want a roll-back?"

Senator Fred Kerr said we have said all along that the intent of drafting this bill is going into effect, only if the constitutional amendment passes.

Senator Montgomery said if you have a 1¢ roll-back on property you will solve the USD finance problems.

Senator Fred Kerr made a substitute motion to recommend the 1¢ sales tax to be the roll back component, and it not be tied to the constitutional amendment, 2nd by Senator Frahm.

After committee discussion on the above motion, The Chairman called for a vote. The motion carried 6-5. Senator Martin asked to be recorded as voting no.

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Senator Fred Kerr said to clarify some issues we should go ahead and ask for an introduction of the bill we talked about yesterday, and the difference would be, it would not be tied to the constitutional amendment, it would be October 1st, and exactly as in the print-out (ATTACHMENT 1).

After committee discussion on sales tax exemptions, The Chairman asked Tom Severn if the House has more information than just the list that we have? Tom Severn said basically not, this is what they worked off of.

Senator Karr asked The Chairman to consider appointing a sub-committee which could comb through the exemptions and co-ordinate with what the House is doing, so when we come back we are not looking at a rather large list, and not be sure where we are. He felt, a summary of this would help, and he would like to utilize the time to go through the items that are on the constitutional amendment, particularly as it relates to the memo provided us by the marjority leader, and then sort out whether we agree or disagree. Then if there is further need we can come back and work on that.

Senator Fred Kerr said that is a good suggestion, and he said, he thought we need to turn attention to the constitutional amendment we have had before us all session, and on the exemption item, a sub-committee would be fine, so if the House sends something over, we will be ready.

Chairman Dan Thiessen appointed Senator's, Karr, Langworthy, Kerr, Martin and himself to the sub-committee.

The Chairman asked Don Hayward if he could get the bill drafted for the committee, and Don Hayward, agreed to do it.

Senator Fred Kerr moved to draft, the agreed to bill and ask for it to be introduced to an exempt committee, and refer it to the committee of the whole, 2nd by Senator Montgomery. The motion carried.

Senator Francisco moved to consider caps in the constitutional amendment, 2nd by Senator Montgomery.

Senator Montgomery passed to the members language from the House, by Rep. D. Miller regarding caps. (ATTACHMENT 2)

After discussion on the hand-out from Senator Montgomery, Senator Fred Kerr said he did not think the committee should consider caps, because he said, he questions the workability of the concept, he said, it affects some counties so differently than others, he thinks it would be unworkable, and he thought a cap like this can not only be a ceiling, it can becoma a floor, when people have limits they can go up to, but not over, they go up to them, so he thought it could work to the opposite of what the committee desires in the counties that are quite abit below the cap rate, and this was offered on the House Floor and was defeated, and he felt it would only add baggage to the amendment we are drafting.

Senator Montgomery said you could include in that cap, that the people could vote to spend the cap. It is very similar to what Missouri has, which allows people to determine how much they want to spend.

Senator Petty said in Shawnee County, the last election had on the ballot a sales tax increase specifically for the purpose of reducing property taxes, and it failed.

Senator Montgomery said people want the control back in their hands, and this is the easiest way of getting it.

Senator Francisco said he really believes on the second time around, people are not going to vote on a constitutional amendment that put in a statutory sales tax, without any type of lid. He said, in his motion it was for a lid, and it does not have to be this lid, it is true the House voted this one down, but they voted down the sales tax.

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Senator Langworthy said we are talking about 2 different things, we are talking about caps and lids, and the motion before us is a cap, and she felt this would be very damaging. Each county is different and each county will be affected differently, and it does cause the cities and counties to react to the changes that they individually have, and as an overall she felt it would be very dangerous.

Chairman Thiessen called for a vote on the motion. The motion failed 7 to 4.

Senator Karr said there is the \$50,000. element that we have discussed at 20% and above \$50,000. at 25% and he said, he agrees with the majority leader, that "all others" individual concept was probably very good, administratively and realistically.

Senator Karr moved to put the all others in the 25% category, 2nd by Senator Fred Kerr.

