Approved: March 18, 1997
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION.

The meeting was called to order by Chairperson Audrey Langworthy at 11:00 a.m. on March 14, 1997, in Room 519--S of the Capitol.

Members present: Senator Langworthy, Senator Corbin, Senator Lee, Senator Bond, Senator Donovan, Senator Hardenburger, Senator Karr, Senator Praeger, Senator Steffes and Senator Steineger.

Committee staff present: Tom Severn, Legislative Research Department
Chris Courtwright, Legislative Research Department
Don Hayward, Revisor of Statutes
Shirley Higgins, Secretary to the Committee

Conferees appearing before the committee: Shirley Sicilian, Department of Revenue
Rep. Carlos Mayans
Jane Mosteller
Rep. Gwen Welshimer

Others attending: See attached list

The minutes of the meetings of March 11, March 12, and March 14 were approved.

Shirley Sicilian, Kansas Department of Revenue, briefed the committee on **HB 2105--Enacting the education and tax reform act of 1997.** Ms. Sicilian noted that the bill, as introduced, was designed to significantly simplify compliance with Kansas' tax laws. The bill was amended by the House Taxation Committee and the House Committee of the Whole. The current version of the bill contains 41 substantive sections. Ms. Sicilian summarized groups of sections by subject matter, noting fiscal impacts where applicable. (Attachment 1)

A brief period of committee questions followed. Ms. Sicilian clarified that the bill as introduced would have a fiscal impact of $2 million in FY '98. As amended by the House Taxation Committee, an estimated additional $20.5 million was added. The fiscal impacts of the House floor amendments (Sections 33 through 41) are inestimatable or estimated to be of minimal impact.

Senator Langworthy emphasized that the original bill was the result of hard work by the Governor's office, a coalition of Kansas taxpayers, and the Department of Revenue. Because of the extensive thought put into the bill, many points in it are of merit . A hearing will be set on **HB 2105** during the week of March 17 through 21.

HB 2249--Allowing the deduction of long-term care insurance premium costs; relating to income taxation.

Representative Carlos Mayans, author of **HB 2249**, testified in support. The bill as introduced would allow a tax credit for any individual who contributes to any non-profit organization that provides 70 percent of its resources towards helping the homeless and hungry. (Attachment 2)

Representative Mayans explained that the House Committee of the Whole amended **HB 2249** to include tax credits for employment of certain disabled or mentally ill persons, tax credits for contributions to schools for assistance for "exceptional" children, expansion of the credit for modifications to facilities to make them accessible to disabled persons, and the deduction for long-term care insurance. The original bill had a fiscal note of approximately $6 million, but a revised fiscal note said the fiscal impact was indeterminable because there is no current information available to determine how many organizations in the state dedicate 70 percent or more of their resources to fight homelessness and hunger. The fiscal note for the House Committee of the Whole amendments remains unknown. Representative Mayans believed that the amendments were of merit, however, he did not want to jeopardize the original intent of the bill with the amendments. He felt some of the amendments could be presented in a future bill.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION, Room 519-S Statehouse, at 11:00 a.m. on March 14, 1997.

Jane Mosteller of Wichita, Kansas, followed with testimony in strong support of **HB 2249** as amended, in particular, the amendment expanding the current tax credit of renovating existing houses to include new construction of a handicap accessible home. Mrs. Mosteller is a handicapped person and a member of a self-help group, Living Home Instead. She explained that new construction is sometimes necessary because some existing structures are financially or structurally feasible to renovate. She contended that a handicap accessible home is preventative medicine and that expanding the tax credit to the higher adjusted income levels will assist families to invest in the future. (Attachment 3)

Mrs. Mosteller distributed copies of testimony submitted in support of **HB 2249** prepared by Sharon Huffman, Commission on Disability Concerns, (Attachment 4) and by Bob Mikesic, Independence, Inc., (Attachment 5).

Representative Gwen Welshimer followed with further testimony in support of **HB 2249** as amended. She recalled that the Legislature passed a bill last year allowing a tax credit for alterations to a facility or residence to accommodate the disabled. However, many were not able to take advantage of the credit. **HB 2249** extends the same credit and the same restrictions to new construction with the exception of a floor amendment which allows the over $55,000 income category a 40 percent credit rather than being zero. The Department of Revenue estimates the fiscal impact would be minimal and would not require any adjustment in the FY '98 Governor's Budget because it is not believed that enough persons will take advantage of the provision to affect the budget. Representative Welshimer concluded that the more accessibility for medical equipment with safety features for the elderly and disabled, the more savings will result in insurance administration, wage loss, medical costs, social services, and nursing home applications. (Attachment 6)

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

The next meeting is scheduled for March 18, 1997.

