

Approved: 3-5-97  
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 17, 1997 in Room 519-S of the Capitol.

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

Conferees appearing before the committee:

Dr. William Murphy, American Heart Association  
Kate Share for Terry Larson, Kansas Alliance for Mentally Ill  
Doug Wright, American Lung Association  
Rep. Gwen Welshimer  
Jane Masteller, Wichita  
Fred Masteller, Wichita  
Carol Doss, Topeka Independent Living Resource Center  
Kevin Robertson, Kansas Lodging Association  
Dick Merkel, Club House Inn, Overland Park  
Rep. Terry Presta

Others attending: See attached list

Chair opened hearing on:

**HB 2087 - Sales tax exemption for certain health organizations**

Proponents:

Dr. William Murphy, American Heart Association (Attachment 1)  
Terry Larson, Kansas Alliance for Mentally Ill (Kate Share) (Attachment 2)  
Doug Wright, American Lung Association (Attachment 3)

Written Testimony only:

Connie Christy, American Diabetes Association (Attachment 4)  
Lonny Lindquist, Kansas Mental Illness Awareness Council (Attachment 5)

Chair closed hearing on **HB 2087**.

Rep. Phyllis Gilmore requested bill to be introduced in regard to sales tax exemption for non-profit volunteer fire departments.

Moved by Rep. Mays, seconded by Rep. Shore, the committee introduce a bill to exempt from sales tax non-profit volunteer fire departments. Motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON TAXATION, ROOM 519-S Statehouse, at 9:00 a.m. on February 17, 1997.

Chair opened hearing on:

**HB 2153 - Income tax credit for accessibility to disabled individuals or newly constructed houses.**

Proponents:

Rep. Gwen Welshimer (Attachment 6)  
Jane Masteller, Wichita (Attachment 7)  
Fred Masteller, Wichita (Attachment 7)  
Carol Doss, Topeka Independent Living Resource Center (Attachment 8)

Chair closed hearing on **HB 2153.**

Chair opened hearing on:

**HB 2076 - Hotel defined for sales and transient guest tax purposes**

Proponents:

Kevin Robertson, Kansas Lodging Association (Attachment 9)  
Dick Merkel, Club House Inn, Overland Park (Attachment 10)

Chair closed hearing on **HB 2076.**

Chair opened hearing on:

**HB 2246 - Exclusion of interest income from income taxation**

Proponent:

Rep. Terry Presta (Attachment 11)

Chair closed hearing on **HB 2246**

Rep. Wempe asked for a bill that would establish a \$500 tax credit for investing in agricultural cooperatives that deal in value added projects.

Moved by Rep. Larkin, seconded by Rep. Kirk, the committee introduce a bill allowing \$500 tax credit for investing in agricultural cooperatives. Motion carried.

The next meeting is scheduled for February 18, 1997.

Adjournment.

Attachments - 11

# TAXATION COMMITTEE GUEST LIST

DATE: Feb 17, 1997

NAME	REPRESENTING
Doug Wright	American Lung Ass'n / Kansas
Judy Keller	American Lung Ass'n of KS
William Murphy	American Heart Association
Cinda Stratton	American Heart Association
Glenn Horn	American Heart Association
Arlan Holmes	Division of Budget
Brenda Burke	Jonathan Small
Dave Holstans	Wesker Resources
Wick Meikel	Greater Hotel / Motel Assoc.
Kevin Robertson	KANSAS LODGING ASSN.
Susan M. Baker	Hein + Weir
Ed Spies	Peterson Public Affairs
Kate Shaer	Kansas AMI
Carol Dos	Topoka Independent Living Resource Center
FRED MOSTELLER	LIVING HOME - INSTEAD
Joe Marshall	Living Home Instead
Phyllis Gilmore	Leg.

Kansas Affiliate, Inc.  
5375 S.W. 7th Street  
Topeka, Kansas 66606  
Tel 913 272-7056  
Fax 913 272-2425

**STATEMENT IN SUPPORT OF HOUSE BILL 2087  
BY THE AMERICAN HEART ASSOCIATION  
KANSAS AFFILIATE, INC.**

**HOUSE OF REPRESENTATIVES COMMITTEE ON TAXATION**

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Representative Kline and members of the House of Representatives Committee on Taxation.....My name is Dr. William Murphy and I appear on behalf of the American Heart Association, Kansas Affiliate. Thank you for the opportunity to speak in support of House Bill 2087.

There is an ever present need for not-for-profit health organizations in Kansas to be exempt from sales tax.

Currently the five not-for-profit health agencies that are joining in this effort **American Heart Association, American Diabetes Association, American Lung Association, Kansas Alliance for the Mentally Ill and the Kansas Mental Illness Awareness Council** (see exhibit) together pay approximately **\$47,000** in sales tax annually. While this amount may seem insignificant to the state, it is very significant to the not-for-profit health organizations.

For example, the \$35,000 the American Heart Association would save from being exempt from paying sales tax would allow us to do one or more of the following:

- 1. Entirely fund an additional grant-in-aid researcher. (see exhibit on the mission statement and research brochure)**
- 2. Place schoolsite kits in hundreds of schools for teachers to teach health education.**
- 3. Fund additional community program projects that would allow expansion and continuation of cardiovascular wellness programs.**

The list goes on. Our point is that not-for-profit health organizations play a major role in the betterment of life for all Kansans.

The health benefits derived from educational programs conducted to reduce the incidence of cardiovascular diseases and stroke have been significant. In a ten year period from 1978 to '88, coronary heart disease declined nearly 30 percent and stroke declined 33 percent. **OUR WORK IS PAYING OFF!**

However, we still have our work cut out for us. Consider that cardiovascular disease alone costs **Kansans 1.3 billion** a year in medical care and lost productivity. (It cost the Nation over \$150 billion) Consider that it costs approximately **\$50,000** for coronary by-pass surgery so we cannot afford not to be successful in health education and scientific advancement. The not-for-profit health organizations are important in helping to realize that success.

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**The not-for-profit health organizations and the State of Kansas have an unofficial partnership. The Kansas Department of Health and Environment is trying to accomplish the same goals as we are: to reduce the incidence of various health problems, whether it be heart disease, lung disease, smoking, birth defects, etc. Our efforts continually compliment the other and each welcome the others resources as we work together on various health projects. If we are successful in achieving our goals, the state will be successful in attaining their goals and vice versa.**

What we are asking for is not new. We are not asking for a privilege we did not previously enjoy, but rather we ask for a return to the exempt status that we held prior to 1972. Furthermore, the Kansas Affiliate of the AHA is one of only 12 Affiliates, out of 50, that currently pays sales tax. Most other states are exempt, including our neighbors in Missouri.

We respectfully ask on behalf of the not-for-profit health organizations listed in our proposal that the sales tax currently imposed on our organizations be eliminated.

**NOT-FOR-PROFIT HEALTH ORGANIZATIONS WITH  
OFFICES IN KANSAS  
1995-96 FISCAL YEAR FIGURES**

Expenditures                      Tax Paid

**The following health non-profit agencies/organizations responded to participate in a joint sales tax exemption initiative:**

American Diabetes Association Connie Christy Eastern Regional Director 3625 SW 29TH TOPEKA KS 66614 (913) 271-6010	\$113,821	\$7,000
American Heart Association, Kansas Affiliate Cindee C. Stratton Communications & Marketing Director 5375 SW 7TH ST TOPEKA KS 66606 (913) 272-7056	\$569,000	\$35,000
American Lung Association Judy Keller Executive Director 4300 DRURY LN PO BOX 4426 TOPEKA KS 66604 (913) 272-9290 (800) 432-3957	\$117,647	\$4,000
Kansas Alliance for the Mentally Ill Terry Larson Executive Director 112 SW 6TH STE 305 PO BOX 675 TOPEKA KS 66601 (913) 233-0755	\$11,158	\$632
Kansas Mental Illness Awareness Council Lonnie Lindquist Executive Director PO BOX 2264 TOPEKA KS 66601 (913) 235-3866	<u>\$11,800</u> \$823,426	<u>\$500</u> \$47,132

**The following agencies/organizations are exempt from sales tax in Kansas:**

Institute of Logopedics - Exempt 2400 JARDINE DR WICHITA KS 67219 (316) 262-8271 Ext 201 (800) 835-1043	United Cerebral Palsy Assn. - Exempt 2021 N OLD MANOR PO BOX 8217 WICHITA KS 67208 (316) 688-1888
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# PROGRESS STARTS WITH...



## ...THE MISSION

The mission of the American Heart Association is to reduce disability and death from cardiovascular diseases and stroke.

Heart disease continues to be the leading cause of death in **every county** in the Kansas Affiliate. It will kill nearly **1 million people** nationwide this year and is the leading killer of **women**, as well as men.

**Heart disease takes more lives than cancer, accidents, and AIDS combined.** Heart disease costs America over **\$120 billion** in health care costs and lost productivity each year.

## ...EDUCATION

To reduce your risk of a heart attack, remember the following:

- Stop Smoking
- Control high blood pressure
- Eat a low-saturated-fat, low-cholesterol diet
- Be physically active
- Maintain proper weight

The American Heart Association has developed useful educational programs targeted toward people of all ages in order to teach how to combat heart and blood vessel diseases. **Over 1 million people** are reached each year through these programs at work sites, schools, community centers, hospitals, and clinics.

These programs include **stroke workshops & support groups, nutrition classes, smoke-free education for children, cardiac risk factors for seniors, women & heart disease,** and a speakers bureau on general topics.

