

Approved: March 7, 1995  
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION.

The meeting was called to order by Chairperson Audrey Langworthy at 11:00 a.m. on March 6, 1995 in Room 519--S of the Capitol.

Members present: Senator Langworthy, Senator Corbin,  
Senator Bond, Senator Clark, Senator Feleciano, Jr.,  
Senator Hardenburger, Senator Lee, Senator Ranson,  
Senator Sallee and Senator Wisdom.

Committee staff present: Tom Severn, Legislative Research Department  
Elizabeth Carlson, Secretary to the Committee

Conferees appearing before the committee: John LaFaver, Secretary Department of Revenue  
Mark Elmore, Johnson County Mental Retardation Center

Others attending: See attached list

**APPROVAL OF MINUTES**

Senator Bond made a motion to approve the minutes of February 16, and February 20, 1995. The motion was seconded by Senator Wisdom. The motion carried.

**CONFIRMATION HEARING--JOHN LaFAVER, SECRETARY, DEPARTMENT OF REVENUE**

Secretary LaFaver opened his remarks by stating he has spent virtually his entire career working with state governments. (Attachment 1) He said he has worked with 4 different states, for both the legislative and executive branches. He believes that state governments have the greatest potential of meeting the people's needs. He said the most important part of his job as Secretary of Revenue in serving the Governor is to represent the interests of all taxpayers. He said in his experience, departments of revenue and the taxpayers spend too much time and effort confronting each other and very little time jointly finding reasonable solutions. He will approach the situation that all parties share his commitment to seek reasonable solutions. This approach usually works. He spoke of modernizing the tax administration process itself. He said modern technology can pay off in improved taxpayer service and increased collections. He closed his presentation by saying he is looking forward to the opportunity to serve Governor Graves and the people of Kansas as the Secretary of Revenue.

Senator Bond asked him to speak to the problem of inefficiency in the tax collection area. Secretary LaFaver said he is in the process of going through every department to see how each operates. He spoke of the accounts receivable which amount to about \$300 million plus. He is looking at new technology which will significantly save the taxpayers money. He spoke of his experience in Maine and he said Maine was farther behind in collections than Kansas. He said too much handwork is being done in the departments. This can be solved with fewer staff and more collections. Senator Bond also asked about the problem of appraisal equity. Secretary LaFaver said if Kansas has a reasonable state appraisal standard and if the counties meet that standard, the counties should receive some leeway in how they meet those standards. He spoke of the difference between Finney County and Johnson County. He said it seems that the state should require a standard so Johnson County is not paying inordinately more than Finney County. He said he views appraisals as local functions but it needs to operate within the framework of what the state requires. He said he also feels the people will accept the reappraisals better if they view it, not as coming from Topeka, but rather coming from a local function.

Senator Lee asked how he viewed the Department's contact with the general public? Secretary LaFaver said he views the contact with the general public very seriously. He wants the Department to be able to handle the taxpayers' accounts as they are handled in the bank, a savings and loan or by an airline. The taxpayer should be able to call in at any time to find out what their refund is. He said bringing in the revenue that is owed is a very important task but he thinks that handling the taxpayer as a valued customer, as they are, is even more

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION, Room 519-S  
Statehouse, at 11:00 a.m. on March 6, 1995.

important. He said the focus of a new system will be to better serve the taxpayer. Senator Lee asked another question as to how Secretary LaFaver envisions modernization of the Department in the relationship with the people in the Department? He spoke of KT2000, a system which they are evaluating to bring in their experience and staff to assess the Department's staff to see how its structure can be improved. They will rethink the organizational and technological status. Every position will change and many positions will be automated. He will audit with the staff the collection area. There will be fewer staff in the Department. He said he viewed his job as trying to make the staff leaner and to give better service. Senator Lee also asked how Secretary LaFaver viewed his job. He says he is starting with the view that he does not know what is happening here and he wants to learn from as many people as he can. He said he will not shirk the responsibility of making the necessary decisions and he will give full credit to the staff for all the work they do. He said he does not expect this to happen magically.

Senator Feleciano asked him to discuss the major problems of the Department. Secretary LaFaver said they are asking for volunteers to help with the influx of mail. He is planning to spend half a day with that department so he can see first how it is handled and how it can be improved. Senator Feleciano asked also if he envisioned having staff out in the field as they had been previously. Secretary LaFaver said he is hopeful that a good deal of information will be given by telephone but that will not be the only means of assistance. He hopes to put on seminars and also give out information through the Chambers of Commerce. He hopes right away to collect revenue in a cost effective way and to give the staff the tools to do the job right. In answer to another question from Senator Feleciano as how he would handle the political part of his job, Secretary LaFaver said he views himself as an analyst. He will take the problems and analyze them. The conclusion will not make everyone happy but people need to understand that when he arrives at his decision, he has come to the conclusion of what is fair and right.

Senator Langworthy thanked Secretary LaFaver for appearing before the committee today.

Senator Bond made a motion to recommend John LaFaver be confirmed as Secretary of Revenue by the full Senate. The motion was seconded by Senator Corbin. The motion carried.