SENATE ASSESSMENT & TAXATION COMMITTEE
GUEST LIST

DATE: March 14, 1997

NAME	REPRESENTING
Anne Spiess	Peterson Public Affairs Group
Bob Brown	Mid-Am Lumberman Assn
Patrick Hurley	KCPL
Bill Yancee	BOEING
Kelley Kultala	City of Overland Park
Joyce Oker	Johnson County Govmt
Harriet Lange	Ks Assn Broadcasters
Hal Hudson	NFIB/KS
JASON DITSENBERGER	BRAD SMOOT
Susan Baker	Hein & Weir
Ashley Sherard	O.P. Chamber
Jim Allen	CPA/K

ST OF KANSAS
Bill Graves, Governor

DEPARTMENT OF REV E
John D. LaFaver, Secretary

Shirley K. Sicilian, Director
Kansas Department of Revenue
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Office of Policy & Research

MEMORANDUM

TO: Senator Audrey Langworthy, Chair
Senate Committee on Assessment and Taxation

FROM: Shirley Klenda Sicilian
Kansas Department of Revenue

RE: Briefing on H2105
Taxpayer Equity & Fairness Act

DATE: March 14, 1997

Senator Langworthy and members of the Senate Committee on Assessment and Taxation, thank you for the opportunity to provide a briefing on the Taxpayer Equity & Fairness Act in House Bill 2105. This bill as introduced was the result of months of collaboration between a coalition of Kansas taxpayers, the Kansas Department of Revenue, and the Governor's Office. As introduced, the bill was designed to significantly simplify compliance with our tax laws. The bill has been amended by the house tax committee and the house committee of the whole. Most of the house tax committee amendments were recommended by a subcommittee.

The current version of the bill contains 41 substantive sections. For this briefing, I will summarize groups of sections by subject matter:

A. Interest rate parity (sections 1, 2, 3 and 25).

This bill would equalize the interest rate for over- and underpayment of sales, property and income taxes. Currently, there is no interest paid on sales or property tax refunds. Interest on income tax refunds is paid, but it is set at 6% compared to the 12% collected on underpayments. The bill maintains those provisions of current law which would adjust the underpayment rates, and the rate for income tax overpayments, according to changes in the federal short term interest rate beginning January 1, 1998. In the bill as introduced, both over- and underpayment rates would be set at the federal internal revenue code rate (the federal short term rate plus 3%) **plus** 1%. The house floor amendments set both rates equal to the IRC rate **minus** 3%.

The new interest rates would be effective for all taxable periods beginning after December 31, 1997, except that interest would also be paid on sales tax overpayments from any taxable period subject to assessment as of January 1, 1998.

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Attachment 1

B. Publication of all department policy (section 4)
The vast majority of Kansas taxpayers strive to comply with the tax laws. Sometimes that involves a lot of effort simply to find out what the tax law is. The purpose of this section is to make that effort significantly easier. Beginning January 1, 1998, notice of new department policies will be published in the Kansas Register and the full text of each policy will be published in a medium readily accessible to taxpayers. One way the department intends to satisfy this statutory requirement is to make all department rulings and information guides available to taxpayers electronically through the internet.

C. Informal reconsideration conference (sections 5 through 14; 10 describes procedure)
Under current law, income, inheritance, motor fuel, mineral and sales tax appeals require formal evidentiary hearings, held in accordance with the Kansas Administrative Procedures Act, in front of the Director of Taxation. This KAPA proceeding is followed by another KAPA proceeding at the Board of tax appeals. The purpose of sections 5 through 14 of the bill is to eliminate that duplicative formal hearing requirement and replace it with an informal conference before the secretary or his designee. Legal representation would not be required. However, taxpayers could designate attorneys, CPAs, or any other person to represent them or provide information at the conference. The conference will serve as an opportunity for the head of the agency to review all facts and issues that underlie contested cases and will promote consistency in the application of department policy.

If the process is streamlined, we can reduce the time it takes for an issue to be resolved. Under the bill, a final determination must be made within nine months of the request for informal conference. After that, the taxpayer may appeal to BOTA. If a final determination is not made within the nine months allowed, the taxpayer can appeal directly to BOTA. New section 14 has the effect of requiring the current backlog of cases to be eliminated by October 1, 1998. A nine month process represents a significant improvement over the recent average life-span for corporate income tax appeals, which is nearly two and one half years. The nine month time frame is possible to meet if the process is allowed to become less formal, and the department has already made some progress.