Senator Fred Kerr said he did insert this concept into the hand-out before the committee, to try to develop some language and get the runs on that, and he said, Senator Montgomery brought the issue to our committee, and that is why he inserted it into the run, but several members yesterday and this morning, as we were discussing the concept, including Senator Montgomery pointed out some problems with it, it is complicating and even the print-outs aren't correct in this area because of some of the problems, it certainly has some definitional problems, and you have problems with people trying to buy parcels up, so they get the lower adjustment rate, and he feels, like Senator Karr, it would be much cleaner, much more understandable and better administratively, if we set the category of "all others" at 25%, and eliminate this threshold concept.

He said, we tried and it didn't work very well, and he thought the committee should try to support the motion to take it out.

Senator Montgomery said he does not think, you can divide a class of property within a class, if all classes of properties and the "all others" get in the list of \$50,000. at 20%, it would certainly help small business, that is where the whole problem has arisen from, mainly the small business man who got hit with an increase in taxes and didn't benefit anything from the inventory reduction. He said, he thought the committee would be making a big mistake if we don't establish another class in there, and he thought, this would be fair for the small business people.

He said, if you don't want to put inventory back on, then you had better support something like this.

Senator Petty said her major concern is, if the reasoning to vote for this amendment, is just because of the administrative difficulties, she thought what we have and what we are dealing with now, is because one of the major problems in administration, is how this whole issue was carried out, so if we are choosing not to give special consideration to small business because of administrative difficulties, this concerns her very much on the point of voting, for this.

Chairman Thiessen said he would like to wait for a vote on the motion on the floor until John Lutjohann can get us some information regarding the impact of the print-out, and he said we will meet again at 4:30 p.m. and he adjourned the meeting at 2:02 p.m.

GUEST LIST

Room 521-S
11:00 a.m. 2nd mtg.

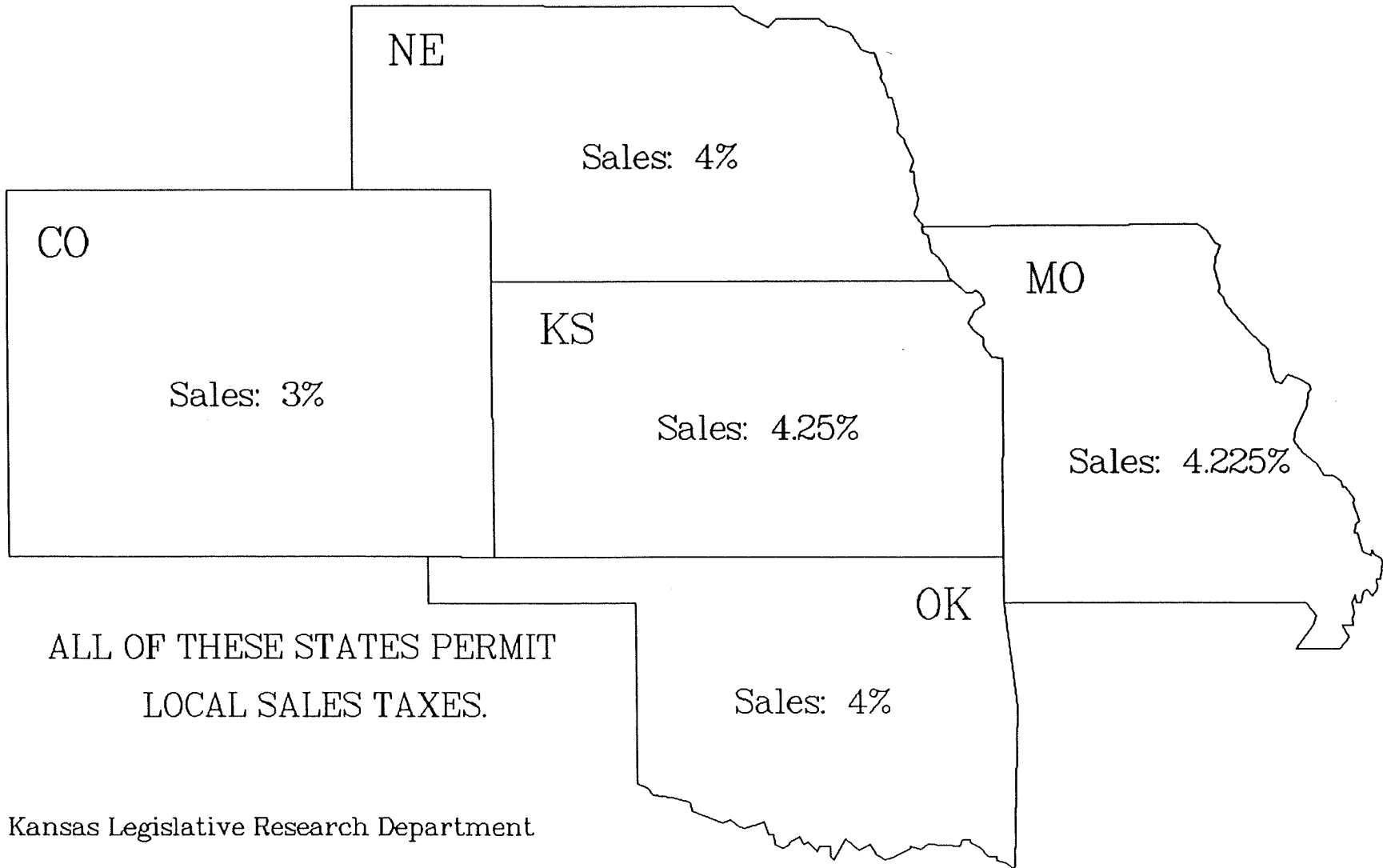
COMMITTEE: SENATE ASSESSMENT & TAXATION SENATE

