

Approved: 3-26-98  
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION.

The meeting was called to order by Chairperson Audrey Langworthy at 11:10 a.m. on March 24, 1998, in Room 519--S of the Capitol.

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

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

Conferees appearing before the committee: Terry Lambert, Newman Memorial County Hospital

Others attending: See attached list

**HB 2684--Political subdivision property tax exemption, office space of psychologist.**

Senator Langworthy called attention to written testimony in support of **HB 2684** from Representative Lloyd Stone, sponsor of the bill. (Attachment 1)

Senator Karr explained that **HB 2684** involves an issue brought to the Legislature by Newman Memorial County Hospital in Emporia which is owned by the county. The bill deals with an expansion of the property tax exemption for property owned by local units of government when used to provide office space for specified health care providers. He introduced Terry Lambert, CEO of Newman Memorial County Hospital, who testified in support of **HB 2684**.

Mr. Lambert explained the importance of the hospital having the services of a licensed psychologist available in a medical office building which Newman Memorial recently built. The bill would add psychologists to the current list of approved providers who may rent office space in buildings owned by local units of government. He felt passage of the bill would also be beneficial for other communities throughout the state. (Attachment 2)

Senator Karr moved to recommend **HB 2684** favorable for passage and that it be placed on the Consent Calendar, seconded by Senator Bond. The motion carried.

Senator Langworthy began a discussion of a previously heard bill, **SB 603**, concerning severance tax exemption for incremental production resulting from production enhancement projects. She reminded the committee that proposed amendments as shown in a balloon of the bill had been discussed.

Senator Donovan moved to adopt the balloon amendments to **SB 603** and to adopt clarifying amendments on page 2 and page 5 as proposed by the Department of Revenue.

A brief discussion regarding the removal of the exemption for irrigation gas sales followed. Senator Donovan noted that the fiscal impact would be lowered significantly if the exemption for irrigation gas sales was removed from the bill, and withdrawal of the provision for irrigation gas sales would not significantly impact the cost to the irrigators. Senator Donovan withdrew his motion to adopt the proposed amendments as some of the amendments would not be necessary if the section regarding irrigation gas was deleted.

Senator Donovan moved to remove the section in **SB 603** pertaining to the sale of irrigation gas, Senator Bond seconded the motion. The motion carried.

Senator Donovan moved to adopt the proposed balloon amendments which pertain to **SB 603** after the section pertaining to the sale of irrigation gas is removed, seconded by Senator Corbin. The motion carried.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION, Room 519-S  
Statehouse, at 11:00 a.m. on March 24, 1998.

Senator Bond moved to report **SB 603** favorable for passage as amended, seconded by Senator Donovan.  
The motion carried.

Senator Langworthy announced that the next committee meeting would be scheduled after **HB 2602**, which deals with the reorganization of the Board of Tax Appeals, passes the House of Representatives.

The meeting was adjourned at 11:30 a.m.

The next meeting date is to be announced.



LLOYD A. STONE  
REPRESENTATIVE, 60TH DISTRICT  
LYON COUNTY  
1719 HAMMOND DR.  
EMPORIA, KANSAS 66801-5312  
ROOM 155-E  
STATE CAPITOL, TOPEKA 66612-1504



TOPEKA

HOUSE OF  
REPRESENTATIVES

## Memorandum

**TO:** Members of the Senate Committee on Assessment and Taxation  
**FROM:** Representative Lloyd A. Stone, 60th District  
**DATE:** March 24, 1998  
**RE:** HB 2684

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Senator Langworthy and Members of the Committee, thank you for allowing me to appear before you today.

I am here to request your support for HB 2684. This bill, if passed, would make it possible for a governmental subdivision, such as a county hospital, to rent office space to clinical psychologists who are licensed by the Behavioral Sciences Regulatory Board. The bill is badly needed in Emporia. Mr. Terry Lambert, CEO at Newman County Hospital is here and will explain further.

There is no fiscal note for this legislation. It appeared on the consent calendar in the House and passed 118-0. I would greatly appreciate your favorable consideration of HB 2684.

*Senate Assessment & Taxation  
3-24-98  
Attachment 1*



1201 W. 12th Ave. • Emporia, Kansas 66801-2597 • 316-343-6800

TO: TAXATION COMMITTEE MARCH 24, 1998  
FROM: TERRY R. LAMBERT, CEO  
NEWMAN MEMORIAL COUNTY HOSPITAL

This is in support of H.B. 2684 regarding the inclusion of licensed psychologists to the list of approved providers allowed to occupy space in medical office buildings owned by a governmental subset such as a county hospital.

For many years, rentals were limited to M.D.'s or D.O.'s licensed by the Kansas Board of Healing Arts. A recent amendment included Optometrists, Dentists and Podiatrists. In Emporia, we have a need to include licensed psychologists. We are currently working with New Beginnings Healthcare of Topeka (formerly Topeka Psychiatric) to recruit and place a full-time Psychiatrist in Emporia. They would like very much to rent space in our recently built medical office building adjacent to the Hospital. This sounds well and good; however, one of the principal partners in the New Beginnings corporation is a licensed psychologist. As a result, according to our local attorneys interpretation, along with an Attorney General's opinion, we are not allowed to legally rent space to the Corporation. This decision is solely because one of the partners is not an M.D. or D.O.

New Beginnings has rented space from a private company, near the hospital, but they were given notice to vacate the area due to the company's expansion. They have rented space, on a short term basis, that is a considerable distance from the hospital and is not desirable. We do not want to risk losing the service provided to our Hospital and community by New Beginnings. Also, we do not want to hamper our recruitment efforts.

It is very important for the Hospital to have psychological services nearby. With a Psychiatrist next door in our Medical Office Building, the Hospital could be well-served for inpatient and acute outpatient emergencies.

Access to needed health care would be enhanced by the passage of this bill, not only in Emporia but also throughout the State.

*Senate Assessment + Taxation  
3-24-98  
Attachment 2*