D. Private Delivery Services allowed (section 15)
This section of the bill would allow the use of private delivery services in the same manner and to the same extent as provided for in federal law. Any private delivery service designated as acceptable by the secretary of the federal internal revenue service would be acceptable for Kansas purposes as well. The IRS requires, among other things, that a service be available to the general public, be at least as timely and reliable as the U.S. mail, and record electronically or mark on the envelope cover the date on which an item is given to the service for delivery. Also, the determination of "timely filing" regarding such services would be the same for Kansas as it is for the IRS.

E. Employee evaluations (section 16)
Section 16 provides that no department employee will be evaluated by a production quota system based on the total amount of assessments issued or on a percentage of taxes collected through settlements or other means before final judgment. This provision broadens an existing clause, in the 1989 Taxpayer Bill of Rights, which only applied to auditors. While the department does not evaluate employees on these basis, this section will provide statutory assurance to taxpayers that it never will.

F. Federal waivers don't open up a tax year (section 17)

The use of federal waivers to extend the statute of limitations for state income tax assessment purposes would be restricted so that only those issues considered by the IRS may be assessed by the Department under a federal waiver. Once the statute of limitations has run in Kansas, the department will not use the opportunity of a federal waiver to re-open an audit. Changes that flow through from federal corrections can still be made. Also, the department can still enter into agreements for Kansas waivers, which is often done for the convenience of the taxpayer. Subsection (h) makes this provision retroactive for any appeal from a notice of assessment which is pending on the effective date of the bill.

The retroactivity provision of subsection (h) is the first section of the bill which has a fiscal note. All pending appeals in which a federal wavier was relied on will be lost. Currently, the department has about 30 appeals with 14 corporations with total assessments of $9.75 million. Historically the department collects about 60% of total assessments. Using that percentage, corporate assessment collections for pending cases would be reduced about $5.9 million. If these assessments would normally be settled over the next three fiscal years the fiscal impact to the state general fund would be $2.0 million in fiscal year 1998, $2.0 million in fiscal year 1999 and $1.9 million in fiscal year 2000.

G. Direct sales tax refunds allowed (section 18)

Purchasers would be allowed to pursue sales tax refunds directly from the department in cases where:

1. the purchaser had paid the tax directly to the department;
2. the retailer refused or was unavailable to refund the tax; or
3. the department audited the purchaser as a business and had determined that a vendor collected tax which was not due, the purchaser was registered to collect and remit tax, and the purchaser provided an affidavit to assure he would not request a duplicate refund through the vendor. This provision clarifies that the department will offset sales tax assessments with refunds due.

Where the Director of Taxation finds that a retailer had not acted upon a refund request in a timely manner, he or she may extend the statute of limitations for the refund claim by the amount of time attributable to the vendor's delay.

H. Presumption of "Good Faith" (sections 19 and 20)

In the bill as introduced, this section stated that an exemption certificate relieves a vendor from collecting and remitting tax when taken in good faith, and set a standard by which a vendor would be "deemed" to have accepted a certificate in good faith if:

1. the certificate were properly completed;
2. the vendor ascertained the identity of the person presenting the certificate; and
3. the vendor had no knowledge that presentation by the purchaser was improper.

The house tax committee amended this section of the bill. The requirement that a certificate be properly completed is stricken. The third criteria in the original bill is also stricken. It is replaced with a requirement that the department accept the certificate unless it can prove the vendor took that certificate with the intent to allow an unlawful evasion of the tax.

The department estimates there is a high probability for a significant fiscal impact on sales tax revenues from the house amendment because it would inhibit the department from enforcing the sales tax exemption usage as certificates are not required to be properly completed and the department would have to prove fraudulent intent. It is not possible to accurately estimate the impact of this section on state general fund revenues. It is reasonable to anticipate the magnitude of the impact to be in the tens of millions of dollars. If 1% of state sales tax collections were lost, the impact in fiscal year 1998 would be $13.0 million.

Section 20 increases the penalties on purchasers for misuse of a certificate.