**HB 2008--INCOME AND PRIVILEGE TAX CREDIT FOR EMPLOYMENT OF DEVELOPMENTALLY DISABLED PERSONS.**

Mark Elmore, Johnson County Mental Retardation Center, explained **HB 2008** as a bill authorizing credits for hiring persons who are developmentally disabled. (Attachment 2) He said this tax credit bill will help develop a partnership between the state, businesses and firms located in Kansas, and organizations like the Johnson County Mental Retardation Center. Their agency has been assisting individuals who are mentally retarded who desire to be productive members of society to find a job. He said they make good employees, they enjoy their work and they are dedicated to the companies that employ them. Through this tax credit some businesses will be encouraged to hire such persons. He said he believes this tax credit concept offers a unique marketing opportunity. It will open another door for their staff to discuss with businesses the many advantages of hiring persons with disabilities. Some firms will not take advantage of the credit; however, some will and those are the ones they hope to find.

Senator Langworthy asked if Mr. Elmore knew if other states are doing this? He replied Michigan has a similar bill in the process and other states have looked at this. The federal government has a tax incentive program but he thinks it is going to be merged into Senator Kassebaum's job bill. They have looked at that law.

Senator Bond asked what is the definition of developmentally disabled? Mr. Elmore said it is a person that tends to be under the age of 21 when they develop a disability. He said it is tied to the SRS definition.

Senator Ranson asked if this credit can be applied to businesses who have already hired the disabled people. Mr. Elmore said no, and the person must have worked for a business for 8 months before the business is eligible for the tax credit.

The hearing on **SB 2008** will be continued tomorrow, Tuesday, March 7, 1995

The meeting was adjourned at 12:05 p.m.

The next meeting is scheduled for Tuesday, March 7, 1995.



**CONFIRMATION HEARING OF**

**JOHN D. LaFAVER**

**SENATE ASSESSMENT AND TAXATION COMMITTEE**

**MARCH 6, 1995**

I appreciate the opportunity to be here this morning to talk about Governor Graves' and my plans for the Department of Revenue in the coming years.

I have spent virtually my entire career working with state governments. I have worked in four states for both the legislative and executive branches, serving legislative houses and distinguished governors of both parties. For over 20 years I have directed state agencies and led national organizations playing a central role in developing state fiscal policy. During that time I have accepted the tougher jobs: those where significant change and improvement was clearly needed. And I look back on those assignments with a good deal of satisfaction. I have had the privilege of leading some really outstanding, innovative efforts, and working with some extraordinary people across this nation.

Why I have spent so many years doing this work, and why I am here in Kansas deserve some thought. For they are

*Senate Assess and Tax*  
*3-6-95*  
*attach 1-1*

central to whether I am the right choice to lead the Kansas Department of Revenue under Governor Bill Graves.

Fundamental to what I believe is that state governments in the United States of America today have the greatest potential of meeting our people's needs of any governmental institution. They are generally small enough to avoid the incredible inertia of the Federal apparatus while being large enough to gather the resources, both fiscal and human, to meet key challenges at the turn of the century. Central to whether states can realize this tremendous potential is the development of sound fiscal policy. For if scarce dollars cannot be raised efficiently and fairly and spent prudently, the governmental institution will ultimately fail.

And how should tax dollars be raised? I am often reminded of the description of "tax fairness" by one of the deans of state tax administration. He believed the term, "fair taxes", was a self-contradiction. After all what is fair about forcing people to pay significant sums of hard earned money against their will? He thought the best we could do was treat everyone equally unfairly. If paying taxes is unfair, at least we can help assure that everyone plays by the same rules. If everyone truly pays their legitimate share, no one can really complain of being singled out for unfair treatment.

Of course determining each taxpayer's "legitimate share" is the art of this business. It is at the heart of what occurs daily in this room. You try to weigh how the interests of individual taxpayers can be reconciled with the interest of all taxpayers. I know you view skeptically the claims of both taxpayers and State representatives that their views best represent the interests of all the people of Kansas. You make your judgments, pass the laws, and expect the Secretary of Revenue to carry them out efficiently and with some common sense.

The most important job of a Secretary of Revenue in serving his Governor is to represent the interests of all taxpayers -- certainly not the interests of the bureaucracy or of a particular group of taxpayers or political party -- but the interests of all taxpayers in carrying out the laws passed in these halls.

In my experience, departments of revenue, the organizations that represent them as well as major taxpayers and their groups spend way too much time and effort confronting each other and very little jointly finding reasonable solutions to difficult issues. They often seem chained to positions they have held for decades. My experience has shown that there are usually many ways of looking at and solving problems. I start with the assumption

that all parties share my commitment to seek reasonable solutions. This approach works more often than not. When it does not, I will be prepared to defend the interest of all taxpayers as I understand it.

While the resolution of conflicts is an important part of this job, modernizing the tax administration process itself is likely our greatest challenge. Governor Graves' "high and tight" motto scarcely describes the Department of Revenue in 1995, but I assure you it will by 1998. Our computer tax systems are outmoded and out of date. Our organizational structure is an illogical honeycomb. Our ability to serve our customers is frozen in 1960's technology. The good news is that modern technology, harnessed to a commitment to fundamentally rethink this business, can pay off in improved taxpayer service and increased collections in the coming months.

The state's role in the administration of the property tax deserves special mention. I have led one department that set all property values and another in which values are set at the local level using state standards. There is no question in my mind which is superior. The determination of property values is best left to local officials who are closer to the issues and realities of local property valuation. Of course, the state must assure broad based standards are met. The challenge is to harness local control and authority

to meet reasonable state standards. I am fully committed to meeting this challenge.