To learn more about how to combat cardiovascular diseases and stroke, call one of the numbers listed below:

**Kansas Affiliate** (913) 272-7056  
**In Greater Kansas City** (913) 648-6727  
**In Sedgwick County** (913) 265-4238  
**Or call toll-free** 1-800 242-8721

from 8:30 am- 4:30 pm

## ...RESEARCH

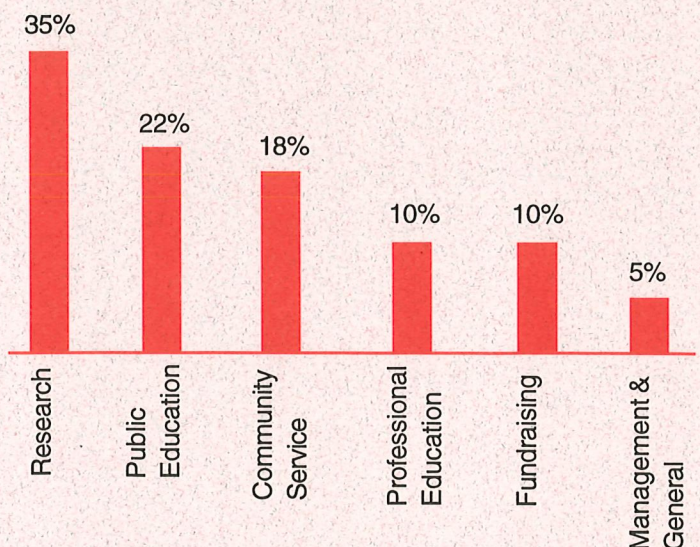
The Kansas Affiliate has funded over \$12 million in biomedical research funding since 1966.

### 1996-97 Research Funding

<u>Institution</u>	<u># Of Grants</u>	<u>Amount of Funding</u>
University of Kansas Medical Center	21	\$472,870.24
University of Kansas	12	\$293,405.34
Kansas State University	11	\$267,246.14
University of Missouri-Kansas City	2	\$ 52,002.46
<b>TOTAL</b>	<b>46</b>	<b>\$1,085,524.18</b>

Research by the American Heart Association has led to many medical breakthroughs including **CPR, bypass surgery, artificial valves, and clotbusting drugs.** It has helped newborn children survive open heart surgery and stroke victims with full recovery.

### How Your Dollars Are Invested



Based on audit figures as of June 30, 1995



KANSAS ALLIANCE FOR THE MENTALLY ILL

112 S.W. 6th • P.O. Box 675  
Topeka, Kansas 66601  
913-233-0755 • FAX 913-233-4804  
1-800-539-2660  
e-mail: ksami@sprynet.com

## Testimony

February 4, 1997

To: Members, House Taxation Committee  
From: Terry Larson, Executive Director, Kansas Alliance for the Mentally Ill  
RE: Exempting Kansas AMI from State Sales Tax Rationale

Kansas AMI is a small not-for-profit with an annual budget of under \$110,000. Exempting Kansas AMI from state sales tax would net about \$500. It may not seem like much, but to a group as small as ours, with often seemingly overwhelming fiscal stress, it is significant and not unlike a major contribution.

Nearly three-quarters of our current income is from a state grant. The rest comes from dues, miscellaneous grant and charitable contributions. Out legislative advocacy is funded by dues only, as charitable contributions may not be used for this purpose. Also, no state grant funds are used for this purpose.

Kansas AMI, founded by and for families of persons with serious mental illnesses, is committed to improving the quality of life of persons with these no-fault brain disorders. We are not a direct services organization, but we provide a number of educational and support services to many Kansas families as well as consumers. Today, about 20% of our membership is consumers, for whom, several years ago, Kansas AMI instituted a reduced membership rate.

Among our services are:

- ◆ Toll-free helpline.
- ◆ Mental illness information clearinghouse.
- ◆ Service referral.
- ◆ Peer support.
- ◆ Family and consumer resource directory.
- ◆ Informational brochures.
- ◆ "Family teaching families" educational program.
- ◆ Bi-monthly newsletter.
- ◆ Annual conference.
- ◆ Public education and awareness.
- ◆ 18 support groups throughout the state.

A sales tax exemption for Kansas AMI means we can get more with the dollars we receive from the state and from our contributors.

Your support would be very much appreciated. If you have further questions, please feel free to call Terry Larson or Kate Shaer at the Kansas AMI office in Topeka at 233-0755.

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Douglas S. Wright  
President  
Gina Marshall, R.R.T.  
President-Elect  
Ronald Weiner, M.D.  
Vice President  
Karen Schell, BSRT, R.R.T.  
Secretary  
Wayne R. Whitney  
Treasurer  
Judy S. Keller  
Executive Director

State Office  
4300 Drury Ln.  
Topeka, KS 66604-2419  
Phone: (913) 272-9290  
In State: 1-800-LUNG-USA  
FAX (913) 272-9297



**TESTIMONY**

TO: Committee on Taxation  
FR: Douglas S. Wright  
RE: House Bill No. 2087  
DT: February 17, 1997

Thank you for allowing me to testify before you today. My name is Doug Wright. I appear before you as President of the American Lung Association of Kansas (ALA/K) in support of HB 2087.

The American Lung Association of Kansas is committed to promoting lung health and preventing lung disease--our state's and this nation's third leading killer. Our work focuses on eliminating asthma--the leading cause of school absenteeism and emergency room visits among children--and reducing tobacco use--our state's single leading cause of preventable death.

The Association pays approximately \$4,000 annually in sales tax. There are three reasons we ask you to exempt our organization.

**When You Can't  
Breathe,  
Nothing Else  
Matters®**

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First, the money will be spent on critical health care needs in our state. With it we could, for example provide eight full scholarships to financially needy children who attend the American Lung Association of Kansas' Camp SuperBreathers--the only camp for asthmatic children in the state. Or that \$4,000 could fund 40 public elementary school asthma management programs for students and faculty; or 16 tobacco prevention programs across Kansas; or two tobacco prevention seminars for youth educators struggling to keep students tobacco-free; or six Freedom From Smoking cessation programs for adults; or six Tobacco Free Teen cessation programs for teens already addicted to tobacco; or nine free public seminars for adults who suffer from Chronic Obstructive Pulmonary Disease; or one research fellowship for a young medical investigator in Kansas.

Second, an exemption would strengthen the Association's ability to subsidize state efforts in public health. The American Lung Association of Kansas is currently the only health organization providing an asthma management program for public schools in Kansas. We work closely with the Kansas Department of Health and Environment to prevent tobacco use among children. Approximately 45,000 pieces of literature are distributed yearly to Kansans requesting information on lung disease. This includes requests from most of the county health departments across the state.

Third, the exemption would make us consistent with most of the other states in the country. Kansas is one of only a few states that currently impose a sales tax on the American Lung Association. Our neighbors in Missouri, for example, benefit from tax exempt status.

I appreciate the opportunity to testify this morning and urge your favorable consideration of our request for tax exemption.



Kansas Affiliate, Inc.

Kansas East Office  
Telephone: 913-271-6010

(Wichita)  
WATS 1-800-362-1355

3625 S.W. 29th Street  
Topeka, KS 66614

**TO:** House of Representatives Committee on Taxation  
**FROM:** American Diabetes Association - Kansas Affiliate  
**DATE:** February 4, 1997  
**RE:** House Bill 2087

Ladies and gentlemen of the House of Representatives Committee on Taxation, thank you for your interest in the work being done by health promotion groups across the state. My name is Connie Christy and I am the regional director of eastern Kansas for the American Diabetes Association. Last year, the Kansas Affiliate of the American Diabetes Association spent approximately \$12,000 on the sales taxes that would be repealed by the bill in question. Let me elaborate briefly on the programs and services of my organization that would benefit many Kansans through the exemption of these taxes.

Camp Discovery is the only camp in the state of Kansas specific to the needs of children with diabetes. It has been our policy to provide camp scholarships for any and all Kansas children with diabetes who are financially disadvantaged. No such child will be turned away. Doctors and nurses volunteer their time each summer serving as camp staff to monitor the children and train them in the techniques of diabetes management. They know that if these children learn good diabetes control now, then they will live to be healthier and happier, with fewer complications and stronger self-esteem. It is a pivotal time for these children, some of them as young as eight years old, so it is critical for us to be able to maintain our scholarship fund.

Another program which we proudly provide free of charge is a toll-free diabetes information hot-line. Anyone can call and receive free information on any aspect of the disease. We get calls not just from newly diagnosed patients, but also concerned friends and relatives, school teachers, baby-sitters, and employers to name a few. Last year over 3,000 people called our hot-line, and more than 2,800 free information packets were sent.

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This tax money would also be applied to scientific research, health fairs held throughout the state, awareness campaigns to identify those who are undiagnosed, support groups, education classes and meetings, and programs for the continuing education of our health professionals.

I am making this appeal on behalf of 138,000 Kansans who have diabetes. Not all of them know they have the disease. Not all of them know how to care for the disease. That is our job at the American Diabetes Association, and House Bill 2087 would help us help those people.

Thank you.