I. Reduction of Certain Property Tax Penalties (sections 21 - 29)
A number of assessed valuation penalties which are assessed when personal property tax renditions are filed late would be reduced. For oil and gas, motor carriers, and other types of personal property, statutory assessed valuation penalties would be amended to conform to a new policy - a 10 percent penalty for most late filings; and a 50% penalty only when the failure to file has occurred with intentional disregard. The 50% penalty for escaped personalty currently provided in K.S.A. 1996 Supp. 79-1427a would be eliminated, and new language would be inserted to provide that the interest rate provided by K.S.A. 79-2968 (IRC rate minus 3%) would apply on taxes levied against such property.

J. Property Taxpayers' "Right to Know" (section 30)
Beginning in tax year 1998, property tax information forms would be mailed to each taxpayer with information on:

1. the assessed valuation of real property for the current and preceding taxable year;
2. the mill levies for each taxing unit for the current and preceding taxable year; and
3. the percentage change in revenue produced from each taxing unit's mill levy change from one year to the next.

For agricultural land, the information forms would be required to indicate the acreage and description of each parcel. The forms would be required to indicate separately each parcel of real estate which is separately classified for property tax purposes.

K. Estimated Tax Underpayment Penalty. (section 31)
The income tax estimated tax provisions would be amended to provide that no penalty would be imposed for underpayment of estimated tax if no return was required to be filed for the prior year or the liability for the prior year was less than $200 for an individual or $500 for a corporation.

L. Sales Tax Investigation Directives. (section 32)
The house tax committee added this section which directs department procedures for carrying out its audits and other investigations when sales tax is involved. The bill would:

1. provide all "investigated taxpayers [the right to review] documents and any other papers ... compiled as a result of any investigation ... at any time after completion of such investigation."
2. require the department to provide an "exit" interview after completion of an investigation if requested by the taxpayer. (This is currently the practice of the department)
3. restrict investigations to non-business hours if requested by the taxpayer, and, if requested by the taxpayer, prohibit those audits which are conducted during normal business hours from using more than 25% of the taxpayer's administrative personnel resources corresponding with the duration of the audit. The house committee of the whole amended the rights granted under this section of the statute to apply only to audits conducted within Kansas.

The fiscal impact of new section 32 could significantly reduce sales and use tax compliance investigation collections. It is assumed that compliance investigation productivity will be reduce by 50% due to the increased length of time required to complete a compliance investigation, increased travel time, and devoting larger blocks of time to non audit related record keeping. A 50% reduction in compliance investigation collections would reduce state general fund revenues in fiscal year 1998 about $7.65 million. compliance investigation assessment collections from sales and use taxes in fiscal year 1996 were $15.3 million.

M. Change of Property and Motor Vehicle Tax Distribution Dates. (sections 33 and 34)
These sections were house floor amendments which would change two property and motor vehicle tax distribution dates - from on or before the last business day before March 5 to on or before the last business day before March 20; and from on or before the last business day before September 5 to on or before the last business day before September 20.

N. Improvements on City-Owned Land. (section 35)
This section, a house floor amendment, would provide that improvements owned by entities other than a city on city-owned land may be assessed to the owners of such improvements, and the taxes may be collected by levy and sale of the interests of such owners the same as in cases of personal property tax collection.

O. Sales Tax Blanket Exemption Certificates. (sections 36 and 37)
Political subdivisions would be allowed to obtain blanket exemption certificates so that contractors for those entities would no longer be required to obtain a project specific exemption where the project's total cost is $10,000 or less. This was a house floor amendment.

P. Part-Time County Appraisers (section 38)
This house floor amendment authorizes counties with populations of up to 25,000 to employ part-time county appraisers. Current law authorizes this option for counties with a population of up to only 20,000. The option would be made available to Cherokee, Labette, Franklin, and Miami counties.

Q. Property Tax Receipts. (section 39)
The current requirement for county treasurers to provide receipts for taxes paid would be changed by this house floor amendment to require receipts be issued only when requested by taxpayers.

R. Property Tax Exemption Effective Date. (section 40)
The house amended this section into the bill to provide that when BOTA grants an initial request for exemption, the exemption would be effective upon commencement of construction - provided such construction is commenced within 24 months prior to the first exempt use of the property. This provision would be retroactive to tax year 1996.

S. Property Tax Exemption for Rural Water Districts. (section 41)
This section was amended in on the house floor to specify that all works, machinery, and fixtures used exclusively by certain entities performing the functions of rural water districts would be exempt from property tax. Because this section is very narrowly drawn to clarify the exempt status of a particular rural water district, it will have a negligible impact on the state and local tax base.

