

Approved: 2-3-99  
Date

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE.

The meeting was called to order by Chairperson Senator Audrey Langworthy at 11:10 a.m. on February 2, 1999, in Room 519-S of the Capitol.

All members were present except:

Committee staff present: Chris Courtwright, Legislative Research Department  
April Holman, Legislative Research Department  
Don Hayward, Revisor of Statutes Office  
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Senator Janice Hardenburger  
Debra Zehr, