

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 19, 1997 in Room 519-S of the Capitol.

All members were present except:

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:

Rep. John Edmonds
Rep. Tim Carmody
Jim Robinson, HisWay Ministries, Franklin County
Rev. Bill Anderson, administrator, Timber Lakes Camp & Retreat Center, Williamburg
Doug Robinson, HisWay Ministries, Franklin County
Dick Weisser, South Johnson County Fire Department
William Jahnke, Overland Park Fire Department
Joyce Coker, Community Relations Coordinator, Johnson County

Others attending: See attached list

Chair opened hearing on:

HB 2358 - Property tax assessments on improvements located on city-owned land.

Proponents:

Rep. John Edmonds (Attachment 1)

Written testimony from
Robert G. Suelter, City Attorney for Great Bend (Attachment 2)

Chair closed hearing on **HB 2358**

Chair opened hearing on:

HB 2467 - Property tax exemption for real property to be used for religious purposes

Proponents:

Rep. Tim Carmody
Jim Robinson, HisWay Ministries, Franklin County (Attachment 3)
Rev. Bill Anderson, administrator, Timber Lakes Camp & Retreat Center, Williamburg (Attachment 4)
Doug Robinson, HisWay Ministries, Franklin County (Attachment 5)

Rep. Mays recommended further study of the manner in which property taxes are set in Franklin County. He suggested a representative from BOTA and the Franklin County appraiser be invited to a hearing before the Tax. Committee.

Chair closed hearing on **HB 2467**

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON TAXATION, ROOM 519-S Statehouse, at 9:00 a.m.
February 19, 1997.

Chair opened hearing on:

HB 2474 - Sales tax exemption for purchases of volunteer fire-fighting organizations

Proponents:

Dick Weisser, South Johnson County Fire Department
William Jahnke, Overland Park Fire Department
Joyce Coker, Community Relations Coordinator, Johnson County (Attachment 6)

Written testimony
Rep. Phyllis Gilmore (Attachment 7)

Closed hearing on **HB 2474**

Chair opened for action on:

HB 2107 - Sales tax exemption for purchase by religious organization

Moved by Rep. Powell, seconded by Rep. Donovan, amend **HB 2474** - Sales tax exemption for purchases of volunteer fire-fighting organizations into **HB 2107**. Motion carried.

Moved by Rep. Kirk, seconded by Rep. Findley, amend **HB 2293** - sales tax exemption for certain food sales into **HB 2107**. Motion carried.

Moved by Rep. Mays, seconded by Rep. Shultz, amend **HB 2198** - sales tax exemption for purchases by water supply agencies into **HB 2107**. Motion carried.

Moved by Rep. Garner, seconded by Rep. Ruff, amend **HB 2145** - sales tax exemption for parent teacher organizations into **HB 2107**. Motion carried.

Moved by Rep. Findley, seconded by Rep. Ruff, amend **HB 2047** - sales tax exemption for broadcasting machiner and equipment into **HB 2107**. Motion carried.

Moved by Rep. Larkin, seconded by Rep. Findley, amend **HB 2118** - sales tax exemption for Habitat for Humanity into **HB 2107**. Motion carried.

Moved by Rep. Krehbiel, seconded by Rep. Vickery, amend **HB 2115** - sales tax exemption for girl scout cookies into **HB 2107**. Motion carried.

Moved by Rep. Larkin, seconded by Rep. Powell, amend **HB 2087** - sales tax exemption for certain health organizations into **HB 2107**. Motion carried.

Moved by Rep. Mays, seconded by Rep. Powell, conceptual amendment to include the YWCA and YMCA dues subject to sales tax into **HB 2107**. Motion carried.

Moved by Rep. Powell, seconded by Rep. Larkin, **HB 2107** be passed out favorably as amended. Motion carried.

The next meeting is scheduled for February 20, 1997.