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MEMBER: JUDICIARY
JOINT COMMITTEE ON HEALTH CARE REFORM
LEGISLATION OVERSIGHT
SRS TRANSITION OVERSIGHT
UTILITIES

TOPEKA

HOUSE OF REPRESENTATIVES

March 14, 1997

My Esteemed Colleagues:

HB 2249 is a personal invitation to use the strength of our economy in order to shape a society that better protects the dignity and basic rights of our brothers and sisters.

The impetus for this legislation is the current welfare reform guidelines that affect those that are poor, homeless, and living on the edge. The hungry and the homeless are in our churches, in our service agencies, in our shelters, and on our streets.

This legislation will provide a tax credit against the liability of an individual imposed under Kansas Income Tax. This credit will not exceed $500 a year and would be available to any individual that contributes to any non-profit organization that provides 70% of its resources towards helping the homeless and hungry. Corporate contributions will also be allowed.

As leaders in our communities, we are challenged to speak for the voiceless, to defend the defenseless; and to assess life styles, policies and social institutions in terms of their impact on the poor.

This legislation is a response to that challenge.

Respectfully submitted,

Carlos Mayans

CARLOS MAYANS
State Representative
100th District

Senate Assessment + Taxation
3-14-97
Attachment 2

LIVING HOME INSTEAD,
A Neighborhood Organization Without Boundaries
PO Box 463   Haysville KS 67060-0463
Fred and Jane Mosteller   316-522-4032   fax 316-522-8388

Our mission is to enhance the abilities and empower the disabilities of the Disabled and Elderly with Accessibility Modifications in the Home, and especially home ownership of a handicap accessible home.

Please Support HB 2249 as Amended

<u>Expanding the current tax credit</u> of renovating existing houses to include new construction of a Handicap Accessible Home

New Construction is sometimes necessary because some existing structures are not financially or structurally feasible to renovate. Most homes have steps to the front door. Plus the bathroom door and hallways are to narrow for standard wheelchairs.

Remolding and building experts in accessibility for the disabled say, if extensive renovation is necessary it is more productive to build new.

Accessibility modifications reduce medical costs, especially Medicare, Medicaid and Workers Compensation by:
- Reducing high risk, home accident areas
- Conserving personal energy and
- Lowering the risk of injury to the disabled person and caregiver

Home Accidents cost **10 Billion Dollars in actual medical expenses** in 1990 according to the National Safety Council, higher more than work or motor vehicle accidents. I have enclosed a handout for you.

Assistance to build new handicap accessible homes will increase new home starts across the state. Some parts of the State do not have adequate existing housing stock to begin with.

When a homeowner or a family member becomes disabled, the family's income usually goes down, while medically related expenses go up and **because the house is not handicap accessible, the home actually jeopardizes the health and safety of the family.** This sequences of events often results in the family having to sell their home to pay for existing debt.

My husband and I are in this is the situation. Our home has four sets of stairs off of the main entry landing and our laundry room is in the basement. My mother asked, how much, have we and our insurance company paid in medical expenses related to home accidents. The amount would have built me a very nice, handicap accessible home.

We are selling our home to pay off part of our existing debt. Most of our debt is medically related or from trying to obtain a handicap accessible home. We can not refinance or qualify for a home equity loan.

Fred and I started looking for remedies to our housing situation a couple of years ago. Instead of assistance we found many other families in need of handicap accessible housing. Together, we have started a self help group to try and design solutions.

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Attachment 3

F ing housing needs of the disabled, regardless of age can a sted, with you passing this amendment. True examples are:

When parents have children with handicaps, they carry them into the house from the hospital and continue to carry them into the house and bathroom for years. I know of children 6 and 11 years old, still being carried into the house and the bathroom.

A disabled husband and his wife, own their trailer house. They can lift the carpet up and see the ground. This house may not be worth remodeling.

A 30 year old lady with MS, she has her 3 children sleeping in the front room because she can not climb the stairs to the bedrooms.

A husband and wife have their front room separated by a curtain for their disabled son's bedroom. The parents can not walk between their own bedroom & the bathroom without parading in front of their son & his nurse.

A letter I have enclosed, is from a farmer who must empty the port a pot because his disabled wife can not get into their bathroom. He would like to build a home, to accommodate her disabilities. **He has promised that he would not put her in a nursing home.**

We believe Kansas families should use the family room in the house for family living and not as the bedroom and the bathroom.

Another lady, who has MS and uses a wheelchair, is concerned about her 65 year old husband lifting her onto the bathtub bench. She told me "It wouldn't be so bad if he dropped me, but if I broke an arm or he got hurt we would really be in a fix. She wants a roll in shower.