# KANSAS MENTAL ILLNESS AWARENESS COUNCIL INC.

Lonny Lindquist  
Executive Director  
P.O. Box 2264  
Topeka, Kansas 66601  
Topeka Office: (913) 235-3866  
(800) 949-8949  
FAX: (913) 235-2463

## 1997 SSESION TO: HOUSE TAXATION COMMITTEE

### Board of Directors

#### Osawatomie

Lennie Armstrong, 1997  
Emporia  
David Hendershot, 1999  
Ottawa  
Wayne Jennings, 1999  
LaCygne  
Chuck Weeks, 1998  
Ottawa  
Mickey Smith, 1998  
Frontenac  
Esther Fitzgerald  
Towanda

#### Topeka

Bruce Palmer, 1997  
Lawrence  
Charles M. Ray, 1998  
Wichita

#### Larned

Bill Elmore, 1998  
Caldwell  
Melda Lundstrom, 1997  
Hutchinson  
Paul D. Thomas, 1999  
Caldwell

#### Program Coordinator

Julieanna (J.D.) Morrone  
Topeka

#### Business & Technical Consultant

Sherry McGowan  
Topeka

#### Half-time Secretary

Leora Brewer  
Topeka

#### Bookkeeper

Linda Zimmerman  
Ottawa

#### Editor • Consumer Voice

Gene Fitzgerald  
Towanda

#### Consultants

Bryce Miller  
Topeka

Roxanna Lindquist  
Ottawa

Kermit Graika  
Ottawa

By KMIAC President Bill Elmore

### RE: EXEMPTING KANSAS MENTAL ILLNESS AWARENESS COUNCIL FROM STATE SALES TAX RATIONALE

Good morning members of the House Taxation Committee. Mr. Chairperson, I thank you for this opportunity to speak to you today. I am Bill Elmore, President of the Board of Directors of the Kansas Mental Illness Awareness Council Inc. (KMIAC), which is the State wide Consumer Run Organization (CRO), I speak for our membership, the Mental Health Consumers of Kansas.

KMIAC is a small 501 (C) 3 not-for-profit incorporated organization. KMIAC as an organization, offers peer support and education to people who suffer with mental illness and the public, not in sales of a product or service. We work closely, almost in partnership, with the SRS Mental Health Developmental Disabilities (MHDD) and Vocational Rehabilitation Depts. whenever Mental Health consumer issues need to be represented or there is a mental health stakeholders group formed to develop mental health plans or to find solutions (i.e. Topeka State Hospital Closure Plan). We are in daily demand by many other State agencies in need of mental health consumer input.

This net sales tax exemption savings would be derived from our work related purchases. Nearly 95% of our funding is from State grants with the balance through small grants from funding foundations. We view this tax as taxing our own States Dollars, one could say this is double taxation of dollars. Most all of our membership is of below poverty level income so we cannot charge dues, only a minuscule small amount comes from private benefactors who may designate their non tax exempt dollars towards our chosen legislative advocacy efforts. As charitable contributions may not be used for this purpose. Also, no State grant funds are used for our Legislative Advocacy Efforts. Our operational funding is a major problem. We barely have enough money to meet operating expenses so every penny that is saved goes towards materials to help educate

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the consumers and the community. The money we would save from sales tax would only be about \$500.00 per year, but it is significant to help us to reach out with help and support to consumers and help attain our goals, which is to promote awareness, methods, and concepts that increase the participation of individuals with psychiatric disabilities regarding both their treatment and their lives, including

- \* Consumer Services
- \* Education
- \* Employment
- \* Housing
- \* Legislative Action
- \* Mutual Support
- \* Networking
- \* Rehabilitation
- \* Reintegration
- \* Systems Improvement

To do this we maintain an office at Topeka State Hospital (with a bare bone staff and numerous volunteers)

Services we provide include (but are not exclusive) of:

- \* Toll Free Helpline
- \* Volunteer consumer working Board of Directors and trainees
- \* Consumer of Mental Health information clearinghouse
- \* A Consumer Run Program Directory, Organizational Technical

Assistance, Referral, and Networking

- \* Quarterly consumer Newsletter
- \* Annual Conference
- \* Mental Illness Awareness Education
- \* State Service Referral
- \* Consumers Speakers Bureau
- \* Annual CRO Summit Meeting
- \* Peer and family support

So as you can see we would be hurting the consumers of Kansas by not being able to fully utilize every dime we can get. This sales tax exemption for KMIAC means we can get more with the dollars we receive from the State and from contributors helping the consumers and their families across Kansas. Your favorable support in this matter would be very much appreciated.

Thank you for your time and consideration in hearing what I have to say, I hope this will help in your favorable decision making and I would be happy to answer any questions you might have at this time or feel free anytime to call Lonny Lindquist our Executive Director at the KMIAC office (913) 235-3866

STATE OF KANSAS

GWEN WELSHIMER  
REPRESENTATIVE, EIGHTY-EIGHTH DISTRICT  
SEDGWICK COUNTY  
6103 CASTLE  
WICHITA, KANSAS 67218  
316-685-1930  
DURING SESSION  
LEGISLATIVE HOTLINE  
1-800-432-3924  
OFFICE: 913-296-7687



TOPEKA

HOUSE OF  
REPRESENTATIVES

COMMITTEE ASSIGNMENTS  
MEMBER: ADMINISTRATIVE RULES & REGULATIONS—  
MINORITY LEADER  
GOVERNMENTAL ORGANIZATION—  
MINORITY LEADER  
FINANCIAL INSTITUTIONS  
HEALTH & HUMAN SERVICES

DATE: February 17, 1997  
TO: Rep. Phill Kline, Chairman  
Members of House Taxation Committee  
FROM: Rep. Gwen Welshimer  
SUBJECT: HB2153, Amending 1996 KSA 79-32,175

Thank you, Mr. Chairman, for the opportunity to testify on this bill today. HB2153 was suggested to me by Jane Mosteller who is also here to testify as a proponent of this bill today.

The bill extends to new construction the \$9,000 maximum tax credit for making existing facilities accessible to individuals with a disability.

I could readily identify with Jane as she described the problems encountered when one attempts to alter a residence for wheelchairs and other medical equipment. One problem leads to another. My home's unalterable situation created many difficulties for my husband and for me when attempting to help him. I will leave the explanation for Jane to tell you about, but I would appreciate it if when you go home tonight or over the weekend that you look at your room entrances. Try to imagine how and where you could widen them without the loss of other very important amenities.

Thank you for your consideration of this bill.

*Gwen Welshimer*

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# LIVING HOME INSTEAD

PO Box 463                      Haysville KS    67060-0463  
Fred and Jane Mosteller    316-522-4032    fax  
316-522-8388

## A Neighborhood Organization Without Boundaries

**Our mission is to create safer homes  
for the Disabled and Elderly with  
Accessibility Modifications that  
enhance their abilities and empower  
their disabilities.**

We need your help to succeed. We need volunteers in helping the disabled and the elderly to continue Living at Home Instead of other more costly facilities and/or homeless.

☉ Committees that you can Volunteer for are:

- ✓ By-laws and Board of directors
- ✓ 501 [3][c], grants, contributions, fundraising
- ✓ Communications: Home page, Media, newsletter and phone tree
- ✓ Legislative Changes, Research and Referrals
- ✓ Education: The Fitting Rooms; Try your house on before you build
- ✓ Secretarial and Bookkeeping duties

The Living Home Instead is working eliminate hazardous living conditions in the homes of the disabled and elderly. We promote conservation of personal energy and to reduce high accident areas. We need financial support. We have many expenses to cover, but our contributions are not tax deductible yet.

■ Meetings: Cerebral Palsy Foundation 5111 E 21st, room 301

- ☐ Friday February 14 1997 at 1:30 - 3:30 PM
- ☐ And March 14, 1997 at 1:30 - 3:30 P.M.

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## **LIVING HOME INSTEAD FITTING ROOMS TRY YOUR HOUSE ON BEFORE YOU BUILD**

**NEED:** To "try on" user-friendly, personal energy efficient modifications , just like trying on clothes, shoes and automobiles before we buy.

The historical approach for handicap accessible housing has been custom design which proved very expensive. The next step was "one size fits all" which does not meet specific needs. Apartments for people with disabilities resulted in segregated housing.

The customary procedure of visiting model homes, home shows, open houses and "parades of homes" is often not realistic for the disabled. Looking at homes and home products does not allow the freedom to experience the model home for size and adaptability.

**SOLUTION:** The LIVING HOME INSTEAD FITTING ROOMS TRY YOUR HOUSE ON BEFORE YOU BUILD

With fitting rooms, several different model kitchens, bathrooms and laundry stations would be set up for use. Here a person could actually try out different set ups to determine the one which would most effectively enhance individual abilities and empower their disabilities. Builders, architects, manufacturers, students and families would be encouraged to experiment with the different models.

This would lessen the chance that an installation would later prove to be inadequate or in need of further modification. Builders would be able to show many types of materials to allow for variations in personal tolerance to these materials (allergic reactions) as well as variations in cost.

## **LIVING HOME INSTEAD TRANSITION HOUSE**

**NEED:** for health and safety reasons many individuals would not be able to live in their home during renovations.

**SOLUTIONS:** to provide temporary accessible living accommodations while their home is being renovated or sold or a new unit being built.

### **PROPOSAL: MULTI-PURPOSE HOUSE**

This house will include studio apartments to house individuals and families simultaneously as they are dislocated due to construction.

A common living-dining area with kitchen and bath facilities that can be used for conferencing.

This house should maybe attached to or in the same area as the **LIVING HOME INSTEAD FITTING ROOMS, TRY YOUR HOUSE ON BEFORE YOU BUILD**

Financing of the transition house and warehouse will be through donations, grants, foundations, builders, remodelers and building material suppliers.

Residents would be charged a daily rental fee to cover the cost of utilities and maid service for the facility. Rents would be based on a sliding scale of ability to pay.

## BENEFIT AND TARGET GROUPS

### FOR HOUSING RENOVATIONS OR OWNERSHIP OF A HOME WITH ACCESSIBLE MODIFICATIONS

The benefit group for LIVING HOME INSTEAD home ownership programs includes anyone whose ability to participate in the activities of daily living, safely and independently at home, is limited by the interior or exterior design of the structure.