Adjournment

Attachments - 7

TAXATION COMMITTEE GUEST LIST

DATE: FEBRUARY 19, 1997

NAME	REPRESENTING
JAMES W. ROBINSON	HIS WAY MINISTRY
Rev. Bill Anderson	Timber Lakes Camp + Retreat Center Midwest District Missionary Church
Doug Robinson	HIS WAY ministry
DICK WEISSER	SO JO CO FIRE + RESCUE DEPT
WILLIAM JAHNKE	OVERLAND PARK FIRE DEPT, INC
Beccy Swanwick	League of KS Municipalities
JOYCE COFER	JOHNSON COUNTY GOVT
Kelley Kuitala	City of Overland Park
FRED MOSTELLER	LIVING - HOME - INSTEAD
JANE MOSTELLER	LIVING - HOME - INSTEAD
Hanif Lary	Ks Assn Broadcasters
Alan Hethaus	Water Resources
Ed Spiess	Peterson Public Affairs
Bill Anderson	Water Dist #1 of Jo Co
Shirley Wells	Budget Division
Don Schwaab	KIOGA

STATE OF KANSAS

JOHN T. EDMONDS
REPRESENTATIVE, ONE HUNDRED TWELFTH DISTRICT
1010 TAFT, P.O. BOX 1805
GREAT BEND, KANSAS 67530
(316) 792-6552

STATE CAPITOL
ROOM 182-W
TOPEKA, KANSAS 66612
(913) 296-7681



COMMITTEE ASSIGNMENTS
VICE-CHAIRMAN
FISCAL OVERSIGHT COMMITTEE
JOINT COMMITTEE ON PENSIONS, INVESTMENTS
AND BENEFITS
MEMBER
APPROPRIATIONS COMMITTEE
APPROPRIATIONS SUBCOMMITTEE ON EDUCATION
AND LEGISLATIVE OPERATIONS

HOUSE OF
REPRESENTATIVES

TESTIMONY BEFORE THE
HOUSE COMMITTEE ON TAXATION
FEBRUARY 19, 1997

JOHN T. EDMONDS
KANSAS HOUSE OF REPRESENTATIVES
112TH DISTRICT

Mr. Chairman and Members of the Committee, thank you for the opportunity to appear before you with regard to House Bill 2358. This bill is intended to address a specific difficulty in connection with the appraisal and assessment of improved real property when land and improvements have separate owners.

This bill has its origins with a problem which has been recently noted in Great Bend whereby property owned by the City of Great Bend, which is the site for certain privately owned improvements, is no longer being appraised, assessed and billed to the separate entities, but is instead being attributed entirely to the City.

The primary concern is that failure by the improvement owners to pay property taxes when due could result in the sale of City property at tax auction. Clearly, this would not be a desirable situation.

Accompanying my testimony is the written testimony of Robert G. Suelter, Great Bend City Attorney. He has described in more detail the situation which HB 2358 is intended to address.

HB 2358 is a narrowly focused attempt to address a specific problem. I encourage your consideration and support.

House Taxation
2-19-97
Attachment 1-1

City of Great Bend

Robert G. Suelter
City Attorney
1209 Williams
P. O. Box 1168
Great Bend, Kansas 67530

Telephone 793-4111
Fax 793-4108

February 18, 1997

The Honorable John T. Edmonds
Representative-One Hundred Twelfth
State Capitol
Room 162-W
Topeka, Kansas 66612

Dear John:

Thank you for the telephone call today. Unfortunately, I will not be able to make it to testify on the bill tomorrow at 9:00 a.m. Attached is a letter outlining the problem that I have prepared for submission as testimony in support of the bill.

Thank you for your assistance in this matter.

Very truly yours:



Robert G. Suelter

House Taxation
2-19-97
Attachment 2-1

City of Great Bend

Robert G. Suetter
City Attorney
1209 Williams
P. O. Box 1168
Great Bend, Kansas 67530

Telephone 793-4111
Fax 793-4108

February 18, 1997

The Honorable John Edmonds
Representative-One Hundred Twelfth
State Capitol
Room 162-W
Topeka, Kansas 66612

Dear John:

I appreciate your concern about the problems being encountered by the City of Great Bend, Kansas, concerning the leasing of real estate at the Great Bend Municipal Airport to persons who construct buildings on the leased land.

BACKGROUND

The City of Great Bend operates the Great Bend Municipal Airport located approximately two miles west of the City of Great Bend, Kansas. The airport is a World War II Airport and was turned over to the City of Great Bend, Kansas, after the conclusion of the war. The City operates a portion of the airport as an airport and has been attempting to use the excess real estate, not needed for operation purposes, as an industrial park. Because of restrictions in the deed conveying the real estate to the City and because of directives from the Federal Aviation Administration, the City is restricted from conveying its interest in the real estate to a party wishing to locate a business at the airport. The City can only lease the real estate to the party and the party can then erect buildings on the property for the operation of their business.