DATE: TUESDAY, 4-3-90

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
BOB GRANT	TOPEKA	KCC
[Handwritten]	"	[Handwritten]
GRETA POTTER	"	PEOPLES UN. GR
Marshall Clark	TOPEKA	KEC
Dee Likes	Topeka	KLA
Warren Tarker	Manhattan	Kansas Farm Bureau
John Torbert	Topeka	KAC
R. Oleson	Ottawa	MIDLAND OIL & GAS
Marcus Lennander	Topeka	CITIZEN
Jack Cooper	Topeka	Citizen
Kirk McKee	Topeka	KLA
ALAN Steppat	Topeka	Pete McCall & Associates
Jim Gortner	Topeka	SWBT
Curt Carpenter	Great Bend	Centel
Joseph D. [Handwritten]	Lawrence	KCMO / KFDI
Woody Woodman	KCMO	HCPH
KEVIN ROBERTSON	Topeka	[Handwritten]
[Handwritten]	[Handwritten]	[Handwritten]
Heaven Barber	Topeka	HS Lodging Engage
[Handwritten]	"	KLA
[Handwritten]	Salina	The Public Debt [Handwritten]
[Handwritten]	Topeka	K-NEA
FORGE PICKETT	WICHITA	KRA

STATE SALES TAX RATES

KANSAS AND CONTIGUOUS STATES



SENATE ASSESSMENT AND TAXATION COMMITTEE
2ND MEETING, TUESDAY, APRIL 3, 1990 ATTACHMENT 1

Kansas Legislative Research Department

4/3/90

STATE OF KANSAS

HOUSE OF REPRESENTATIVES

MR. CHAIRMAN:

I move to amend House Concurrent Resolution No. 5052 (As Amended by House Committee) as follows:

On page 3, after line 41, by inserting the following:

"(c) Except as otherwise hereinafter provided, in tax year 1991, and all tax years thereafter, the total property tax levied upon each parcel of property used for residential purposes, other than multi-family residential real property comprised of more than four residential units, shall not exceed 1.5% of its appraised value, the total property tax levied upon each parcel of real property used for commercial or industrial purposes shall not exceed 3% of its appraised value, and the total property tax levied upon each parcel of land devoted to agricultural use shall not exceed 3.25% of its appraised value. Pursuant to law, such limitations may be suspended or adjusted within a taxing district for any one year or for a specified number of years, and property tax may be levied for such year or years in excess of such limitations whenever a majority of the electors of any taxing district voting on a proposition to suspend or adjust such limitations at an election held thereon shall vote in favor thereof. The legislature may declare an emergency and suspend or adjust such limitations for one tax year if two-thirds of all the members elected, or appointed, and qualified of each house shall approve such suspension or adjustment. In no event shall any suspension or adjustment of such limitations result in the limitation imposed upon real property used for commercial and industrial purposes exceeding by more than 100% the limitation imposed upon property used for residential purposes.";

On page 4, in line 24, after the period, by inserting "Also,