In closing let me share with you a brief story about one of my first memories of taxation. My father was a conservative, non-political, Eisenhower Republican. I don't think he thought anyone really filled that job well after Ike. I remember him preparing his income tax from meticulous hand spreadsheets he kept of our family's finances. One night he came out with a check he had written to the IRS and handed it to me. It seemed like an awful lot of money to a young boy. He said in his sternest voice that this was more money than he had made in a year in his first real job. I kind of held my breath, expecting a lecture about high taxes. Instead he said he was proud to pay this money. It was his contribution to the greatest country in world -- and it was the best bargain he would ever make.

I often think this job would be a lot easier if more folks had Dad's outlook. But whether they do or not I'm proud to do this work. It's an important job that deserves to be done right. I'm looking forward to the opportunity to serve Governor Graves and the people of Kansas as your Secretary of Revenue.



# INDEX OF REFERENCES

FOR

JOHN D. LaFAVER, SECRETARY  
KANSAS DEPARTMENT OF REVENUE

1. Senate President Jeffrey H. Butland
2. Congressman John E. Baldacci
3. State Representative Richard E. Simoneau, CPA
4. John Oliver, Director of Public Affairs, L.L. Bean
5. Frank Schaefer, Partner, Grant Thornton
6. Charles C. Soltan, Attorney, Verrill Dana
7. Jim McGregor, Director Governmental Affairs, Maine Merchants Association
8. Joseph R. Plati, Director Tax Operations, NYNEX
9. S. Keith Anderson, President, Montana Taxpayers Association
10. Jerome Anderson, Attorney, Representing Oil and Gas Industry
11. Maralyn Budke, Former Director of New Mexico Legislative Finance Committee and Chief of Staff to Governor Garrey Carruthers



THE MAINE SENATE  
OFFICE OF THE PRESIDENT

SENATOR JEFFREY H. BUTLAND  
President of the Senate

STATE HOUSE STATION 3  
AUGUSTA, ME 04333  
TEL.: (207) 287-1500

February 22, 1995

Ms. Judy Krueger  
Office of the Governor  
State House  
Topeka, Kansas 66612

Dear Ms. Krueger:

I am writing to register my strong support for John LaFaver who, I understand, is being considered for the post of Revenue Commissioner in Kansas.

While serving as State Tax Assessor in Governor John R. McKernan's administration, John earned the respect and admiration of legislators for his capable, level-headed leadership in developing sensible tax policies.

As a member of the Joint Standing Committee on Taxation, I had an opportunity to work with John on a nearly daily basis for a period of two years. He was present at every public hearing and work session and could always be relied upon to provide sound advice to the Committee. I truly enjoyed working with John and found him well-informed, dependable and always professional in his dealings with the Legislature.

John's move to Kansas is a loss for the State of Maine. As newly-elected President of the Maine State Senate, I am only too well aware how much we will miss John's considerable tax expertise, as well as his friendship. I am delighted to lend my sincere and unqualified endorsement to John LaFaver's candidacy for Revenue Commissioner.

Sincerely,

A handwritten signature in black ink that reads "Jeffrey H. Butland".

Jeffrey H. Butland  
President of the Senate

JHB/hrd

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**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515**

February 13, 1995

To Whom It May Concern:

It is a pleasure to offer my highest recommendation for John LaFaver. Having worked with John for many years in Maine State Government, I know him to be a person of exemplary character and capabilities. He has served the State of Maine with outstanding integrity and accomplishment, and will undoubtedly do the same in Kansas.

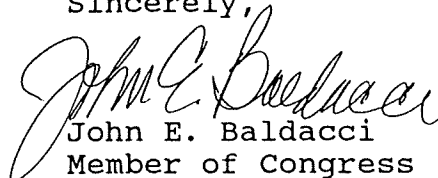
John performed his State Tax Assessor duties with much care and thoughtfulness, and was of tremendous assistance to me and other State Legislators. As a State Senator for the past 12 years, I turned to John from time to time for help with particular issues and always found him to be a great asset.

In particular, John provided valuable information for a piece of legislation I sponsored to expand employment opportunities and get Maine's economy moving forward. The bill, "Jobs and Investment Tax Credit," gained bipartisan support and was enacted into law. It is fair to say that this achievement would not have been possible without the knowledgeable input of John Lafaver.

John is clearly a highly qualified candidate for the post in Kansas State Government. He is a respected expert in the area of tax policy and he understands the intricacies of governmental budgeting. Additionally, I am confident that John understands the many issues confronting state governments today, and appreciates the need for expanded economic opportunities for all Americans.

Again, it is truly a delight to recommend John LaFaver. I hope you will look favorably upon his appointment, and I'd be pleased to discuss this matter further at your convenience.

Sincerely,

  
John E. Baldacci  
Member of Congress

*P.S. You're getting a  
Real fine person and  
Family. Good luck.*



# HOUSE OF REPRESENTATIVES

STATE HOUSE AUGUSTA 04333-0002  
287-1400

RECEIVED  
SECRETARY OF REVENUE

FEB 22

DEPARTMENT OF REVENUE

Rep. Richard N. Simoneau  
130 Main Street  
Thomaston, Maine 04861  
Tel: 207-594-9501

February 13, 1995

Mr. John LaFaver  
915 S. W. Harrison Room 230  
Topeka, KS 66612

Dear John:

The good work you performed in helping to keep Van Baalen (Nautica) in Maine is now coming to fruition.

The newspaper reported last week that the final plans have been submitted to the city for approval. Mayor Molloy told me yesterday that the Company will be building a new facility which will have 250,000 square feet of operating space.