Until approximately 1996, the buildings located on City owned airport property were placed on the tax rolls as personal property and were listed and assessed separately from the real estate. The tax bill for the building was sent to the person who owned the building and the tax bill for the real estate, if any, was sent to the City. The City's lease agreement generally placed the responsibility for any taxes assessed to the real estate on the person leasing the land from the City. In the event the taxes on the improvements were not paid, the County would include those improvements in its annual tax sale.

Approximately 1996 this all changed. The City began receiving tax bills for the real estate as well as the improvements to the real estate. The City contacted the Barton County Appraisers office which acknowledged that the other method of listing and

assessing the property worked better but that they were mandated by law to list all improvements to the real estate with the real estate upon which they were located.

PROBLEMS

The City encountered several problems in dealing with this situation. Each year the City now receives several tax bills for real estate at the airport and the City must sort through the tax bills, identify the Lessee and forward those bills to the proper party. This not only causes some inconvenience but considerable confusion on the part of the persons receiving a tax bill that is in the City's name.

A second problem the City encounters is that the County Appraisers office has listed several different buildings located in an area in one tax bill. In one case these buildings and improvements are owned by three different persons or entities. The City has forwarded the tax bills to the owners of the entities and they, rightfully so, are quite confused over what they are to pay. Although they have been directed to the County Appraiser's Office to straighten this matter out they have not been able to resolve the issue. These three buildings have not been separated either from the real estate or from one another. The Appraiser's Officer apparently indicated that since the City owned the underlying real estate that the buildings could not be listed separately from each other. To make matters even worse for these businessmen, one of the parties is not paying his taxes. The two businessmen who are willing to pay their share face having their buildings sold at a tax sale through no fault of their own.

This brings up another problem faced by the City. Under the old method any person acquiring improvements to the land would have to negotiate with the City concerning a new lease. Under the current method of listing and assessment, the City would have to redeem the real estate before the tax sale in order to keep it from being sold. The City would be prohibited from bidding on the property at any tax sale, as I understand the law, since the City is the listed owner of the property. If the City did not redeem its real estate before the sale and the real estate was sold at a tax sale, the City would be placed in a position of violating Federal Aviation Administration Regulations, possibly losing FAA assistance with the airport.

Another problem that could occur is that the owner of the building could lose his building to another and not be warned it was going to happen. These properties are all listed with the City as the owner. The tax bills are sent to the City. The City of Great Bend, Kansas, painstakingly goes over the bills and distributes the bills to the proper persons. If this were not done or if the bills were sent to the wrong person, the owner of the building could have their building sold without notice. The City would be the person receiving the notice of both the tax sale and the pending litigation because the City would be listed as the owner of the property. The Owner of the building would not be notified since his name would not appear on the tax rolls.

SOLUTION

The City of Great Bend, Kansas, supports the bill as drafted as the best solution to this problem. The bill would place the buildings on the tax rolls with the owner of the building listed and receiving the tax bill. The underlying real estate would be assessed to the City and the City, if it had an agreement that the building owner paid the taxes on the real estate, could forward the tax bill to the Lessee. If the City did not have such an agreement, it could pay the taxes.

In addition, the County Appraiser would send the tax bills to the individual owners of the improvements and not list several different sets of improvements owned by several different people on the same tax bill. This would allow the owners to know their specific responsibility for taxes.

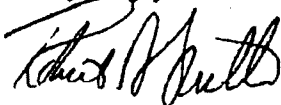
The provision that the improvements could be sold at a tax sale are important to this bill. Owners of improvements who do not pay their taxes should have their property sold for collection of the unpaid taxes. Government entities should not have their real estate sold at a tax sale for the failure of a tenant to pay taxes on improvements owned by that tenant.

Although it may be easier for county officials to treat this type of property as it is currently being treated, it is not fair. It is unfair to the government entities attempting to encourage economic development. It is also unfair to the innocent owners of improvements who have their improvements lumped together with other owners who choose not to pay their taxes. In both cases innocent parties are having their property sold at a tax sale through no fault of their own.

The City of Great Bend, Kansas, appreciates the opportunity to submit this information to the Committee and supports the passage of this bill.

Thank you for your consideration.