The primary target group for LIVING HOME INSTEAD is based on those people defined by The Americans with Disabilities Act of 1990. --- Special consideration is given to the low or middle income groups who are currently home owners but who cannot afford to undertake the home modifications to achieve a safer, user-friendly, personal energy efficient home. Since some houses do not lend themselves to modification at any cost, home replacement needs to be considered as well.

The second group would include children, especially children with disabilities. Learning household skills as a child allows children be better prepared to live independently as adults.

The benefits from the LIVING HOME INSTEAD FITTING ROOMS, TRY YOUR HOUSE ON BEFORE YOU BUILD will be unique. This collections would include model kitchens, bathrooms, and laundry facilities for consumers to "try-on" to find the appropriate design for their individual needs. The emphasis in the fitting rooms would be to show how "handicap accessible" equipment and arrangements would be of benefit to all users, with or without a disability.

Everyone ages, and that in itself can bring on a variety of mobility limitations. Being able to live in a home from birth to death is one goal of LIVING HOME INSTEAD.

Everyone is one heart-beat away from disability. In less time than I can take here to tell you this, someone somewhere has been disabled for life by accident or disease. It could be you or a member of your family.

## COMMUNITY GOALS

### LIVING HOME INSTEAD

To disseminate information concerning accessible housing

To involve businesses and potential customers in understanding each others needs.

To educate architects, builders and manufactures about design of materials and products which can be easily and universally used by both able-bodied and the physically disabled

To devise ways for builders and manufacturers to adapt materials and mass produced items to be "handicap accessible" as a standard

To allow builders and designers to become recognized experts in disability awareness and adaptations

To inform people with disabilities about available modifications and housing designs

To develop a feedback system to continually refine the materials and designs to benefit the largest number of consumers

To demonstrate that design that works for the disabled works just as well for the general population: ramps, wide doors, safety bars in bathrooms, roll-in showers, varied height kitchen work areas, curb cuts, automatic doors, etc. These designs are still adaptable to short, medium or tall toilets, knobs or handles on doors and other items of personal preference

To work for a sense of community in which caring and involvement cross lines of cultural, racial and ability differences

## Statement of Belief for LIVING HOME INSTEAD

1. Everyone needs user-friendly, personal energy efficient housing at some time in life. Personal energy efficiency requires houses to be designed to have maximum use and comfort with minimum expenditure of personal energy. This type of housing is suitable for all citizens: children, elderly, disabled as well as able-bodied adults.
2. The physically disabled have the right and obligation to provide themselves with the safest more independent living style possible. Eliminating the environmental barriers and redesigning the high accident areas in housing plans allows people to continue to live in the same residence regardless of age or physical change.
3. Housing with safety and accessibility features will help the community as a whole by reducing rising medical costs which result from home accidents.
4. What is good for the disabled in home design is good for everybody. Notice how able-bodied people use the automatic doors, ramps and curb cuts. These conveniences which were designed for the disabled make everyday life easier for everyone.

Frank Akerman  
3321 E. Osie  
Wichita, Kansas 67218

(316)652-9400

08 September 1996

Mr. Bill Graves  
Governor of Kansas  
3601 SW Twentyninth  
Topeka, Kansas 66614

Dear Mr. Graves:

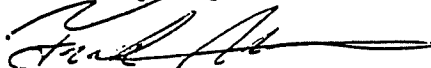
This is to tell you of my concern of people who become disabled after they have bought a home. I became disabled after the purchase of my home I have mortgage insurance good for the term of the loan, but when you get ill you find the insurance only covers so long for one illness. I began to try to find help, from other local, state, or federal programs. All the programs can't seem to help till after I lose my home. They offer me section 8, Wichita Housing Authority at a rate of my disability income, but they can't help to lower my housepayment to leave me in an environment I can be healthier and happier in. (which would be less medical expense)./////

We need some programs that help people to not be displaced because of their health.

I am a 47 year old I am single and still have a minor child in my home and soon we will be forced to leave our home. People need your help.

It would be to the benefit of the system to help fund a little of the house payment or write new loans with less interest to keep us in our homes.

Yours very truly,



Frank Akerman



U.S. Department of Housing and Urban Development

Kansas/Missouri State Office  
Room 200  
Gateway Tower II  
400 State Avenue  
Kansas City, KS 66101-2406

August 16, 1996

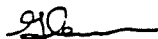
Mr. and Mrs. Fred Mosteller  
4222 Laura Circle  
Wichita, KS 67216

Dear Mr. and Mrs. Mosteller:

I enjoyed meeting you at the Homeowner's Summit on August 14, 1996, and wanted to thank you again for your help in packing the equipment. It was appreciated.

Good luck in your new home construction. We are agreed that too many plans are not accessible. And, the idea of having some center where persons with disabilities can come, and can try different types of cabinets, and design features would certainly meet a need of many people.

Sincerely,



W. Glenn Dooley  
Community Planning and  
Development Representative



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
THE SECRETARY  
WASHINGTON, D.C. 20410-0001

December 6, 1996

Mr. and Mrs. Fred Mosteller  
4222 Laura Circle  
Wichita, KS 67216

Dear Mr. and Ms. Mosteller:

This letter is in response to your proposal to increase homeownership opportunities for people with disabilities.

I want to personally express my thanks to you for devoting your time and creativity to this important challenge. As you are aware, people with disabilities have one of the lowest rates in homeownership among all underserved populations. The Living Home Instead: Homeownership of a Handicap Accessible Home includes some innovative and inspiring ideas designed to increase homeownership opportunities for people with disabilities.

Like you, I am personally committed to measurably increasing homeownership opportunities for people with disabilities. We are taking some strong steps at HUD to increase the opportunities for homeownership among people with disabilities. Accordingly, I have distributed your proposal to several key people who are working on homeownership issues, and specifically on the housing needs of people with disabilities.

As you know from having attended the summit in Kansas this past summer, the National Homeownership Strategy is a public-private partnership designed to increase the national homeownership rate to an all-time high by the end of the century. As part of this Strategy, HUD and other national organizations involved in this partnership will continue to seek creative solutions to helping make homeownership more attainable for persons with disabilities.

Thank you again for your help. Should you have questions regarding HUD's work in helping people with disabilities, please call Thea Spires of my staff at (202) 401-7991.

Sincerely,

  
Henry G. Cisneros

7-8



# STATE OF KANSAS

BILL GRAVES, Governor  
State Capitol, 2nd Floor  
Topeka, Kansas 66612-1590



(913) 296-3232  
1-800-748-4408  
FAX: (913) 296-7973

## OFFICE OF THE GOVERNOR

October 29, 1996

Fred and Jane Mosteller  
4222 Laura Circle  
Wichita, KS 67216

Dear Fred and Jane:

Thank you for your recent letter regarding Living Home Instead. I found the information you provided interesting. Home ownership is the dream of many Kansans, and persons with disabilities should not be excluded.

As with all worthwhile projects, it will take people working together to accomplish the task. I am encouraged to see that you have sought the assistance of other agencies dedicated to serving the needs of the disabled community. The expertise these agencies bring to the table will be invaluable.

I strongly support the concept of making accessible and affordable housing available to persons with disabilities. I wish you continued success.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Graves".

BILL GRAVES  
Governor

BG:rp



WICHITA STATE UNIVERSITY

*Department of Curriculum and Instruction*

September 9, 1996

To Whom it May Concern:

I am writing this letter in support of the adaptive housing model. The educational potential of an adaptive home for both families with a child with a disability and the elderly are unlimited. As people tour, basic accommodations can be seen to allow these adaptations to be duplicated by others.

Sincerely,

Dr. Diana Rogers-Adkinson  
Wichita State University

7-10

**Vital Statistics**

**Accidental Deaths and Injuries by Severity of Injury**

outline

Source: National Safety Council

In 1990 accidental deaths were estimated to number 93,500, a decrease of 2 percent from the 1989 total. This was the ninth consecutive year that accidental deaths were estimated at less than 100,000. The death rate per 100,000 population was 37.5, down from 39.8 in 1988. The rates for work, home, and motor vehicle deaths in 1990 were the lowest on record.

1990 Severity of injury	Total*	Motor vehicle	Work	Home	Public
Deaths*	93,500	46,300	10,500	21,500	19,000
Disabling injuries*	9,000,000	1,700,000	1,700,000	3,200,000	2,400,000
Permanent impairments	340,000	140,000	60,000	90,000	60,000
Temporary total disabilities	8,600,000	1,600,000	1,700,000	3,100,000	2,300,000

**Certain Costs of Accidental Deaths or Injuries, 1990 (billions)**

Total*					
	\$173.8	\$89.0	\$63.8	\$23.5	\$13.4
Wage loss	48.2	25.2	10.2	7.9	7.2
Medical expense	28.4	6.2	8.7	10.0	4.1
Insurance administration	30.1	22.3	10.3	1.0	0.7

1-27 '97

Dear Jane

I certainly enjoyed visiting with you on the phone today. Many people are in the same situation as we are and should get help from the government to assist nursing homes as long as possible.

Judy and I have been married for 37 years and in 1975 we built a nice home while our children were in high school. Little did we know that in 1986 Judy would be diagnosed with M.S., it has progressed to where she is bedfast and can not walk at all. We converted one of the bedrooms with a electric hospital bed and port-a-pot. The bathroom is across the hall with 28" x 32" doors.

Needless to say, you can't get the wheel chair to the stool. The room is some distance from the kitchen - she can't get there with wheel chair and when I'm in kitchen and the T.V. is on I can hardly hear her call me. I am going to build a handicapped accessible house and let our son and family live in our house. The new home would

7-12

have one large room with her bed and bath in one corner and kitchen in the other so we can keep contact at all times. There will be no steps. The doors will be as wide as I can purchase.

I'm sending copy of rough draft of home I am going to build. Maybe it will give you or someone some ideas or you can give me advice.