The total cost of plant and equipment, depending upon final decisions, will range from \$8.3 to \$20 million. That is something our community most certainly needs. This new plant will create up to 150 new jobs.

John, I know how hard you worked to resolve the tax problems in this situation. "Tax Collectors", going back to St. Matthew, are not very well perceived by the public. In this case the people of Maine and in particular those in the Mid-coast area, owe you a well deserved "Thank You".

Good luck in your new position. The people of Kansas will be well served.

Personal Regards,

Richard N. Simoneau, CPA

cc: Judy Kruger

District 61 Owl's Head, St. George, South Thomaston and  
Thomaston and Matinicus Isle Plantation and Criehaven



# HOUSE OF REPRESENTATIVES

STATE HOUSE AUGUSTA 04333-0002  
287-1400

0277

Rep. Richard N. Simoneau

130 Main Street  
Thomaston, Maine 04861  
Tel: 207-594-9501

February 13, 1995

Ms. Judy Kruger  
Secretary of Appointments  
226 South State Capitol  
Topeka, KS 66612

Dear Ms. Kruger:

Enclosed is a letter sent to Mr. John LaFaver for your file and information.

Also enclosed is a brief biographical sketch on me.

I have known John for about six years. We are not close personal friends, in fact, I have only been in his presence during one social event.

I first met John when we were speakers at an annual tax institute. Our "frank" exchanges at those meetings was our introduction to one another.

Upon being elected to the House, I was assigned to the Taxation Committee during my first term. This term finds me on Appropriations.

I worked very closely with John on several bills. In one case I was appointed a sub-committee of one and he and I came back to the second session with a bill that provided Maine citizens with an "Offer In Compromise" procedure. Something that surprised a great number of people.

I have mentioned our discussion to several veterans of the Taxation Committee and others. They were shocked to hear that he is being accused of being less than honest with the Legislature. His integrity is one of his Hallmarks.

He was in a most difficult position. A State in financial crisis and political gridlock. A Republican Governor and Democratic control in both Houses, and incredible demands for revenues.

Compound this with a tax administration system that was antiquated and inconsistent in treating taxpayers on given items. This is what he walked into.

District 61 Owl's Head, St. George, South Thomaston and  
Thomaston and Matinicus Isle Plantation and Criehaven

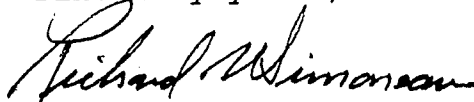
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February 13, 1995  
Ms. Judy Kruger

We now have a modern tax administration system and consistent treatment for tax issues. Tax revenues get to the bank on time. Tax refunds are made faster than the Federal refunds. Morale is high in the Bureau of Taxation.

Our tax laws are, in large measure, the results of a series of "Band-aids" applied to various problems over the years. A good example is our sales tax on "snack foods". The Bureau has been caught up in the problems created when technology outstrips the original intent of a given law. This has created a view that John is anti-business. Nothing can be further from the truth. I have seen what he has tried to do to help business. My enclosed letter is but one example. He worked on "Stifs" and "Tifs" Legislation. He was very much involved in the expansion of our "Jobs" and "Investment" tax credits to point out a few.

I will close by saying that if he is not confirmed, the State of Kansas will be losing a good man. If I were on a selection panel for this job, he would most certainly have my vote.

Sincerely yours,

  
Richard N. Simoneau

cc: John LaFaver

RICHARD SIMONEAU, CPA

Born and raised in Saco, Maine  
Resident of Thomaston, Maine

U.S. Army (Airborne) 1953-1956

1956-1962

Worked in industry in cost accounting and contracts administration

1962-1977

Employed by the Internal Revenue Service. Held the following full-time, part-time and acting positions.

- Revenue Agent
- Chief - Review Staff and Service Branch
- Chief - Technical Branch
- Chief - Administration Division
- Assistant to the Director for Taxpayer Services and Education
- Large Case Manager
- Chief - Audit Division (Acting)
- District Director (Acting)

1978-Present

Private practice - tax partner with Simoneau & Norton, CPAs

1968-Present

Lecturer - University of Maine at Augusta in various Tax and Accounting courses

- University of Baltimore - B.S. in Accounting
- Certified Public Accountant
- Member AICPA and MSCPA
- Member MSCPA Committee on Legislation and Taxation
- Director Camden National Bank
- Director Associated Grocers of Maine
- Member Maine State House of Representatives

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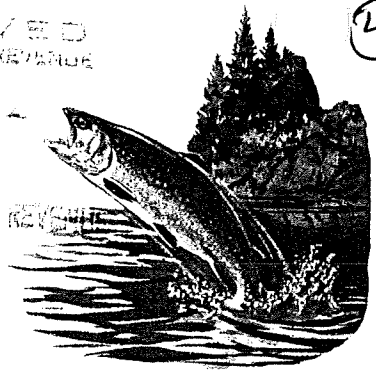
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**L.L.Bean** INC  
FREEPORT, MAINE 04033

*Outdoor Sporting Specialties*

TEL. (207) 865-4761



Mr. John V. Oliver  
Director,  
Public Affairs

February 13, 1995

Mr. John D. LaFaver  
Secretary, Department of Revenue  
Docking State Office Building  
South West Harrison Room 230  
Topeka, KS 66612

Dear John,

This letter is written as a recommendation of you to the people of the state of Kansas and its Legislature in relation to your recent nomination as their Secretary of the Department of Revenue. As one of Maine's larger companies, L.L. Bean has of course had many occasions to deal with the Bureau of Taxation and you as the State's Tax Assessor. While we have had disagreements with the Bureau and you over matters of tax policy regulation, we have always found you to be straightforward, cooperative and extremely professional. You have always been very accessible and willing to discuss matters of importance to our company. We have always found you extremely knowledgeable about taxation policy and very frank in your views.