Very truly yours:



Robert G. Suelter



A Christian Outreach and Service Organization

P.O. Box 400, Ottawa, Kansas 66067-0400

Phone: (913) 746-5418

FAX: (913) 746-5737

E-Mail: HisWayInc@aol.com

Testimony before the House Taxation Committee

Given by James Warren Robinson, February 19, 1997

I am the Executive Director of His Way Ministries. His Way is a non-profit 501(c)(3) Christian Outreach and Service Organization. I became one of the founders of His Way Ministries in 1970 upon leaving active duty as a Navy Chaplain.

His Way has been a multi-faceted ministry deeply involved in counseling, evangelism, and Scripture distribution. For example we placed a Christian New Testament in almost every home in San Francisco, 225,000 of them.

I am a native Kansan having grown up in Lawrence. It was natural, after I felt we had completed our mission in San Francisco, to return to the Midwest to minister. We moved to Kansas approximately four years ago to establish a Christian Retreat/Study Center on a beautiful farm southwest of Ottawa.

We have been turned down for tax exemption on office equipment, personal property and real estate. We are operating a ministry with very limited facilities. Our Board of Directors made the decision two years ago that we should not do any more major construction until we get the tax exemption that the Kansas statutes provide.

We comply with all the statutes but the extreme interpretation practiced by BOTA creates real problems not only for us but for other non-profit religious organizations.

For example, His Way was denied exemption on a mobile home used as a parsonage. This because it was not used exclusively as a residence. Due to shortage of space we maintained an office in one room. So the tax exemption on our ministry office equipment was turned down because it was in a residence and the exemption on the residence was turned down because of office equipment there.

Reviewing some other records I found that a church was denied exemption on a parsonage because a religious service was held in the parsonage.

It would be helpful to other non-profit religious organizations, as well as BOTA, to clarify the present statutes so that they are a little more difficult to interpret in a ludicrous fashion.

House Bill 2467 with 3 changes incorporated would be a major improvement.

1. Change the wording to clarify the meaning of the words, "actual", "regular" and "exclusive" use .
2. Change the wording of Seventh paragraph of 79-201 so that "exclusive" does not prevent use of

"HE OPENED FOR US A NEW WAY, A LIVING WAY . . ."

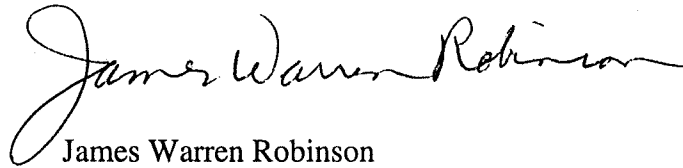
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parsonage for purposes consistent with the purposes of the religious organization and to insure that the minister does not forfeit the rights of a citizen just because he lives in a tax exempt parsonage.

3. BOTA has asserted that His Way is not "religious". I would suggest that 501(c)(3) religious organizations, as recognized by the Federal Internal Revenue Service, registered and operating within the State of Kansas shall be recognized as religious not-for-profit corporations by the State of Kansas when considering the merits of application for tax exemptions.

It should not be the responsibility of the County Tax Appraiser or BOTA to decide what persons or organizations are religious.

Respectfully Submitted,

A handwritten signature in cursive script that reads "James Warren Robinson". The signature is written in black ink and is positioned above the printed name.

James Warren Robinson
His Way Ministries

Testimony before State Tax Committee

Date: feb. 19, 1997

Re: Timber Lakes Camp and Retreat Center

I am Rev. Bill Anderson , Camp Administrator for Timber Lakes Camp and Retreat Center, Williamsburg, Kansas.

Timber Lakes is a 245-acre Bible Camp owned and operated by the Midwest District Missionary Church, an internationally-known denomination, duly recognized by the Internal Revenue Service as a 501(c)(3) charitable organization. There are eighteen (18) Missionary Churches in the Midwest District, four (4) of which are located in Kansas. I myself am a minister of the gospel licensed by the Missionary Church.

It was in April of 1995 that the Midwest District purchased the Timber Lakes property. Immediately we began using the property for our christian camping and retreat ministry which for the previous 50 years had been located in Nebraska. It was out of a desire to expand the scope of that ministry that this property was purchased. During the first nine (9) months of ownership we held 12 -14 different exclusively religious events here which involved over 300 people. During 1996 our use expanded to some 28 different functions ranging in duration from 1 - 6 days involving over 800 people.