I am a farmer and sometimes have gross income over \$200,000 but many times net income is zero. I feel like I should be entitled to help just the same as someone with less income. If I build this I can keep Judy at home as long as we live. I will have to continue to keep hired help to stay with her when I am not there.

If I can be of any help to promote the cause let me know.

Sincerely  
Robert K. Fehrlind  
7010 E 95th  
Buhler, La. 67522

**Governor's Commission on  
Housing**

**State of Kansas**

**1996**

**Report to Governor Bill Graves**

## RECOMMENDATIONS - Legislative

Although the Commission itself does not introduce legislation, it has reviewed and discussed legislation which was introduced during the 1996 Kansas Legislature. Additionally, discussions were held regarding legislation which might be introduced during the 1997 session. The Commission has formulated ideas regarding the impact that these various issues could have upon housing efforts throughout Kansas. The following recommendations are general in nature and do not advocate for or against any particular legislation. Furthermore, the recommendations have not been subjected to a cost/benefit analysis nor are they listed in any order of priority. The issues are as follows:

- 1) Statewide authority for the issuance of Mortgage Revenue Bonds for single family loans

Commission Position: Support. While this will not necessarily provide additional resources for housing, it will enhance the mechanism of distribution to help ensure better access for all areas in the State. Also, it should be structured so that city/county authorities could co-exist with statewide authority. Furthermore, to avoid duplication, city/county authorities would have to formally request that the statewide authority offer bonds for their areas of jurisdiction.

- 2) Amend the ad valorem tax abatement policy for elderly rental housing

Commission Position: If enacted, set the level at which real estate taxes would be abated at 80% of median income. If a project has mixed income units, at least 75% of the units would need to be limited to persons at or below 80% of median income. If there are existing projects which are in noncompliance, they should be phased in over 3 - 5 years to a "Payment In Lieu Of Taxes" (PILOT) process.

- 3) Repeal of requirement that Public Housing Authorities pay a specified interest amount on tenant security deposits

Commission Position: Support. One aspect of the changes taking place at the federal level involves restructuring how Public Housing Authorities (PHAs) operate. PHAs will not be receiving operating subsidies as before. Instead, the plan is for PHAs to operate based upon rented units like a private management company. In Kansas, private management companies do not have to pay a specified percentage interest rate to tenants for their security deposits. This change would help provide parity between PHAs and private management companies.

7-15

- 4) Revision in the Neighborhood Revitalization Act to allow persons who earn more than \$55,000 to be eligible for a 40% State tax rebate

Commission Position: Support. HB 2878 imposed an income limitation of \$55,000 on taxpayers who could be eligible to receive the tax rebate for accessibility modifications. Given the lineal ascendant and descendent provision which exists in the statute, a general limitation already occurs because most beneficiaries have a small number of disabled relatives. In reality, it is those households with incomes over \$55,000 who could most readily contribute capital to assist elderly relatives who want to remain in their own homes or disabled children wanting to be deinstitutionalized.

- 5) The establishment of statewide building standards

Commission Position: Wait to see the nature of the findings of the special legislative committee which was created to study this issue. However, if a standard-setting entity is created, it should not be placed with the Division of Housing. Instead, it should be placed with the Professional Standards Board.

- 6) State sponsored credit enhancement to assist in housing development, especially in smaller communities where the difference between the ability to pay and the cost of production is the greatest

Commission Position: Support. However, there probably needs to be an interim legislative study to identify the most feasible methods.

- 7) State housing tax credit similar to the federal Low Income Housing Tax Credit program

Commission Position: Support. This would be especially helpful for small projects for special needs populations under 50 units where financial feasibility is increasingly difficult.

- 8) Changes in Tax Increment Financing to allow condemnation and affordable housing development as an eligible activity

7-16



# **Kansas**

## **Analysis of Impediments to Fair Housing**

### **Executive Summary**

It is the law of the State of Kansas that equal access to housing is a right to all, regardless of race, color, religion, sex, national origin, familial status, or disability. The U.S. Department of Housing and Urban Development (HUD) requires that all states conduct an analysis of impediments to fair housing to receive federal funds. To assess impediments to fair housing, the Kansas Department of Commerce and Housing established a Fair Housing Task Force and mailed surveys to more than 5,000 people. During the summer of 1996, responses were received from housing and government agencies, financial institutions, landlords, tenants, homeowners, real estate agents and property managers, builders and developers. Approximately 1,100 (or 23.2%) of the surveys were returned, representing all 105 counties in Kansas.

The Kansas Commission on Human Rights defines discrimination as "any direct or indirect exclusion, distinction, segregation, limitation, refusal, denial, or any other differentiation or preference in the treatment of a person or persons on account of race, religion, color, sex, national origin, or ancestry and/or any denial of any right, privilege or immunity secured or protected by the Constitution or laws of Kansas."

Major fair housing impediments identified by the Fair Housing Task Force are listed below.

#### **1 People with Disabilities Have Difficulty Finding Accessible Housing**

Disability is defined as a physical or mental impairment (including hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, HIV infection and/or mental retardation) that substantially limits one or more major life activities. The 1990 Census reported that approximately 105,000 Kansans have mobility problems or self-care limitations. More than 50 percent of those reported each type of limitation were persons age 65 and older. People with disabilities experience the worst case housing needs, and there is widespread noncompliance with the accessibility requirements of the Fair Housing Act. Nearly 57 percent of respondents agreed that the disabled confront difficulties finding accessible housing. Ninety percent of disabled respondents felt that they confront difficulties locating accessible housing. Persons with disabilities, and single parent households, continue to experience both blatant and subtle forms of housing discrimination in Kansas communities and across the nation.

#### **2 Residents Lack Information About Fair Housing**

The majority of the State's tenants and many housing providers are not familiar with the 1988 Fair Housing Amendments Act, according to a recent report prepared by the Governor's Commission on Housing. The report concluded the lack of fair housing enforcement agencies in Kansas communities drastically limits the opportunities for aggrieved persons to obtain recourse for housing discrimination problems.

### **3 Lenders Refuse to Make Loans in Certain Areas**

Thirty percent of survey respondents stated that financial institutions refuse to make loans on home mortgages or home improvements in certain areas. Racial discrimination in lending is defined as unequal treatment of equally creditworthy borrowers on the basis of race.

### **4 Residents Oppose Minorities and the Disabled Moving into Their Neighborhoods**

Seventy percent of renters and 64 percent of minorities surveyed stated there is community opposition to publicly financed, subsidized housing in their community.

### **5 Landlords Refuse to Rent to Single Parents or Families with Children**

According to the 1990 Census, single-parent, female-headed households were the fastest growing population in Kansas. This population group has doubled from 5.2 percent in 1980 to 10.8 percent in 1990. According to a report prepared by the Governor's Commission on Housing, discrimination against single mothers in western Kansas was the most blatant form of housing discrimination during 1996.

### **6 Landlords Refuse to Rent to Minorities and/or Racially Mixed Households**

Discrimination against racial and ethnic minorities frequently takes the form of disparate treatment. A significant number reported being told that vacancies do not exist when they do, or being quoted higher rents and security deposits than prospective non-minority tenants.

#### **Summary:**

The Fair Housing Task Force is developing a comprehensive three-year action plan to reduce specific impediments to fair housing. If you would like additional information regarding fair housing, or feel your rights were violated, contact one of the following agencies. Fair housing complaints must be received within one year after an alleged violation has occurred.

Kansas Department of Commerce and Housing  
700 S.W. Harrison Street, Suite 1300  
Topeka, Kansas 66603-3712  
913/296-2686, or the Housing Hotline: 800/752-4422  
For the hearing impaired, call on TDD phone: 913/296-3487

Kansas Commission on Human Rights  
Landon State Office Building  
900 S.W. Jackson Street, Suite 851-South  
Topeka, Kansas 66612-1258  
913/296-3206, or for the hearing impaired, call on TDD phone: 913/296-0245



Offices located in  
the Historic Crawford Building

# Topeka Independent Living Resource Center

---

(913) 233-4572 V/TDD • Fax 913-233-1561 • Toll Free 1-800-443-2207  
501 SW Jackson Street • Suite 100 • Topeka, KS 66603-3300

## Testimony Before the Kansas House Taxation Committee

Hello. My name is Carol Doss. I work for the Topeka Independent Living Resource Center. Thank you for giving me the opportunity to testify today. The Topeka Independent Living Resource Center promotes independent living for people with disabilities. We advocate for people with disabilities by assisting people with disabilities in reaching goals. The goals can include finding affordable and accessible housing; looking for employment or simply participating in cultural, social activities in the community. The American with Disabilities Act gives people with disabilities equal opportunities to work and participate in the community.

The Topeka Independent Living Resource Center supports House Bill 2153. Current law allows tax credits for costs to make an existing facility accessible to persons with disabilities. House Bill 2153 would include tax credits for expenditures to new facilities as described in K.S.A. 79-32,176. The Topeka Independent Living Resource Center supports this legislation because it will increase the total amount of accessible dwelling places. This will allow more people with disabilities to live in their own homes instead of in institutions.

House Taxation  
2-17-97  
Attachment 8-1



Date: February 17, 1997

To: House Committee on Taxation

From: Kevin Robertson  
Executive Director

RE: Testimony in **Support** of HB 2076

Chairman Kline and members of the Committee, thank you for the opportunity to appear before you today. I am Kevin Robertson, executive director of the Kansas Lodging Association comprised of approximately 140 hotels and motels statewide.

Today I am here to ask for your assistance solving a problem that we believe exists with the fairness of taxation where it applies to hotels and their competitors. The problem is that accommodations brokers or temporary corporate lodging companies are renting rooms to guests for short-term stays (transient guests) without being required to collect and remit sales and transient taxes from these guests. HB 2076 as introduced sets out to amend the definition of "hotel" in the sales and transient guest tax statutes.