A disabled senior citizen and his wife have a non handicap accessible home in the country but they need a home built to accommodate his disabilities, closer to town. His current home is paid for but like us, his equity will pay off, existing debt, much of which is medical.

And finally, Pastor Larry Bender, who has Cerebral Palsy spent three days trapped, when he was not able to get out of the tub. He then spent three months in the hospital and is still recuperating from his ordeal. I ask, how many roll in showers would that hospital bill have paid for?

A handicap accessible house is preventive medicine.
Expanding this tax credit to the higher adjusted income levels will assists families to invest in the future of their ascendants & descendants

We had a booth donated at the Home Show in Wichita. There were 35,000 people in attendance. Kansans are delighted with this effort and some where moved to tears when they learned about our self help group.

We ask for you to "Help families who have a member with disabilities by assisting, in continued, long term, home living and a better quality of life for the entire family.

Please pass the amendment on HB 2249 that will expand the current tax credit from remodeling existing structures to include
new construction of a handicap accessible home.

1/23/9

The National Home Modifications Action Coaltion
Additional

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DAN CALIENDO, M.D.

EMERGENCY MEDICINE

2120 EAST CENTRAL
ANDOVER, KS 67002
316-733-0516

2/17/97

To: Committee addressing House Bill 2153
From: Dan Caliendo, M.D.

Dear Sirs:

I would like to voice my support of HB 2153 both as a consumer and as a taxpayer. I am confined to a wheelchair and have benefited from the ADA Act; but still find many facilities and homes that are not covered under the act and are not accessible by wheelchair. I feel the tax incentive would not only make it more financially feasible to provide accessibility, but would also be a reminder of the need to do so.

I would like to thank Representative Welshimer for the foresight in introducing this bill. If I can provide any input or information to help the committee, please don't hesitate to contact me.

Yours truly,

D Caliendo MD

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 avoid 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 highschool. 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" + 32" doors. Needless to say, you can't get the wheelchair to the stool. The room is some distance from the kitchen - she cannot get there with wheelchair 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 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.

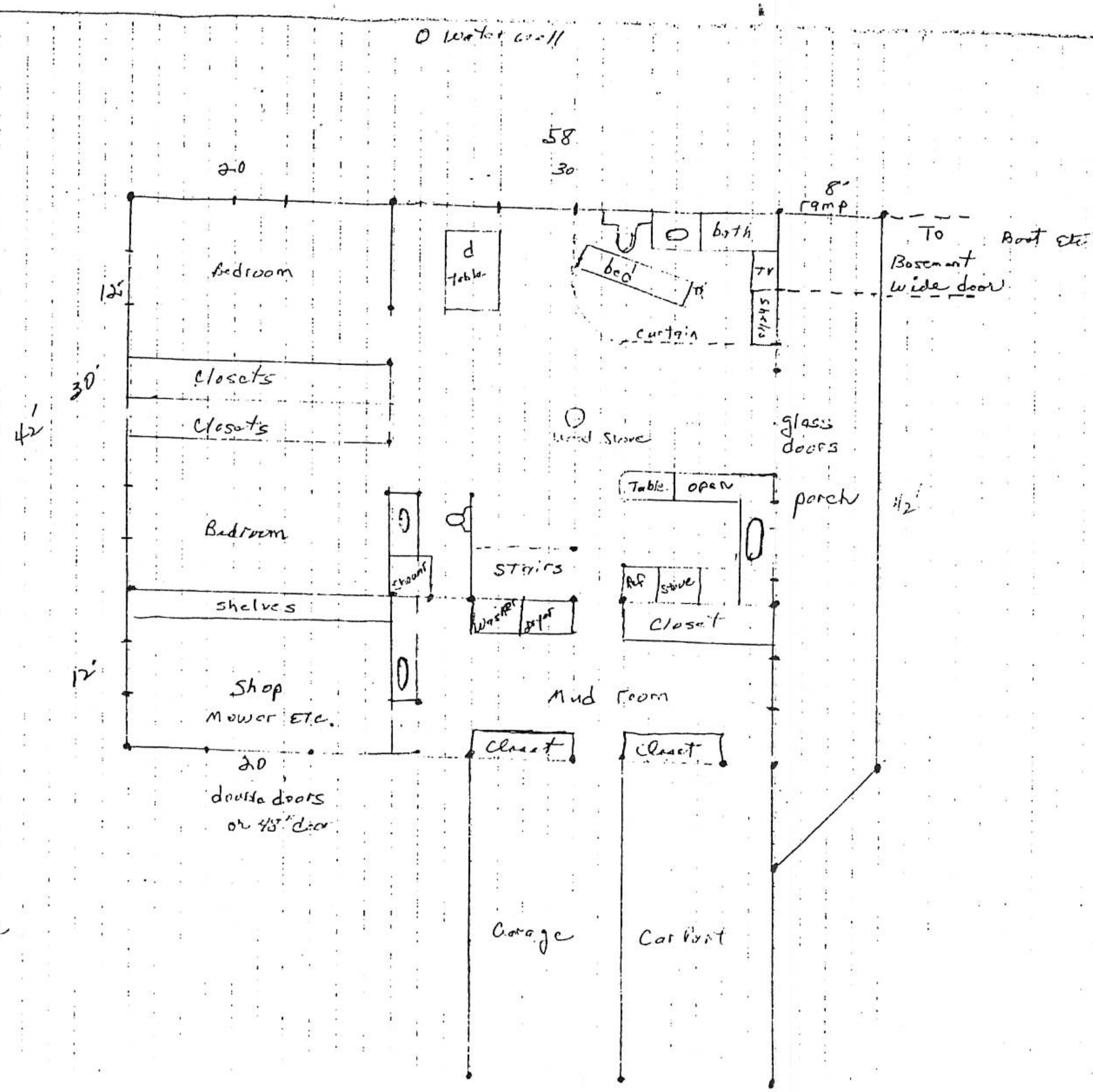
If I can be of any help to promote the cause let me know.