My dealings with you were frequently related to legislation. Again, even where we disagreed on issues we have always found you to be willing to share your concerns with us and to be willing to compromise in the best spirit of the legislative and public policy processes. I observed the respect that you earned among members of the Legislature's Committee on Taxation. You were always very professional in front of the Committee in an atmosphere that at times could prove to be difficult.

I think that the people of Kansas will find you as capable and effective an administrator as you proved to be in Maine.

I wish you the best of luck in your latest endeavor and if I can be of any further assistance to you, please do not hesitate to contact me.

Sincerely,  
*John Oliver*  
John Oliver

JVO:cb



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FEB 13 1995

DEPARTMENT OF REVENUE

5

**Via Federal Express**

February 10, 1995

Mr. John D. LaFaver  
Secretary of Revenue  
Kansas Department of Revenue  
915 S.W. Harrison, Room 230  
Topeka, KS 66612

**Grant Thornton** 

GRANT THORNTON LLP Accountants and  
Management Consultants  
The U.S. Member Firm of  
Grant Thornton International

Dear John:

I was pleased to hear of your recent appointment as Secretary of Revenue in Kansas. I am happy to offer my comments on our work together during your tenure as State Tax Assessor for Maine.

Over the course of several months, I was very impressed by your responsiveness. There were never any bureaucratic barriers to our ongoing communications. You always took pains to comprehend the technical tax issues involved, remained accessible and tried to move matters forward.

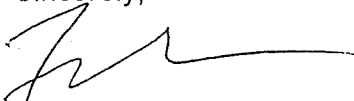
In negotiations, fairness was of paramount importance to you - for my client and for all Maine taxpayers. While you demonstrated a progressive, pro-business attitude, you also displayed an awareness that your actions would have consequences for your successors and the people of your state.

Finally, you took responsibility for your decisions. There were no attempts to hide behind technicalities or to evade decision-making by delegation to subordinates. Frankly, I was surprised when you arrived at one meeting unaccompanied by an entourage. As a result, that meeting proceeded crisply and productively.

I believe that your personal, hands-on involvement served my client, the people of Maine and its business community equally well. As a state and local tax partner in a national accounting firm, I encounter many tax administrators at all levels. I wish that more of them employed your balanced approach.

You have my wishes for great success in your new position. I look forward to working with you again.

Sincerely,



Frank Schaefer,  
Partner

VERRILL & DANA  
ATTORNEYS AT LAW  
45 MEMORIAL CIRCLE  
P. O. BOX 957  
AUGUSTA, MAINE 04332-0957  
(207) 623-3889  
FACSIMILE (207) 622-3117

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10

DEPARTMENT OF REVENUE

OFFICES IN:  
PORTLAND, MAINE  
KENNEBUNK, MAINE

CHARLES C. SOLTAN

February 13, 1995

John LaFaver  
Secretary of Revenue  
Department of Revenue  
915 S.W.  
Harrison, Topeka, KS 66612

Dear John:

I wish you all the best in your new endeavors as the Secretary of Revenue for the State of Kansas. I am sure that you will execute your duties and responsibilities in the same high quality and professional manner that you did here in the State of Maine. I always found you to be very approachable, fair, and forthright in the dealings we have had over the years.

I can cite one example of such work that involved legislation proposed by numerous rental car agencies in last year's session that created a mechanism to recoup excise tax payments on automobiles present here in the State for only a small part of the year. Your technical skill and willingness to work with all parties to ensure fairness in the passage and application of the new law was extremely helpful.

I know that you will bring the same sense of professionalism candor, technical skill and fairness to your new job you displayed here.

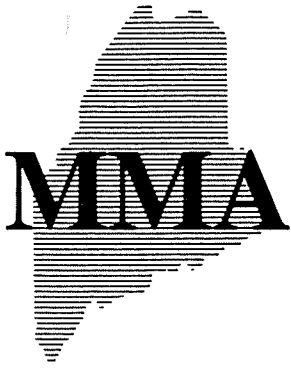
Again, I wish you the best of luck in your new job.

Very truly yours,



Charles C. Soltan

ccs/jld



# MAINE MERCHANTS ASSOCIATION INC.

P.O. BOX 5060 • AUGUSTA, ME 04332-5060 • TEL. (207) 623-1149

*Affiliated with National Retail Federation, Washington, D.C.*

February 20, 1995

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SECRETARY OF REVENUE

FEB 27 1995

JOHN M. KELSEY  
PRESIDENT

KENNETH QUIRION  
EXECUTIVE VICE PRESIDENT

DEPARTMENT OF REVENUE

Mr. John LaFaver  
Department of Revenue  
915 S.W. Harrison  
Room 230  
Topeka, Kansas 66612

Dear John:

As disappointed as I was to see you leave Maine state government, it was good to chat with you last week and learn that you and Mary Faye are getting settled in Kansas. The enthusiasm you expressed for the new job convinces me that it is a great opportunity and one that will be successful for your family and the citizens of Kansas.