A hotel in this state is required by statute to collect and remit the state sales tax on ALL guests of the hotel regardless of the length of stay. In addition, a hotel is required to collect and remit a transient guest tax on all guests who stay for a period of less than 28 consecutive days in the hotel. Currently, 83 communities impose the transient guest tax on hotel guests which varies from 2% to 6%. The transient guest tax is used by local communities to fund tourism-related efforts. For example, convention and visitors bureaus and their promotional efforts are funded through the transient guest or "bed" tax.

In recent years accommodations brokers or temporary corporate lodging companies have set up businesses in the larger cities of our state. They operate similarly to hotels, however, they do not quite fit the definition of "hotel" as it appears in statute. Therefore, they operate without being licensed and do not collect or remit the sales and transient guest taxes that are imposed on hotel guests in the same community. This creates an advantage to accommodations brokers when they and hotels compete for corporate and other guests. For example, a daily \$60 hotel room in Wichita will actually

cost \$67.14 after the state sales tax (4.9%), local sales tax (1%), and transient guest tax (6%) are added. For the person who rents a \$60 room from an accommodations broker, the cost is \$60. What this can mean is that the person chooses not to rent a hotel room and, instead, stays with an accommodations broker, or the hotel has to rent the room for \$53.60 in order to have the same effective rate as the accommodations broker's room.

As I understand it, these businesses typically operate by contracting with various apartment complexes or even residential homes throughout an area. This is done by either leasing apartments or by agreement that any guests brokered through the accommodations broker will be provided an apartment at the complex if available. By making such arrangements, it is estimated that one specific broker, Suite Options, has an inventory of 60 to 100 "hotel" rooms available in both Kansas City and Wichita. When a prospective guest calls the broker for a room, one of their inventory of apartments throughout the city is provided to the guest.

Members of the Committee, it is not the Kansas Lodging Association's intention to run innovative businesses like Suite Options out of business, we do strongly believe however, these businesses should compete by the same rules and pay the same taxes as do licensed hotels in the state. If it looks like a duck, quacks like a duck, and walks like a duck, it's a duck. These accommodation brokers are HOTELS. Attached you will find a yellow page ad, promotional brochure, and a flier from one such company doing business in Kansas. In its ads and promotional information it compares itself to a hotel in direct competition with hotels. Accommodations broker and temporary corporate lodging are nothing more than fancy names for "hotel."

I am sorry I have been unable to find more recent figures, however, in 1992, Suite Options was quoted in a Kansas City area newspaper as having monthly revenue around \$80,000. This number represents the taxable revenues that did not find their way to Kansas City area hotels per month. I can only guess what the sales and transient guest tax revenues lost for local units of government and has been.

Last week I met with Steve Brunkan, Mike Hale, and Tom Hatten of the Kansas Department of Revenue to discuss the hotel industry's concerns with regard to accommodations brokers. At that meeting they reiterated KDOR's position that the current definition of "hotel" does not apply to these businesses. It was their opinion, however, that the "cleanest" way to proceed was to leave the definition of "hotel" unchanged while defining "accommodations broker" in statute, then state that their guests are subject to the tax. I have prepared a balloon amendment of this concept and the Department of Revenue has reviewed it.

Last year when I approached the Committee with a similar bill I was asked how it might affect the taxation of bed & breakfasts and university dorm rooms. It is not KLA's intention to change any law or procedure concerning these facilities. Under existing law, a guest of a B&B with two or more rooms must pay the transient guest tax, and if the B&B has four or more rooms it must be licensed by the state as a hotel. The sole intent of HB 2076 is to require accommodations brokers and/or temporary corporate lodging companies to abide by the same sales and transient tax laws that currently exist for hotels.

Dick Merkel, Clubhouse Inns will testify next. At want to mention that Sean Harrelson, General Manager of the Residence Inns in Wichita, and Bruce Brown, owner/operator of the Inn at Tallgrass in Wichita are both very interested in this bill, however, they each had conflicts this morning and were unable to be here this morning.

On behalf of the Kansas Lodging Association, I urge you to support HB 2076. I will be happy to answer any question you may have at this time.

Hotels -(Cont'd)

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Wichita Inn  
East 8220 E Kellogg -----685-8291  
West 6150 W Kellogg Dr -----943-2373  
Wichita Suites Hotel 5211 E Kellogg ---685-2233  
Williamsburg Inn 8300 E Kellogg -----684-0541

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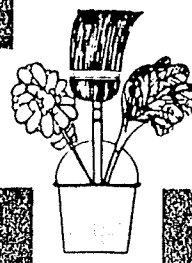
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13. Wash Bathroom Floors
14. Make Beds/Change Linens
15. Change Towels
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- ★ Trained Cleaning Teams
- ★ Fidelity Bonded - Liability Insured
- ★ Supplies & Equipment Furnished

FREE ESTIMATES

WEST 721-2341 EAST 264-0110



## The Great Hotel Alternative

### More Choices

From basic apartments, to luxury accommodations, for a week, a month, or a year. You choose the location, price range and amenities. Apartments are located east, west and downtown.

- Fully Equipped Kitchens
- Professionally Furnished
- Cable TV Service
- Free Local Telephone Service
- Swimming Pool & Tennis Courts
- Crisp Linens & Fluffy Towels

### More Luxury

Suite Options offers you the luxury options you want.

- "Poly-Down" Beds
- Wood Burning Fireplace
- Maid Service
- Answering Machine
- Washer/Dryer
- Microwave, VCR, Stereo

### More Value

- Larger Suites
- Flexible Locations
- Corporate & Long-Stay Discounts

Save More Than 25% Over Similar Residences And Inns.

*Check Into Your Options*



SUITE  
OPTIONS

9-5



At Suite Options, we begin by leasing each suite in the finest apartment communities close to where you need to be. Then we furnish and decorate each suite to meet the everyday requirements of busy people who need a place each night to completely relax and recharge for the next busy day. A warm welcoming residence that, if only for a while, they can proudly call home.

**IT'S YOUR OPTION**

Because the living needs of each person differ, we have a series of Suite Options from which to choose. That makes it easy to tailor each suite to the particular person. All suites are one or two bedroom, but more bedrooms are available as an option. Weekly maid service is provided with most suites. And, of course, if you have special requirements, we'll work with you to ensure your apartment is as close to home as we can make it.



**EXERCISE A FEW MORE OPTIONS**

Just in case you need an extra item or two to make your Suite Options apartment more homelike, we can also provide:

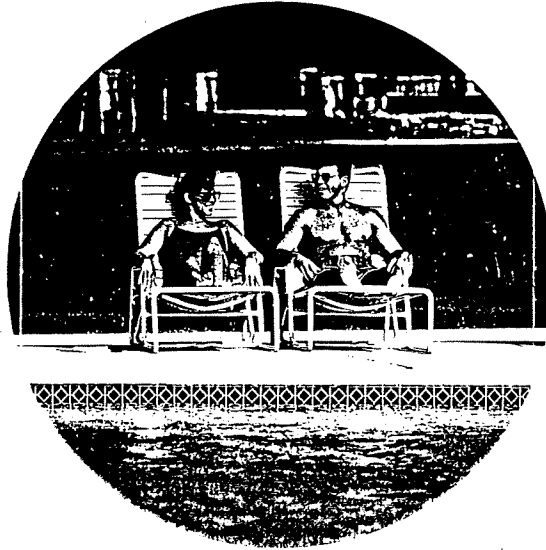
- VCRS
- FAX machines
- Stereo systems
- Computer desks
- Washers and dryers
- Cribs and high chairs
- Roll-away beds
- Sofa sleepers

**THE SUITE-EST OPTION: PRICE**

Not only is a Suite Options corporate apartment more like home than a hotel room, we're also considerably less expensive.

Prices are determined by the location of the suite, number of bedrooms, package amenities, additions or special services, and the length of your stay.

We also have price breaks on six-month and one-year leases. Call Suite Options for your temporary or corporate travel lodging needs. We have the place you'll come home to.



**APARTMENT PACKAGE OPTIONS**

**THE ACCOUNTANT SUITE**

- Our Economy Suite includes: Our good furniture package
- Sofa
  - Chair
  - Cocktail table
  - End tables
  - Lamps
  - 19" remote color TV
  - Dining table & 4 chairs
  - Poly-down queen bed
  - Dresser/mirror
  - Nightstand
  - Bed and bath linens and towels
  - Clock radio
  - Pictures

**THE VICE PRESIDENT SUITE**

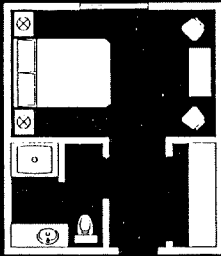
- Our Signature Suite includes: Our better furniture package
- Sofa
  - Loveseat
  - Cocktail table
  - End tables
  - Lamps
  - 19" remote color TV
  - VCR
  - Poly-down queen bed
  - Dresser/mirror
  - Nightstands
  - Bed and bath linens and towels
  - Clock radio
  - Pictures

**THE CEO SUITE**

- Our top-of-the-line Suite includes: Our best furniture package
- Sofa
  - Loveseat
  - Recliner
  - Cocktail table
  - End tables
  - Lamps
  - 25" remote color TV
  - Poly-down king bed
  - Dresser/mirror
  - Nightstands
  - Bed and bath linens and towels
  - Clock radio
  - Pictures

9-6

# TYPICAL HOTEL ROOM

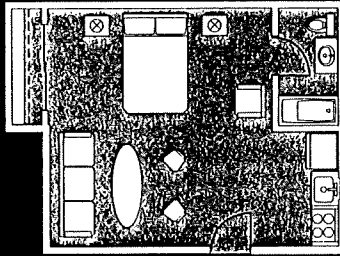


\$95.00 a night

280 sq. ft.

