

Approved: March 22, 1999
Date

MINUTES OF THE HOUSE COMMITTEE ON TAXATION.

The meeting was called to order by Chairperson David Adkins at 9:00 a.m. on March 4, 1999 in Room 519-S of the Capitol.

All members were present except: All present

Committee staff present: Chris Courtwright, Legislative Research Department
April Holman, Legislative Research Department
Don Hayward, Revisor of Statutes
Shirley Sicilian, Department of Revenue
Mary Shaw, Committee Secretary

Conferees appearing before the committee: None

Others attending: See attached list.

The Chairman mentioned that the intent of the Chair to have the committee work **HB 2037**, which is the grains and trains measure and **HB 2011** which is the water district sales tax measure.

The Chairman called the committee's attention to discussion of:

HB 2037 - Sales tax exemption for railroad and grain storage facilities

The Chairman mentioned that **HB 2037** is part of the Governor's tax reduction proposals and is important to those involved in the agricultural sector of the state. Discussion followed.

The Chairman recognized Representative Johnston who made a motion, and seconded by Representative Gatewood, to amend the bill to include both on farm private storage as well as commercial which is currently in the bill. Motion carried.

The Chairman recognized Representative Johnston who made a motion, and seconded by Representative Wilk, to technically amend the bill on page 13, line 29, to replace the Interstate Commerce Commission with the Surface Transportation Board. Discussion followed. Motion carried.

The committee discussed rail sidings. The Chairman asked the Revisor about suggested language. The Revisor mentioned language by putting in "including railroad sidings providing access thereto" on Page 13, line 40 of the bill.

The Chairman recognized Representative Kirk who made a motion, and was seconded by Representative Osborne, to amend the bill to include inserting on page 13, line 40, the language as provided by the Revisor as listed above. Motion carried.

Questions and discussion followed regarding moratoriums and sunset clauses.

The Chairman recognized Representative Ray who made a motion, and seconded by Representative Gilbert, to amend the bill to put a 5-year sunset on the bill. Motion failed.

The Chairman recognized Representative Johnston who made a motion, and seconded by Representative, to report **HB 2037** favorably as amended. Motion carried.

The Chairman called the committee's attention to discussion of:

HB 2011 - Water district purchases sales tax exempt

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON TAXATION, Room 519-S Statehouse, at 9:00 a.m. on March 4, 1999.

The Chairman asked the Revisor if there were amendments. The Revisor explained that Johnson County asked for two amendments. One was to be sure that they were not included in the definition of funds of a political subdivision on Page 2, line 29 and also the words "construction activities" be placed in subsection S on Page 6. The second amendment was to add KSA 19-3545 which was another public wholesale water district site.

The Chairman recognized Representative Tomlinson who made a motion, and seconded by Representative Campbell to amend the bill to use the Revisor's language as noted above. Motion carried.

Questions and discussion followed.

The Chairman recognized Representative Gatewood who made a motion, and seconded by Representative Campbell, to pass **HB 2011** favorably as amended. Motion carried.

The Chairman mentioned to the committee that the following week on Tuesday, March 9, a briefing has been scheduled at the request of some committee members that are very concerned about the situation in the Kansas oil industry. A comprehensive list of conferees has been put together by invitation to provide a global and larger view of what is happening to the Kansas oil producers. The Chairman mentioned that he also planned to schedule a briefing on what is happening globally in agriculture during the following week. The Chairman mentioned that these are two key cornerstones of the Kansas economy and both are caught in global situations.

The Chairman explained that it is also his intention to see if the committee is willing today to allow introduction of the estate tax cleanup provisions as a committee bill. He noted that it was the shell of the bill that was utilized when the committee was trying to put together the comprehensive package. He explained that as that bill currently stands, those provisions are not contained in the bill (**HB 2158**). The Chairman explained that he would like to re-introduce the estate tax provisions as a committee bill so the committee can see about moving it out to the floor, if that is the committee's pleasure.

The Chairman recognized Representative Gregory who made a motion, and seconded by Representative Wilk, to introduce a committee bill to include the estate tax provisions as amended. Motion carried.

The meeting was adjourned at 10:35 a.m.

The next meeting is scheduled for March 9, 1999.