Now that you have departed the Maine Bureau of Taxation and no longer have to be wary of the motives of associations like mine, I can tell you that in 20 years in and around governments in several states I have never found a more professional and responsive department than the one you administered. Because of the interest and professionalism of you and your staff I was able to answer hundreds of questions from the small business members of my association. I don't ever remember calling your agency and failing to get an answer or directions as to where it could be found.

Your sales tax and recycling bulletins continue to be in great demand by our members. They are very readable and understandable. As a matter-of-fact, I told the legislature's Taxation Committee last week that your recycling pamphlet had enabled Maine Merchants to identify several areas of mischarging in that program.

I truly believe that the entire State House lobby appreciated your candor and straight-forward approach to tax matters. Even when we were on opposite sides of the fence we could always depend on you for a straight answer.

Best to you and the family.

Jim McGregor, Director Governmental Affairs

Maine Merchants Association

NYNEX Corporation  
125 High Street Rm 335 Boston MA 02110-2721  
17 743 4207  
fax 617 743 2249

Joseph R Plati  
Director — Tax Operations

RECEIVED  
SECRETARY OF REVENUE

NYNEX

DEPARTMENT OF REVENUE

February 22, 1995

Mr. John LaFavor  
Office of the Secretary  
915 S. W. Harrison Street  
Topeka, KS 66612-1588

Dear John:

I recently heard about your possible appointment as the Secretary of Revenue for the State of Kansas. I am pleased for you but I am sorry we will no longer have you in Maine.

It has been a real pleasure to know you and to work with you over the years. I always found you to be fair, reasonable, and responsive to taxpayer needs without compromising the fiscal needs of the State. I remember in particular the situation in 1991 when the Maine Legislature was desperate for additional tax funds before that fiscal year ended and decided to raise the tax on telephone property. It clearly would have been an unfair and excessive tax and we would have opposed it vigorously.

Instead of the situation evolving into a heated battle, you and I were able to sit down and work out a solution which satisfied the Legislature and was the least costly alternative to the Telephone Company. I think this kind of cooperation between the tax authority and the taxpayer is essential to the proper operation of both entities and it was your normal mode operation.

I wish you success in your new endeavor.

Sincerely,

JR Plati



# MONTANA TAXPAYERS Association



P O BOX 4909

1706 NINTH AVENUE

HELENA, MONTANA 59804

406 442-2130

October 5, 1987

To Whom it May Concern:

At the start I should establish myself as one who can speak with responsible authority when it comes to writing a recommendation for John D. LaFaver.

I am president of the Montana Taxpayers Association and also Chief Executive Officer of the Montana Tax Foundation Inc. and the Montana Legal Defense Fund Inc. These three non-profit organizations are supported financially and directed by those prominent in the Montana business community. The Taxpayers Association was organized in 1921 and has been an active participant in governmental affairs since that time. As president and spokesman of the organizations I have been an observer of state government for over 30 years and have known the elected and appointed officials in Montana during that time.

To start a letter To Whom it May Concern sounds overly impersonal, when in reality I have had a close association with John D. LaFaver for the last 13 years. I first met John when he came to Montana state government from New Mexico. He came to our office to become acquainted and to learn of our operation and how we fit into the scheme of Montana public affairs. I might add that over the years he is the only state government department head I can recall that made such an effort of cooperation. As a result over the years we have shared information and cooperated on a number of projects that were beneficial to the state of Montana. This I feel, is one of his outstanding traits. He has a willingness to discuss issues with friends and adversaries alike and he has the ability to communicate various positions in a clear, articulate fashion. This is very important for someone working in and out of government. There is a distrust in the public sector of government so it is vital to have people of his high caliber who can work with organizations and individuals to attain the objectives necessary for both government and the private sector.

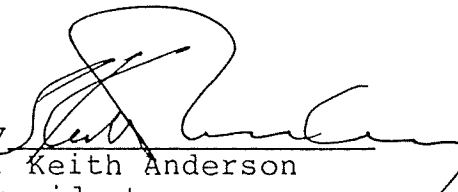
As mentioned, John works well with those of opposing views. He has had to work with both sides of the aisle in the Legislature all through his career in government. Likewise, when with the Montana Department of Revenue he has had to articulate positions of the Administration that were often unpopular with the Legislature and with many individuals and organizations in Montana. For example, John and I have often disagreed on matters of taxation. These disagreements have been picked up by the press and often blown out of proportion, but, and I want to make this point clear, John has always conducted himself as a professional and a most worthy and high principled

adversary. Unfortunately I cannot make this statement for others I have dealt with both in and out of government.

John obviously has excellent formal academic qualifications. The important part is that he has continued to grow within his profession when put into some difficult administrative situations. He has handled two of the "hot spots" in Montana government with great skill going from directing the office of Legislative Fiscal Analyst to Director, Department of Social and Rehabilitation Services and then to Director, Montana Department of Revenue. The latter two positions have been extremely difficult because of the controversy inherent in the offices brought on by the 1972 Montana Constitution, Supreme Court decisions and issues probably peculiar to Montana. Again, John worked with the issues and handled them with great skill in dealing with both the public and the Montana Legislature.

As Department Director he has had to master difficult information and situations on short notice. Obviously the Unitary Tax was an obscure issue to the department when he was Director of SRS, but he had to become an instant authority on the subject when appointed to the Department of Revenue. Likewise with the Montana reappraisal program that involved elected and appointed officials of 56 counties and inherently was an unpopular program with the general public. I could mention any number of issues that John had to face on short notice but were handled with intelligence, composure and great ability.