Sincerely
Robert K. Tichbind
7010 E 95th
Buhler, Ks. 6752

3-6

3-7

2x6 Walls
36" doors
No steps
Tile or wood floor
30' x 30' basement
30 Trusses
Vinyl or steel siding
Knotty pine cabinets and panel
Chair lift to basement
Pella windows



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

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 fom 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*	Motor vehicle	Work	Home	Public
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

Actual medical cost for Home accident is higher than work or motor vehicle

Support HB ~~2153~~ 2249 as amended.

3-10

STATE OF KANSAS
DEPARTMENT OF HUMAN RESOURCES

Bill Graves, Governor

Wayne L. Franklin, Secretary

COMMISSION ON DISABILITY CONCERNS
1430 S.W. Topeka Boulevard, Topeka, Kansas 66612-1877
VOICE: (913) 296-1722 • **TTY:** (913) 296-5044 • **FAX:** (913) 296-0466
Toll Free Outside Topeka (KCDC) 1-800-295-5232
ADA Information Center (BBS) .... (913) 296-6529

SENATE COMMITTEE ON ASSESSMENT AND TAXATION
HB 2249
March 14, 1997

Thank you for this opportunity to testify in support of House Bill 2249. My name is Sharon Huffman and I represent the Kansas Commission on Disability Concerns (KCDC). KCDC is a state agency established by law to carry on a continuing program to promote a higher quality of life for people with disabilities. One of our responsibilities is to submit recommendations to the legislature believed necessary to promote the independence of people with disabilities.

KCDC believes that many of the income tax deductions proposed in HB 2249 would help increase the likelihood of Kansans with disabilities remaining independent by increasing opportunities for people with disabilities to live and work in the community of their own choice. The tax credit program for employers would provide an incentive for employers to hire individuals who are developmentally disabled or seriously and persistently mentally ill. This opens up a job market to many who otherwise might end up on the rolls of some State or Federal assistance program.

The income tax credit for accessible design in new housing and/or modifications to existing housing will allow many Kansans with disabilities to remain in their own home or at least the home of their own choice. Many individuals are forced to vacate their home and move into a nursing home simply because they can no longer navigate the halls of their home, or worse yet, can't even get in the front door. Something as simple as a ramp or a wider front door can mean the difference between remaining independent or becoming dependent upon others.

KCDC also supports the deduction for long-term care insurance premiums up to $2,000 per year. For some Kansas taxpayers, this deduction will determine whether or not they can afford to purchase long-term care insurance. Long-term care insurance will give many in our State the peace of mind and assurance knowing they will be able to afford medical care if they find themselves in need of long-term care.

KCDC urges this Committee to recommend HB 2249 for passage and thanks you for your support.

Senate Assessment + Taxation
3-14-97
Attachment 4

Senate Committee on Assessment & Taxation
Testimony on HB 2249
Bob Mikesic
Advocacy Coordinator, Independence, Inc.