A HOTEL IS

# SUITE HOTEL

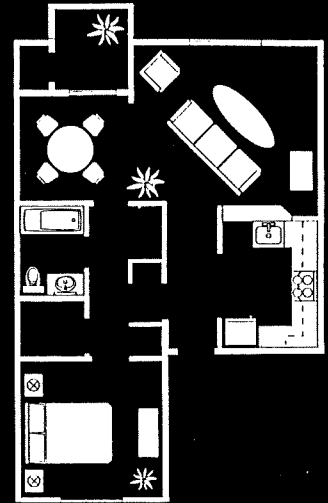


\$80.00 a night

365 sq. ft.

STILL A HOTEL

# SUITE OPTIONS

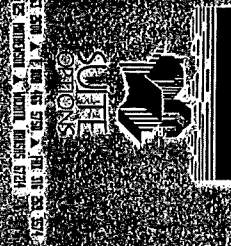


\$49.00 a night

700 sq. ft.

Prices will vary based on location and length of stay. Call for your special customized rate.

# SUITE OPTIONS A Temporary Residence



# STILL A HOTEL

Now you can come home to suite options.

night to a cold, impersonal hotel room.

you have an alternative to returning every

from home for a week, a month, or longer.

Now, if work or circumstances take you

was meant for living, and all that implies.

meant simply for sleeping. ~ A home

quite seems to fit. ~ Hotel rooms were

it more like home, a hotel room never

no matter what you do to make



9-7

9-8

# HOUSE BILL No. 2076

By Committee on Taxation

1-24

9 AN ACT relating to taxation; defining hotel for sales and transient guest  
10 tax purposes; amending K.S.A. 1996 Supp. 12-1692, 12-1696 and 79-  
11 3603 and repealing the existing sections.

12  
13 *Be it enacted by the Legislature of the State of Kansas:*  
14 Section 1. K.S.A. 1996 Supp. 12-1692 is hereby amended to read as  
15 follows: 12-1692. As used in this act, the following words and phrases  
16 shall have the meanings respectively ascribed to them herein:

17 (a) "Person" means an individual, firm, partnership, corporation, joint  
18 venture or other association of persons;

19 (b) "Hotel, motel or tourist court" means any structure or building,  
20 or part or group thereof, which contains rooms furnished for the purposes  
21 of providing lodging, which may or may not also provide meals, enter-  
22 tainment or various other personal services to transient guests, and which  
23 is kept, regularly used, maintained, advertised or otherwise held out to  
24 the public as a place where sleeping accommodations are sought offered  
25 for pay or compensation by primarily to transient or permanent guests  
26 and having which has more than two bedrooms furnished for the accom-  
27 modation of such guests, regardless of whether such building or structure  
28 or part or group thereof, is designated as an apartment hotel, cabin camp,  
29 tourist cabin or court, hotel, motel, bed and breakfast, inn or any other  
30 type of lodging unit;

31 (c) "Transient guest" means a person who occupies a room in a hotel,  
32 motel or tourist court for not more than 28 consecutive days;

33 (d) "Business" means any person engaged in the business of renting,  
34 leasing or letting living quarters, sleeping accommodations, rooms or a  
35 part thereof in connection with any motel, hotel or tourist court; and

36 (e) "Convention and tourism promotion" means: (1) Activities to at-  
37 tract visitors into the community through marketing efforts, including  
38 advertising, directed to at least one of the five basic convention and tour-  
39 ism market segments consisting of group tours, pleasure travelers, asso-  
40 ciation meetings and conventions, trade shows and corporate meetings  
41 and travel; and (2) support of those activities and organizations which  
42 encourage increased lodging facility occupancy.

Return to original language.

(f) "Accommodations broker" means any business which maintains an inventory of two or more rooms in one or more locations which are offered for pay to a person or persons for not more than 28 consecutive days.

6-9

**12-1693.** Promotion of tourism and conventions; tax levy by city or county; basis of tax; payment and collection; requirements prior to levy; election; reduction or increase in rate. (a) In order to provide revenues to promote tourism and conventions, the governing body of any county having a population of more than 300,000 or the governing body of any city, all or any portion of which is located within such county, is hereby authorized to levy a transient guest tax at not to exceed the rate of 2% upon the gross receipts derived from or paid by transient guests for sleeping accommodations in any hotel, motel or tourist court. The percentage of such tax shall be determined by the governing body levying the same and shall be specified in the resolution authorizing the same.

, or through an accommodations broker.

(b) Any transient guest tax levied pursuant to this section shall be based on the gross rental receipts collected by any business.

, or accommodations broker.

(c) The taxes levied pursuant to this section shall be paid by the consumer or user to the business and it shall be the duty of each and every business to collect from the consumer or user the full amount of any such tax, or an amount equal as nearly as possible or practicable to the average equivalent thereto. Each business collecting any of the taxes levied hereunder shall be responsible for paying over the same to the state department of revenue in the manner prescribed by K.S.A. 12-1694, and amendments thereto, and the state department of revenue shall administer and enforce the collection of such taxes.

(d) A transient guest tax authorized by this section shall not be levied until:

(1) The governing body of such county has either passed, or has received from the governing body of any city within such county, a

resolution calling for an election for approval by the qualified electors of a transient guest tax;

(2) the governing body of the county has notified all of the incorporated cities, all or any portion of which are located within such county, of the intent to call such election. Incorporated cities, all or any portion of which are located within such county, shall have the option to decline participation in such election within 30 days of the date of such notification.

2

9-10

The governing body of the county shall have the option to decline participation in such election within the same 30 day period as provided to incorporated cities, in which case individual cities may hold separate elections to submit the proposition to the qualified electors of such city and such propositions, if approved, would have force only in cities adopting the tax. If the governing body of the county resolves to participate in such election, it shall submit such proposition for approval by the qualified electors of the unincorporated portions of such county and all incorporated cities within such county which have not declined participation in the election; and

(3) the governing body of the county or, if the county declines to hold such election, the governing body of the city, has given notice of its intention to submit any such proposition for approval by the qualified electors in the manner required by K.S.A. 10-120, and amendments thereto, for giving notice of elections for the issuance of bonds. The notice shall state the time of the election and the rate and effective date of the proposed tax. If a majority of the votes cast and counted on any such proposition are not in favor thereof, such proposition may be resubmitted under the condition and in the manner provided herein. If a majority of the votes cast and counted on any such proposition are in favor thereof, the governing body of the county or city shall provide by resolution for the levy of such tax. An repeal of such tax or any reduction or increase in the rate thereof shall be accomplished in the manner provided herein for the adoption and approval of such tax.

(e) The collection of any county transient guest tax authorized at a primary or general election or a transient guest tax levied by city authorized at a city primary or general election shall commence on the first day of the calendar quarter next following the 30th day after the date of the election authorizing the levy of such tax. The collection of any transie

guest tax of a county or city approved at any other election shall commence on the first day of the calendar quarter next following the 60th day after the date of the election authorizing the levy of such tax.

3

9-11

1 follows: 12-1696. As used in this act, the following words and phrases  
2 shall have the meanings respectively ascribed to them herein:

3 (a) "Person" means an individual, firm, partnership, corporation, joint  
4 venture or other association of persons;

5 (b) "Hotel, motel or tourist court" means any structure or building  
6 which contains rooms furnished for the purposes of providing lodging,  
7 which may or may not also provide meals, entertainment or various other  
8 personal services to transient guests, and which is kept, used, maintained,  
9 advertised or held out to the public as a place where sleeping accom-  
10 modations are sought for pay or compensation by transient or permanent  
11 guests and having more than two bedrooms furnished for the accom-  
12 modation of such guests shall have the meaning ascribed thereto by sub-  
13 section (b) of K.S.A. 12-1692, and amendments thereto;

Return to original language

14 (c) "Transient guest" means a person who occupies a room in a hotel,  
15 motel or tourist court for not more than 28 consecutive days;

16 (d) "Business" means any person engaged in the business of renting,  
17 leasing or letting living quarters, sleeping accommodations, rooms or a  
18 part thereof in connection with any motel, hotel or tourist court; and

19 (e) "Convention and tourism promotion" means: (1) Activities to at-  
20 tract visitors into the community through marketing efforts, including  
21 advertising, directed to at least one of the five basic convention and tour-  
22 ism market segments consisting of group tours, pleasure travelers, asso-  
23 ciation meetings and conventions, trade shows and corporate meetings  
24 and travel; and (2) support of those activities and organizations which  
25 encourage increased lodging facility occupancy.

(f) "Accommodations broker" means any business which maintains an inventory of two or more rooms in one or more locations which are offered for pay to a person or persons for not more than 28 consecutive days.

**12-1697. Promotion of tourism and conventions; tax levy by city or county; basis of tax; payment and collection; requirements prior to levy.** (a) In order to provide revenues to promote tourism and conventions, the governing body of any county or the governing body of any city is hereby authorized to levy a transient guest tax at not to exceed the rate of 2% upon the gross receipts derived from or paid by transient guests for sleeping accommodations, exclusive of charges for incidental services or facilities, in any hotel, motel or tourist court. The percentage of such tax shall be determined by the board of county commissioners or the city governing body and shall be specified in the resolution or ordinance authorizing the same.

, or through an accommodations broker.

(b) Any transient guest tax levied pursuant to this section shall be based on the gross rental receipts collected by any business.

, or accommodations broker.