Obviously I have a high regard for John LaFaver and his ability as an administrator. I give him my unqualified recommendation and would be pleased to discuss the matter further.

By   
S. Keith Anderson  
President

(10)

ANDERSON, BROWN  
GERBASE, CEBULL, FULTON, HARMAN & ROSS, P.C.

JEROME ANDERSON  
ROCKWOOD BROWN  
C.J. GERBASE, JR.  
RICHARD F. CEBULL  
ANGUS BANE FULTON  
STEVEN J. HARMAN  
JOHN W. ROSS

ATTORNEYS AT LAW  
315 NORTH 24TH STREET  
P.O. DRAWER 849  
PHONE (406) 248-2611  
BILLINGS, MONTANA 59103-0849

JOHN J. RUSSELL  
JOHN A. DOSTAL  
MICHAEL W. TOLSTEDT  
MICHAEL P. HERINGER  
GUY W. ROGERS

December 8, 1987

TO WHOM IT MAY CONCERN

It is with the highest regard for his many capabilities that I recommend John D. LaFaver for engagement by those who are contemplating taking advantage of the availability of his expertise and services.

I don't believe it necessary, in this letter of recommendation, to detail the wide extent of his past experience. A review of his resume quickly reveals the depth of that experience, the diversity of his past and present employment, his excellent educational background, and the extent of his participation in community and professional associations and affairs. All of this supports my observation that John not only performs his responsibilities within the parameters of his employment position at a rate of 120% but also that he goes an additional mile to render service and participate in activities with and on behalf of his peers and the fellow members of his community.

My experience with John, and my observation of his capabilities, has taken place over the past approximately six years while he has been a department head over several agencies or departments of state government in the State of Montana. During that period of time, and in particular during the past three years, my representation of my clients has resulted in my having been in a semi-adversarial position a good deal of the time with respect to John and his department of state government. This has given me a rather unique opportunity to evaluate his capabilities since it has many times been my responsibility to develop criticisms of the work of his department as well as his own direction of that department with regard to policies and regulatory activities. I have participated in appearances before legislative committees and industry groups where he and I have personally opposed one another. On the other hand he and I have participated together in work and in activities directed toward resolving differences and developing programs designed to alleviate some of the heavy regulatory burdens that are faced by the industries which I have represented. In all of this I have had the utmost respect for John's capabilities and

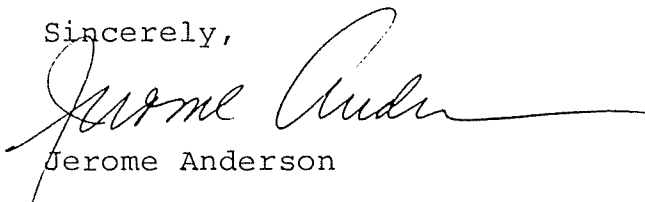
Page 2

his integrity as well as his loyalty. He has been both a worthy adversary as well as a reasonable and cooperative problem solver.

A review of his resume reflects his interests and capabilities in the areas of taxation and public finance. I have no reservations whatsoever in recommending him for a position which involves those matters. In addition I must point out my admiration for his administrative and management skills and do recommend him for positions involving those kinds of requirements.

I highly recommend John and would be more than happy to answer any inquiries regarding him.

Sincerely,

A handwritten signature in cursive script that reads "Jerome Anderson". The signature is written in dark ink and is positioned above the printed name.

Jerome Anderson

JA:td



GARREY CARRUTHERS  
Governor



OFFICE of the GOVERNOR  
State of New Mexico  
Santa Fe 87503

October 8, 1987

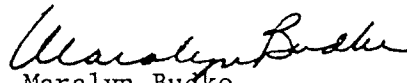
TO WHOM IT MAY CONCERN:

I am pleased to commend to your attention the application of John D. LaFaver. I have been acquainted with John since he joined my staff of the New Mexico Legislative Finance Committee in March of 1970. John continued in his employment with us until July of 1974. Throughout that period he held positions of increasing responsibility and complexity. By the time he left our staff, he was my senior associate analyst and I regarded him virtually as my "right arm."

After moving to Montana, Mr. LaFaver assumed the position of fiscal analyst in the office of the legislative auditor and subsequently as the legislative/fiscal analyst. In that role he was my counterpart in Montana and I therefore had occasion to be professionally associated with him until he left that position in 1981. Through that relationship I know that John was held in high regard by legislative/fiscal analysts from throughout the country. Indeed, at the time of my retirement from the New Mexico Legislative Finance Committee in 1982, he was still held in such high regard here that the committee made extraordinary efforts to persuade John to return to New Mexico and assume the directorship of the Legislative Finance Committee here, a choice he ultimately did not make.

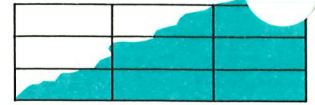
From my years of association with him and from continued, albeit infrequent, contacts in recent years, I know John to be a man of exceptional intelligence. Of equal importance, is the fact that he is possessed of outstanding administrative ability and unquestioned integrity. I am pleased to be able to commend him to your most serious attention.

Sincerely,

  
Maralyn Budke  
Chief of Staff

MB:pc





March 6, 1995

SENATE ASSESSMENT AND TAXATION COMMITTEE

TESTIMONY ON HOUSE BILL 2008

Senator Audry Langworthy, Chairperson

Presented by Mark Elmore, Executive Director JCMRC

Chairperson Langworthy and Members of the Committee:

Thank you for allowing me to present some brief comments to your committee. I am Mark Elmore, executive director of Johnson County Mental Retardation Center, an agency providing services to more than 600 persons with mental retardation. JCMRC provides and supports other organizations in the delivery of comprehensive services to many citizens that turn to us for help. We have been offering services since 1972 and have literally helped hundreds of individuals find community employment in a wide variety of occupations.