The problem we are encountering however, is that inspite of this "actual and regular use" for exclusively religious purposes we are being denied exemption from property tax by Franklin County. When we first applied in 1995 , concern was raised because we said we charged fees for the services we rendered even though the statutes clearly state that an organization can be "reimbursed for the provision of services" and "for the actual expense of using such property." When we went before BOTA however, the fees issue fell by the wayside and the county closed its arguments by questioning our right to exemption based on the "actual and regular use" statute statement. BOTA therefore ruled in the county's favor and though we applied for reconsideration, submitting written documentation of our "actual and regular use" we continued to be denied.

In 1996 we again applied for property tax exemption and were once again denied by the county and sent to BOTA for another hearing yet future. This time the county stated that they still questioned whether the use of the property met the statutory requirements. Under direct questioning by myself and members of the Board of Directors of Timber Lakes the Franklin County Appraiser's answer to the question, "What must we do to, in your eyes, meet the requirements?" was "I do not know."

I propose here today that the wording of this tax statute needs to be changed so that those who are supposed to interpret and enforce said statute can give clearly defined definitions and parameters so those of us who desire to comply with them may do so.

I further contend that these statutes are being applied inconsistently and capriciously as relating to Timber Lakes. There are two(2) other Bible Camps in Franklin County, one of which is located less than 1 mile east of Timber Lakes. They function under the same basic format as we do, charging reasonable fees for services rendered, showing " actual and regular" albeit not "constant" use yet they enjoy the benefit of the very exemption we have been denied.

Members of this committee, I urge you to support the wording changes as contained in the amendment before you. Laws and statutes have been set forth for the express purpose of providing for and protecting the legitimate rights of the people. If these laws can be twisted and distorted by the capricious whims of the powers that be they become unbearable burdens instead of guiding principles which was their original intent. These wording changes will make it possible for those who desire to follow the letter of the law to have greater appreciation for the spirit of that law and greater confidence in those who interpret it as well.

Respectfully submitted,



Rev. Bill Anderson
Camp Administrator
Midwest District Missionary Church



A Christian Outreach and Service Organization

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Testimony before the House Taxation Committee

Given by Doug Robinson, February 19, 1997

We have three main concerns about House Bill 2467:

I. Concern over new language in House Bill No. 2467

Current new language in HB 2467:

in any year in which tax exemption is being claimed

...Except with regard to real property which is owned by a religious organization, is to be used exclusively for religious purposes and is not used for a nonexempt purpose prior to its exclusive use for religious purposes which property shall be deemed to be actually and regularly used exclusively for religious purposes for the purposes of this paragraph, . . .

We recommend the additional wording in bold:

...Except with regard to real property which is owned by a religious organization, is to be used exclusively for religious purposes and is not used for a nonexempt purpose in any year in which tax exemption is being claimed prior to its exclusive use for religious purposes which property shall be deemed to be actually and regularly used exclusively for religious purposes for the purposes of this paragraph, . . .

We recommend the addition of this language because:

We are concerned that HB 2467 as written could be used to prevent the conversion of non-exempt property to exempt property. For example, a church could purchase a building with tenants and therefore rental income—a non-exempt use—with a plan to convert that building for an exempt use. It would normally take time to relocate tenants, etc. before a church or religious organization could take full possession of a building to convert it to a church building, so that the property would be owned by a religious organization but have a temporary non-exempt use prior to conversion to an exempt use. We believe that the addition of our language would prevent confusion in this matter.

II. Our second concern is the problem of “exclusive” as applied by BOTAs to a Parsonage

Change the Seventh Paragraph of 79-201 by adding the following wording after the existing wording:

Tax exempt parsonages may be used by the churches and religious organizations holding title for religious, educational and humanitarian purposes in addition to their residential use. Nothing in these statutes

defining residential parsonages eligible for tax exemption shall be construed as to prevent the use of a parsonage for:

a prayer meeting, bible study, Sunday school class meeting, or other similar religious function, a place to provide hospitality to guests or to conduct the business of the church or religious organization holding title to the parsonage. No minister or other clergyman residing in a tax-exempt parsonage forfeits the personal rights or privileges normally held by Kansas citizens living in non-exempt residences.

We ask for this new language because: A church or religious organization should not be under threat of loss of tax exemption because the parsonage is used for a religious meeting or a place to answer the church phone and conduct some of the business of the church or religious organization.