4

9-12

26 Sec. 3. K.S.A. 1996 Supp. 79-3603 is hereby amended to read as  
27 follows: 79-3603. For the privilege of engaging in the business of selling  
28 tangible personal property at retail in this state or rendering or furnishing  
29 any of the services taxable under this act, there is hereby levied and there  
30 shall be collected and paid a tax at the rate of 4.9%:

31 (a) The gross receipts received from the sale of tangible personal  
32 property at retail within this state;

33 (b) (1) the gross receipts from intrastate telephone or telegraph serv-  
34 ices and (2) the gross receipts received from the sale of interstate tele-  
35 phone or telegraph services, which (A) originate within this state and  
36 terminate outside the state and are billed to a customer's telephone num-  
37 ber or account in this state; or (B) originate outside this state and ter-  
38 minate within this state and are billed to a customer's telephone number  
39 or account in this state except that the sale of interstate telephone or  
40 telegraph service does not include: (A) Any interstate incoming or out-  
41 going wide area telephone service or wide area transmission type service  
42 which entitles the subscriber to make or receive an unlimited number of  
43 communications to or from persons having telephone service in a speci-

(c) The taxes levied pursuant to this section shall be paid by the consumer or user to the business and it shall be the duty of each and every business to collect from the consumer or user the full amount of any such tax, or an amount equal as nearly as possible or practicable to the average equivalent thereto. Each business collecting any of the taxes levied hereunder shall be responsible for paying over the same to the state department of revenue in the manner prescribed by K.S.A. 12-1698, and amendments thereto, and the state department of revenue shall administer and enforce the collection of such taxes.

(d) A transient guest tax authorized by this section shall not be levied until the governing body of such county or city has passed a resolution or ordinance authorizing the same.

(e) The collection of any county or city transient guest tax authorized to be levied pursuant to this section shall commence on the first day of the calendar quarter next following the 30th day after the date of the receipt by the department of revenue of the resolution or ordinance authorizing the levy of such tax.

51

9-13

1 fied area which is outside the state in which the station provided this  
 2 service is located; (B) any interstate private communications service to  
 3 the persons contracting for the receipt of that service that entitles the  
 4 purchaser to exclusive or priority use of a communications channel or  
 5 group of channels between exchanges; (C) any value-added nonvoice  
 6 service in which computer processing applications are used to act on the  
 7 form, content, code or protocol of the information to be transmitted; (D)  
 8 any telecommunication service to a provider of telecommunication serv-  
 9 ices which will be used to render telecommunications services, including  
 10 carrier access services; or (E) any service or transaction defined in this  
 11 section among entities classified as members of an affiliated group as  
 12 provided by federal law (U.S.C. Section 1504);

13 (c) the gross receipts from the sale or furnishing of gas, water, elec-  
 14 tricity and heat, which sale is not otherwise exempt from taxation under  
 15 the provisions of this act, and whether furnished by municipally or pri-  
 16 vately owned utilities;

17 (d) the gross receipts from the sale of meals or drinks furnished at  
 18 any private club, drinking establishment, catered event, restaurant, eating  
 19 house, dining car, hotel, drugstore or other place where meals or drinks  
 20 are regularly sold to the public;

21 (e) the gross receipts from the sale of admissions to any place pro-  
 22 viding amusement, entertainment or recreation services including admis-  
 23 sions to state, county, district and local fairs, but such tax shall not be  
 24 levied and collected upon the gross receipts received from sales of ad-  
 25 missions to any cultural and historical event which occurs triennially;

26 (f) the gross receipts from the operation of any coin-operated device  
 27 dispensing or providing tangible personal property, amusement or other  
 28 services except laundry services, whether automatic or manually operated;

29 (g) the gross receipts from the service of renting of rooms by hotels;  
 30 as defined by K.S.A. 36-501 and amendments thereto. ~~As used in this~~  
 31 ~~subsection, hotel means any structure or building, or part or group~~  
 32 ~~thereof, which is regularly used, kept, maintained, advertised or otherwise~~  
 33 ~~held out to the public as a place where sleeping accommodations are~~  
 34 ~~offered for pay primarily to transient guests and which has more than~~  
 35 ~~two bedrooms furnished for the accommodation of such guests, regardless~~  
 36 ~~of whether such building or structure, or part or group thereof, is des-~~  
 37 ~~ignated as an apartment hotel, cabin camp, tourist cabin or court, hotel,~~  
 38 ~~motel, bed and breakfast, inn or any other type of lodging unit;~~

as defined by KSA 36-501 and amendments  
 thereto, and accommodations brokers as  
 defined in KSA 12-1692 and amendments  
 thereto.

39 (h) the gross receipts from the service of renting or leasing of tangible  
 40 personal property except such tax shall not apply to the renting or leasing  
 41 of machinery, equipment or other personal property owned by a city and  
 purchased from the proceeds of industrial revenue bonds issued prior to  
 July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through

6





February 17, 1997

TO: Members of the House Taxation Committee

FM: Dick Merkel  
President-Elect  
Hotel and Motel Association of Greater Kansas City

RE: House Bill 2076

Good morning. I am Dick Merkel, representing the Hotel and Motel Association of Greater Kansas City. I am a resident of Johnson County, living at 13020 Alhambra, Leawood, Kansas, 66209. I am the Senior Vice President of Clubhouse Inn, located in Johnson County, a company who currently operates 17 hotel and motel properties, including the Clubhouse Inn, 924 S. W. Henderson, Topeka, Kansas 66615, and the Wichita Clubhouse Inn, 515 S. Webb Road, Wichita, Kansas 66207. I am here today to speak in support of House Bill 2076.

Our facilities specialize in long-term stays. Our hotels offer to our guests not only standard sleeping rooms but also extended stay suites, which include kitchen facilities.

What makes us different from apartment complexes that rent rooms to transient guests is that we pay taxes, both sales tax and transient guest tax, on the income generated.

House Bill 2076 redefines hotel, motel, or tourist court to include all properties renting rooms to transient guest. This redefinition requires apartment complexes and similar properties to pay sales tax and transient guest tax, just as hotels, motels, and tourist courts in Kansas currently do.

**HOTEL AND MOTEL ASSOCIATION** OF GREATER KANSAS CITY, MO

KANSAS CITY CLUB, SUITE 718  
1228 BALTIMORE  
KANSAS CITY, MO 64105  
816 - 421 - 2072  
FAX 816 - 421 - 6117

House Taxation  
2-17-97  
Attachment 10-1

The lodging industry is a very competitive Industry. When an apartment can save a guest over 10% of the cost by not paying taxes, the apartment has an unfair advantage. We urge you to correct this loophole in the law by redefining hotels and thus collecting taxes from all properties who are renting to transient guests.

I urge that you report House Bill 2076 out of committee with a favorable vote, and bring it before the full House of Representatives for consideration and final passage.

Thank you for your time. I would be happy to answer any questions you may have.

TERRY PRESTA  
 REPRESENTATIVE, 123RD DISTRICT  
 FINNEY COUNTY  
 P.O. BOX 1709  
 GARDEN CITY, KANSAS 67846  
 (316) 275-7564  
 STATE CAPITOL, ROOM 171-W  
 TOPEKA, KS 66612-1504  
 (913) 296-7660



TOPEKA

HOUSE OF  
 REPRESENTATIVES

COMMITTEE ASSIGNMENTS  
 VICE-CHAIR: TOURISM  
 MEMBER: JUDICIARY  
 TAXATION

Good morning. HB 2246 allows for the tax free accumulation of \$500.00 of interest by individuals starting in 1998. It has no fiscal note this year. I am proposing this tax change for two reasons.

- (1) To promote the accumulation of capital by individuals.
- (2) To increase the savings rate among Kansas and thereby increase the creation of jobs in the future.

The great wealth of this country has been created by the individual incentive created by our capitalistic society. In order to participate in this process and create your own version of the American dream one must at some point create capital by saving money. This saving can then be leveraged with other peoples savings in banks to provide for the opportunity to buy a house, finish college, or start a business. To the extent that we tax these savings we are retarding this process of wealth and job creation.

The United States presently has one of the lowest savings rates of any of the industrialized nations. Economists all know that if this continues we will not have resources in the future to invest and keep our countries jobs and economic growth moving forward. **THERE IS A DIRECT CORRELATION BETWEEN A COUNTRY'S SAVINGS RATE AND FUTURE GROWTH RATE.** If you don't save you don't invest and if you don't invest you don't grow.

For those of us involved in government policy making this is a significant consideration. For almost all of our decisions today are based on the availability of government revenues which are tied directly to the growth rate of the economy. To the extent that we ignore the savings reality today we are condemning future generations to a lower standard of living and future governments to funding problems. Additionally, because the future success or failure of the Kansas version of welfare reform relies on the creation of jobs five years from now, we can start this process none to soon.

It should be noted that the highest growth year in the U.S. this decade was in 1992 when it was 4.7% and we were told that, "it's the economy stupid." New President Clinton promptly raised taxes in 1993 and we have grown between 2.0-2.5% since. And contrary to the election year rhetoric this is not nearly enough growth. Kansas is lucky, as our own internal rate has been much better than the national rate with the corresponding "problem" of abundant tax revenues this year. The tighter State government budgets and tax cuts of 1995 have undoubtedly contributed to this robust growth.

I remind each of you that we do not enjoy our current economic super power status as a birth right. We are here because the immigrants who came here early in this century were proficient savers and U.S. businesses made superior investments in new technologies in the years following World War II. (Also, most of the rest of the world was in shambles.) If we do not continue to save and invest in the future we will be passed as surely as we passed Britain earlier this century.

And while it is certainly naïve to imagine that there is any one cause or cure for our anemic savings rate, I believe this bill is a start to a higher savings and job creation rate for Kansas.