

Approved: Phill Kline 2/3/99
Date

MINUTES OF THE HOUSE COMMITTEE ON TAXATION.

The meeting was called to order by Chairperson Phill Kline at 9:00 a.m. on February 3, 1995 in Room 519-S of the Capitol.

All members were present except: Rep. Donovan - excused
Rep. Empson - excused
Rep. Pottorff - excused

Committee staff present: Chris Courtwright, Legislative Research Department
Tom Severn, Legislative Research Department
Don Hayward, Revisor of Statutes
Ann McMorris, Committee Secretary

Conferees appearing before the committee: None

Others attending: None

Chair noted the minutes of January 27, 30, 31, February 1 and 2 were handed out to each member of the committee and asked for motion of approval.

Moved by Shore, seconded by Graeber, committee minutes for January 27, 30, 31, February 1 and 2 be approved as written. Motion carried.

Chair asked for committee action of:

HB 2050 - Public utilities property tax surcharge authorized.

Moved by Lawrence, seconded by Wilson, amend S.B. 2050 to incorporate the suggested amendment presented at the hearing by Bill Brown, Western Resources, Inc. Motion carried. (Attachment 1)

Moved by Shore, seconded by Graeber, amend S.B. 2050 include language that requires identification of all taxes paid. Motion withdrawn.

Moved by Larkin, seconded by Shore, H.B. 2050 be passed as amended. Motion carried with one recorded no vote.

HB 2112 - Compensation of county appraisers

Moved by Mays, seconded by Graeber, HB 2112 be conceptually amended to include staff of Property Valuation Division and members of Board of Tax Appeals, to hold same qualifications as field appraisers.

Moved by Larkin, seconded by McKinney, HB 2112 be tabled. Motion carried - Yes 11, No 8.

Moved by Larkin, Seconded by Mays, a committee bill be introduced to specify that positions in the Property Valuation Division and Board of Tax Appeals require the same qualifications as field appraisers. Motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON TAXATION, Room 519-S Statehouse, at 9:00 a.m. on February 3, 1995.

HB 2113 - Escaped personal property time limitations.

Moved by Graeber, seconded by Edmonds, HB 2113 be amended to set up penalty on sliding scale, similar to that used on Federal income tax penalties. Motion withdrawn.

Substitute Motion by Graeber, seconded by Edmonds, HB 2113 and HB 2115 be incorporated and sliding scale penalty of 5% each month to maximum of 25% be applied. Substitute motion withdrawn.

Moved by Lawrence, seconded by Wilson, amend HB 2113 by striking "100%" and substituting "50%" on lines 31 and 37. Motion carried.

Moved by Lawrence, seconded by Graeber, HB 2113 be passed as amended. Motion carried.

HB 2114 - Governmental vehicle property tax exemption request not required.

Moved by Edmonds, seconded by Larkin, amend HB 2114 on page 3, lines 18 and 19 by inserting a period after the word "purposes" and deleting "which are registered pursuant to K.S.A. 8-143 or 8-1.134, and amendments thereto." Motion carried.

Moved by McKinney, seconded by Shriver, H.B. 2114 be passed as amended. Motion carried.

HB 2115 - Late filing penalty for property assessment statements.

Moved by Graeber, seconded by Shore, amend HB 2115 by reducing the penalty to 5% per month not to exceed a maximum of 25% and to strike "100%" in line 40 and substitute "50%". Motion carried.

Moved by Larkin, seconded by Graeber, amend HB 2115 on page 2, Line 12 by striking the word "not" and reinserting the stricken language on lines 13 thru 19; and on page 3, line 18 by striking the word "not" and reinserting the stricken language on lines 19 thru 25. Motion carried.

Moved by McKinney, seconded by Graeber, HB 2115 be passed as amended. Motion carried.

Adjournment

The next meeting is scheduled for February 6, 1995.

Amendment to Section 1 (e) page 3 lines 9-23

(e) Whenever, after the effective date of this act, ~~there is a change in the annual amount of ad valorem taxes paid by~~ an electric public utility, a natural gas public utility or a combination thereof, ~~files tariffs reflecting a surcharge on the utility's bills for utility service designed to collect the annual increase in expense charged on its books and records for ad valorem taxes, such utility the change shall be reported annually to the state corporation commission the changes in expense charged for ad valorem taxes.~~ For purposes of this section such amounts charged to expense on the books and records of the utility may be estimated once the total property tax payment is known. If found necessary by the commission or the utility, the utility shall file tariffs which reflect the change as a ~~revision to the surcharge on the utility's bills for utility service.~~ Upon a showing that the surcharge is applied to bills in a reasonable manner and is calculated to substantially collect the increase in ad valorem taxes ~~paid, expense charged on the books and records of the utility, or reduce any existing surcharge based upon a decrease in ad valorem taxes paid expense incurred on the books and records of the utility,~~ the commission shall approve such tariffs within 30 days of the filing. Any over or under-collection of the actual ad valorem tax increase charged to expense on the books of the utility shall be either credited or collected through the surcharge in subsequent period(s). The establishment of a surcharge under this section shall not be deemed to be a rate increase for purposes of this act. The net effect of any surcharges established under this section shall be included by the commission in the establishment of base rates in any subsequent rate case filed by the utility.