His Way Ministries application for tax exemption on it's parsonage was turned down by BOTA because:

"The statute requires that the parsonage be 'used exclusively' means that the use made of the property sought to be exempted must be solely, and purely for the purposes stated, and without participation in any other use. Thus, the Board [of Tax Appeals] finds that the mobile home is not 'exclusively used' as a place of residence as required by K.S.A. 79-201 Seventh" -BOTA "Order of Reconsideration"

They also asserted that having overnight guests and ministry office equipment in a parsonage was a violation of "exclusive residential use".

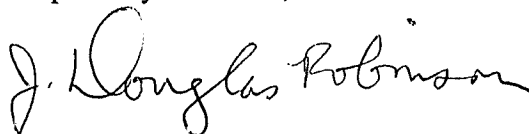
III. In each of our hearings before BOTA, and in their written findings, they assert that we are not "religious". His Way conducts weekly religious services, open to the public, announced in the newspaper where we have discussion, teaching, Bible study, hymn singing, prayer and communion.

His Way is a 501 (c)(3) **religious** organization conducting religious meetings seminars and retreats since 1970. His Way is a foreign (California) not-for-profit corporation active and in good standing in the State of Kansas. (See attached letter from Secretary of State Ron Thornburgh.)

We request the following language be added to the statutes:

501(c)(3) religious organizations and churches as recognized by the Internal Revenue Service, registered and operating in the State of Kansas, shall be recognized as religious not-for-profit corporations by the State of Kansas when considering the merits of applications for tax exemptions.

Respectfully Submitted,



Doug Robinson
His Way Ministries

5-2

Ron Thornburgh
Secretary of State



2nd Floor, State Capitol
300 S.W. 10th Ave.
Topeka, KS 66612-1594
(913) 296-4575

STATE OF KANSAS

May 17, 1995

Mr. James W. Robinson
1203 Finney Road
Williamsburg, KS 66095

Dear Mr. Robinson:

As a follow up to our phone conversation of May 10, I am writing to let you know that our records show that the Foreign Not For Profit Corporation His Way is active and in good standing.

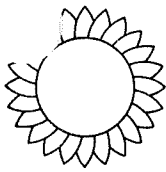
Upon further review with legal counsel, we are agreed that you are currently pursuing the best course of action concerning the denial of a tax exemption for His Way. Your private legal counsel will best be able to represent you before any appeals.

If you have any questions, please feel free to contact my office.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Thornburgh", written over a large, stylized oval flourish.

RON THORNBURGH
Secretary of State



February 19, 1997

House Taxation Committee

Re: HB 2474

Tax Exempt Status of Volunteer Fire Departments

Testimony of Joyce Coker, Johnson County Intergovernmental/ Community Relations Coordinator

Mr. Chairman, members of the committee, my name is Joyce Coker, Intergovernmental and Community Relations coordinator for the Johnson County Board of Commissioners. I am appearing today on behalf of the board to support tax exempt status for Johnson County non-profit fire departments. Within Johnson County, two fire departments are classified as non-profit organizations: South Johnson County and Overland Park. Since both of these entities are supported by tax dollars, as are all the fire districts in Johnson County, the board believes it is important to shelter them from unnecessary expenses--in this case the payment of sales tax. We respectfully request your consideration of legislation to allow the fire departments in unincorporated areas and within city limits to operate as tax exempt entities.

Thank you for providing this opportunity to testify.

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State of Kansas
House of Representatives

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OLATHE, KANSAS 66062
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TOPEKA

PHYLLIS GILMORE
Representative, Twenty-Seventh District

COMMITTEE ASSIGNMENTS
CHAIRMAN: JOINT COMMITTEE ON CHILDREN
& FAMILIES
MEMBER: BUSINESS COMMERCE & LABOR
HEALTH & HUMAN SERVICES
JUDICIARY

February 19, 1997

TESTIMONY IN SUPPORT OF HOUSE BILL NO. 2474

Mr. Chairman and Members of House Taxation Committee, thank you for accepting my testimony in support of House Bill 2474.

At the present time, non-profit volunteer fire departments are not exempt from paying sales tax. However, they are allowed to contract with local municipalities, thereby becoming sales tax exempt for any purchases made through the local municipality. This is a hassle, cumbersome, and costly in the time it takes from other tasks employees could be performing.

House Bill 2474 is actually more of an administrative issue than a tax issue. While we do not, as yet, have a fiscal note on this bill, at worst, any lost revenue should be insignificant as large cost items are already being purchased through local governments. Additionally, one could argue there may actually be a savings to the tax payer due to the reduction of paperwork.

Thank you.

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