Today your committee is looking at House Bill No. 2008, an act relating to income taxation; authorizing credits for the hiring of persons who are developmentally disabled. We appreciate Representative Haulmark's leadership in offering this bill. We believe it is a positive step in acknowledging the partnership that is needed to help persons we serve find real jobs in the communities where they live. This tax credit bill will help develop a partnership between the state, businesses and firms located in Kansas, and organizations like JCMRC.

Since 1972 our agency has had some type of employment placement service assisting in what can be a long and difficult activity, finding a job. Our help has been directed to individuals who are mentally retarded and need our services because of their desire to be productive members of society. Many of these individuals could have easily stayed out of the work force, sat at home or attended a special work center but chose instead to seek employment. They have helped to fill many jobs that are of great benefit to local businesses. Jobs that pay above minimum wage in most cases. Jobs that add to the persons feelings of worth and dignity.

It has been my privilege to watch many of these individuals as they leave our work activity programs and move on to the community employment services. The positive experiences of these individuals would fill a book. They make good employees, enjoy their work and are dedicated to the companies that employ them. Some companies will be encouraged to hire such persons by this tax credit bill.

Many companies see the benefits of hiring persons with developmental disabilities, many do not. Some companies are concerned with the implications of the Americans with Disabilities Act, ADA, because it is seen as a negative mandate on them as businesses. This bill offers a new and unique incentive to businesses to look closely at hiring the persons that we are trying to place.

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JOHNSON COUNTY MENTAL RETARDATION CENTER  
10501 LACKMAN ROAD • LENEXA, KANSAS 66219-1223  
(913) 492-6161 • FAX (913) 492-5171

*Senate Assessment Tax*  
*3-6-95*  
*Attachment #2*

page 2 Assessment and Taxation Committee Testimony Cont.

Over the years we have worked with your Departments of Mental Health and Retardation Services and Rehabilitation Services primarily through grants to help in employment efforts. Often such grants are directed at providing staff resources to place individuals that are ready to work in the community. Seldom does that partnership between the state and agencies like ours include local businesses. Recently we at JCMRC have enlisted the help of many local business leaders as we work to expand the employment of those we serve. In talking with those business leaders we have discussed the need to find some unique marketing tool to help the individual get that opportunity to prove themselves as an employee. We believe this tax credit concept offers one such unique marketing opportunity. It would at least give our staff another door opening opportunity to discuss with businesses the many advantages of hiring persons with disabilities. Such opportunities to even discuss the possibilities may prove helpful. Some firms will not take advantage of the credit. Some will and those are the ones we hope to find.

In closing we share that many of the persons we serve would chose to be at work in a competitive employment situation if they had the opportunity. We can help them by opening the door to businesses with this tax credit.

attachment: JCMRC Briefing

Leg 035

# An Overview of JCMRC



As a community agency providing services to people with mental retardation, JCMRC offers flexible assistance to meet the needs of the individual. Established as Johnson County Mental Retardation Center in 1972, JCMRC strives to be a leader that provides nationally accredited services to persons with mental retardation so that they may live, work and play in the community at the highest level of personal independence.

JCMRC's mission is to provide for and to support persons with mental retardation of Johnson County, Kansas, with appropriate, quality services for them and their families, to help them achieve their highest level of individual independence.

Located in the rapidly expanding business community of Lenexa, Kansas, JCMRC is a state designated Community Mental Retardation Agency offering both comprehensive care and community inclusion assistance.

## Assistance Designed for the Individual

Persons with mental retardation have individual needs. For persons needing long term or comprehensive care, a continuum of services can include group living settings, family situations or other agency homes. This may also include day care activities or basic employment assistance at the agency's training center in Lenexa.

A diverse range of services are also available for persons who require less assistance. Service plans for these individuals can include living assistance for the person maintaining his own home, or one through JCMRC, another agency, or a family, as well as working in the community. Employment assistance can be coordinated through JCMRC's employment trainers. Family support is also available.

## Professional Partnerships

To help the persons with mental retardation design a plan, service coordinators provide guidance during an assessment of capabilities and interests.

The service coordinators will help in finding resources, transportation and counseling.

There is also a variety of training opportunities in decision making, utilization of community and public resources, self advocacy and improving personal relationships.

JCMRC coordinates affiliate services with more than 175 agencies, businesses and individuals who offer care assistance. Also, JCMRC has strong connections with regional, state and national support agencies.

## JCMRC is:

- Accredited by the Commission on Rehabilitation Facilities (CARF)
- Licensed, certified and partially funded by the Kansas Department of Social and Rehabilitation Services
- Licensed by the Kansas Department of Health and Environment as a Child Placing Agency
- Licensed by the Kansas Department of Health and Environment for Residential Services
- An active member of the Kansas Association of Rehabilitation Facilities (KARF)

JCMRC is administered by a seven-member Governing Board whose members are appointed to three-year terms by the Board of County Commissioners. As an agency of Johnson County Government, JCMRC does not discriminate on the basis of race, color, national origin, sex, religion, age or handicapped status in employment or the provision of services.



**Mark Elmore**  
Executive Director

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