Thank you for the opportunity to testify in support of House Bill 2249. The part of the bill that I wish to comment on is the provision that would establish a tax credit for new construction of housing that is fully accessible to people with disabilities.

This tax credit for constructing accessible housing is needed to enable people with disabilities to build housing that is fully accessible. In 1996-97 Independence, Inc. conducted an accessibility survey of existing housing in Lawrence, Kansas and found that less than 1% of newly constructed single family homes meet the most basic accessibility criteria contained in the HUD Fair Housing Accessibility Guidelines.

The Fair Housing Act and the Kansas Act Against Discrimination both contain requirements for accessibility in newly constructed housing, but such requirements only apply to multifamily dwellings with four or more units per dwelling. There is no legal mandate for single family, duplexes or triplexes to be constructed so they will be accessible for people with disabilities. As a result, we have found that less than 1% of newly constructed housing is built incorporating features that make it accessible and usable by people with disabilities.

The most common barriers we found in existing housing (including new housing) are: steps at entrances; steps between attached garages and the entrance to the house; the traditionally narrow bathroom door; lack of adequate storm/tornado shelter; lack of accessible floor space in bathrooms; a lack of clear-knee space under kitchen and bathroom sinks; and inaccessible closet doors and shelving. Often families must build new houses in order to gain the degree of accessibility needed to live independently in the community.

Please vote for House Bill 2249 which will make it possible for more families to obtain the accessible housing they need. It will also facilitate growth in the number of accessible houses that are created throughout Kansas and in this way serve communities for years to come. Thank you.

Lawrence Independent Living Resource Center • 1910 Haskell • Lawrence, Kansas 66046 • 913-841-0333

INDEPENDENCE INC.

Senate Assessment + Taxation
3-14-97
Attachment 5

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: MARCH 14, 1997

TO: SEN. AUDREY LANDWORTHY, CHAIRMAN
SENATE ASSESSMENT AND TAXATION COMMITTEE

FROM: REP. GWEN WELSHIMER

SUBJECT: HB2249, TAX CREDITS FOR CONTRIBUTIONS TO HOMELESS AND DISABILITY TAX CREDITS ON NEW CONSTRUCTION

Thank you for the opportunity to testify today. This bill will be very advantages for the State of Kansas. It will promote private and semi-private agencies who will not have the budget to assist the homeless and unemployed from the changes in the welfare system.

The other part of the bill concerns the disabled. The Legislature passed a bill last year allowing a tax credit for alterations to a facility or residence to accommodate the disabled. Some were able to take advantage of the credit, but many could not. All too often widening interior doors for wheelchairs and other appliances results in also moving plumbing, bathroom fixtures, closets, and kitchen cabinets. Also this results in making other rooms and hallways too small which defeats the purpose.

Under current law, the tax credit for alterations is a maximum of \$9,000. Approximately \$109,000 in credits have been requested from Revenue. To claim the full \$9,000, you must have income of less than \$25,000. The credit is not allowable for incomes over \$55,000. The credit is limited to a disabled owner or a family member who bears the expense. Only percentages of the credit are allowed as incomes graduate up from \$25,000 to \$55,000.

HB2249 extends the same credit and the same restrictions to new construction with exception of a floor amendment which allows the maximum income a 40% credit rather than being zero. The fiscal note states the number of persons who will use this credit for new construction is unknown, however, the Dept. of Revenue estimates the fiscal impact would be minimal and would not require any adjustment to the FY1998 Governor's Budget. The credit would be in force after publication in the Statute Book.

Senate Assessment + Taxation
3-14-97
Attachment 6

The disabled are very prone to accidents in their homes. These are mostly falls due to nothing to grab on to when they can't use their wheel chair or other appliances. The National Safety Council's 1990 Study provides that in the U.S., home accidents account for 21,500 deaths, 3,200,000 totally disabling injuries, 90,000 permanent impairments, 3,100,000 temporary disabilities, and the cost was $42.4 billion dollars. This study also provides statistics that there are more home accident injuries than from vehicle accidents.

Medical equipment manufacturers are producing outstanding new appliances for the elderly and disabled with safety features that will prevent many of these accidents, if they can be used in the home. The more accessibility for these appliances in the home, the more savings we will have in insurance administration, wage loss, medical costs, social services, and nursing home applications. In addition we should have increased home sales and increased home values.

House Bill 2249 is a tax break bill, but it should return even more in cost savings and benefits. I hope you will pass this bill favorably.

Loven Welshimer