

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Senator August "Gus" Bogina, Chairperson at 11:10 a.m. on February 20, 1991, in Room 123-S of the Capitol.

All members were present except:

Committee staff present:

Diane Duffy, Legislative Research Department
Leah Robinson, Legislative Research Department
Gordon Self, Revisors' Office
Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Dr. Bill Wolff, Principal Analyst, Kansas Legislative Research Department

SB 95 - BILL BY JOINT COMMITTEE ON SPECIAL CLAIMS AGAINST THE STATE

Dr. Wolff began his presentation by saying SB 95 contains only the claims which were heard from June through December of 1990 and recommended by the Joint Committee on Special Claims Against the State. He explained SB 95, section by section.

In explaining the reason for the inclusion of Sec.2, Dr. Wolff stated that while there is a one year statutory limitation for motor-vehicle fuel tax refunds, many enterprises do not make claims for motor fuel within that one year period of time. Therefore, they are ineligible for a direct refund from the Department of Revenue. The Joint Claims Committee adopted a rule applicable to all tax requests for refunds to say that it would honor claims up to three years. He noted that the penalty for the late claim is 10% of the claim or \$15.00, whichever is greater.

Sec. 4, (b) - Dr. Wolff noted that since the decision was made to recommend this item for consideration, Mr. True became eligible for parole, violated parole, and his whereabouts are unknown. Dr. Wolff stated that if Mr. True is rearrested, his health care will again become the responsibility of the Secretary of Corrections. Therefore, the Secretary, although not opposing surgery for Mr. True, has concerns about the payment being made directly to the claimant.

Senator Winter moved, Senator Salisbury seconded, that Sec. 4 (b) be deleted from SB 95. In answer to a question, Dr. Wolff stated that the amount of the claim represented only the allowance for permanent injury. Senator Winter offered a substitute motion, Senator Salisbury seconded, that the claim be allowed but sent in care of the Secretary of Corrections. The motion carried. Senator Allen opposed the substitute motion.

Sec. 11 (b) - Dr. Wolff reminded the Committee of a statute enacted during the last legislative session which allows the Secretary of Revenue to make rebates on the unused portion of motor vehicle taxes and fees collected. Because this claim may be the first of many, Chairman Bogina requested that Dr. Wolff advise the Committee whether the local unit of government or the state would ultimately pay the claim.

There was lengthy discussion involving Sec. 12 (c). Senator Winter moved that this section be deleted from SB 95. Senator Brady seconded the motion, which failed on a voice vote.

Senator Doyen moved, Senator Hayden seconded, that a technical amendment be

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made in Sec. 12 (c) because it is a direct appropriation from the State General Fund (rather than from the Department of Administration) to pay the claim. The motion carried on a voice vote.

Sec. 16 (b) - Dr. Wolff provided background information for the claim, stating that Ms. Wolfe's dentures were lost due to negligence on the part of the University of Kansas Medical Center. The University agreed to pay \$1900.00 for the replacement of the dentures, but, since the time the claim was recommended for consideration by the Joint Claims Committee, the claimant died. Before her death, the dentist had completed only \$640. worth of dental work. Senator Winter moved, Senator Allen seconded, that the claim be reduced to \$640. to be paid to the dentist in satisfaction of his claim against the state. The motion carried on a voice vote.

Senator Allen moved that the word "Representative" be inserted before "Phil Kline" on line 5 of page 15 of SB 95. Senator Winter seconded the motion, which failed on a show of hands.

Senator Doyen moved, Senator Rock seconded, that SB 95 be amended to include the following claim:

"The Kansas lottery is hereby authorized and directed to pay the following amount from the lottery operating fund for payment for the July 20, 1988, cash lotto drawing, to the following claimant:

Orrin J. Fowles, 1415 Fifth Street, Clay Center, KS 67432, c/o William M. Malcolm, Attorney at Law, Oberg and Malcolm, PO Box 92, Clay Center, KS 67432.....\$117,037.00

The motion passed on a voice vote.

Dr. Wolff noted technical errors in the bill: p.8, line 6, the address of John Peresic should read "428 Thompson, Kansas City"; p. 8, line 14, the address of Gary L. Walker should be changed to "Norton"; p. 7, line 22, change the spelling of "Wickstrom" to "Wickstrum"; p. 11, line 35, change "cleaning" to "clearing". Senator Winter moved, Senator Doyen seconded, that SB 95 be amended to include any technical amendments requested by staff. The motion carried on a voice vote.

Senator Allen moved and Senator Doyen seconded that SB 95 as amended be recommended favorable for passage. The motion carried on a roll call vote.

Dr. Wolff stated that the Joint Committee on Claims had heard 60 claims filed by various business entities for refunds of sales tax on projects they had completed in enterprise zones. All claims were denied but four which will be continued next session. Dr. Wolff noted the possibility of an attempt to amend these claims into the bill either in the House or Senate and informed the Committee that the cost to the state of only those claims which have been filed is \$3.5 million. He stated that many claims of this nature have not been filed but would be if the 60 were honored.

The Chairman adjourned the meeting at 12:15 p.m.

