

Approved WED. 4-1-92
Date

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 Thursday, March 19, 1992 in room 531-N of the Capitol.

All members were present except:
Senator Lana Oleen (Excused)

Committee staff present:
Bill Edds, Revisor's Office
Don Hayward, Revisor's Office
Chris Courtwright, Research Department
Tom Severn, Research Department
Marion Anzek, Committee Secretary

Conferees appearing before the committee:
Mark Burghart, Legal Counsel, Department of Revenue
Bill Waters, Legal Department, Department of Revenue

Chairman Dan Thiessen called the meeting to order at 11:11 a.m. and said the agenda for today is a hearing on HB2732, HB2733 and HB2734 and he recognized Mark Burghart, General Legal Counsel, Department of Revenue.

HB2732: Due date for payment of tire tax.

Mark Burghart said all that HB2732 does is basically change the date for the new tire fee returns from the last day of the month following the month of sale to the 25th of the month following the month of sale. The new filing date would coincide with the filing date of retailers sales tax and other excise tax returns. (ATTACHMENT 1)

Senator Jack Steineger moved to favorably pass HB2732 to the consent calendar, 2nd by Senator Audrey Langworthy. The motion carried.

The Chairman turned attention to HB2733 and recognized Bill Waters, Legal Department, Department of Revenue.

HB2733: Conduct of hearings relation to class of property assessment changes.

Bill Waters said HB2733 in 1988 K.S.A. 79-1481 was amended twice which changed the language near the end of the Act. and provides that the County Board of Equalization changes the value, those have to be sent to the Director of P.V.D. and if the Director finds that the change is not in conformity with fair market value, the Director formally has an appeal, where HB2702 would change that, to where the Director would reinstate the Appraisers value and then the taxpayer would appeal. He said, this is the substance that occurred in 1988 in HB2702.

Bill Waters said HB2733 would amend K.S.A. 79-1481 and repeal K.S.A. 79-1481a to require that hearings of the Board of Tax Appeals relating to county equalization orders be conducted in accordance with the KS Administrative Procedures Act. He said, the bill is technical to resolve conflicts which resulted from two separate 1988 enactments which amended the same statute.

He said, one statute was signed by the Governor one day, and the other statute was signed by the Governor the next day, and when the one statute was signed on the 1st day, it became effective after the statute was signed the second day.

Senator Jack Steineger moved to favorably pass HB2733 to the consent calendar, 2nd by Senator Audrey Langworthy. The motion carried.

Chairman Dan Thiessen turned attention to HB2734 and recognized Mark Burghart.

HB2734: Registration of nonresident contractors for taxation purposes.

Mark Burghart said, currently when a nonresident contractor comes into the state and performs work, they basically have to register with the Department and file a bond if

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Assessment and Taxation,

room 531-N, Statehouse, at 11:00 a.m./~~p.m.~~ on Thursday, March 19, 1992.

the contract they are working with is \$1,000. He said, the \$1,000 was established in 1968 and has never been adjusted to account for inflation. He said, the bill would simply bring the threshold amount into line with current construction costs.

During committee discussion Senator Petty said she didn't like the \$25,000 contract limit that she felt it was too high and after more committee discussion;

Senator Marge Petty moved to amend the \$25,000 contract limit be lowered to \$10,000, 2nd by Senator Jack Steineger. The motion carried.

Senator Marge Petty made a conceptual motion to require local Planning and Zoning Departments, prior to issuing a building permit, to require verification that contractors are registered with the Department of Revenue, 2nd by Senator Phil Martin.

After committee discussion regarding the local county and city departments, and the burden it would have on them.

Senator Marge Petty withdrew her above motion, 2nd by Senator Phil Martin.

Senator Gerald Karr moved to favorably pass HB2734 as amended, 2nd by Senator Audrey Langworthy. The motion carried.

The Chairman turned attention to HB2812.

HB2812: Authority for Director of Property Valuation to withhold county entitlements; when

Senator Don Montgomery made a motion to change the date to July 1, 1992. The motion failed for lack of 2nd.

Senator Fred Kerr made a substitute motion to remove lines 18 through 20, 2nd by Senator Audrey Langworthy. The motion carried.

Senator Phil Martin moved to have the effective date January 1, 1993, 2nd by Senator Jack Steineger. The motion carried.

Senator Phil Martin moved to favorably pass HB2812 as amended, 2nd by Senator Jack Steineger. The motion carried. Senator Don Montgomery is recorded as voting No.

Senator Gerald Karr moved to adopt the minutes dated Monday, March 16, 1992, 2nd by Senator Audrey Langworthy. The motion carried.

The Chairman adjourned the meeting at 12:08 p.m.

STATE OF KANSAS



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Department of Revenue
Legal Services Bureau

MEMORANDUM

To: The Honorable Dan Thiessen, Chairperson
Senate Committee on Assessment and Taxation

From: Mark A. Burghart, General Counsel
Kansas Department of Revenue

Date: March 19, 1992

RE: H.B. 2732 - Due Date for Payment of New Tire Fee
H.B. 2734 - Registration of Nonresident Contractors

Thank you for the opportunity to appear in support of H.B. 2732 and H.B. 2734. Each of the bills will be addressed separately below.

House Bill No. 2732

H.B. 2732 would amend K.S.A. 1991 Supp. 65-3424d to move the filing date for the new tire fee returns from the last day of the month following the month of sale to the 25th of the month following the month of sale. The new filing date would coincide with the filing date of retailers sales tax and other excise tax returns.

House Bill No. 2734

H.B. 2734 would amend K.S.A. 79-1009 to provide that nonresident contractors with contracts in Kansas must register with the Department of Revenue and shall execute a bond in an amount to be determined by the Director of Taxation if the total contract price is at least \$25,000. The current contract threshold is \$1,000. The \$1,000 price was established in 1968 and has never been adjusted to account for inflation. The bill would simply bring the threshold amount into line with current construction costs.

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

SENATE ASSES. & TAX
3-19-92
ATT. 1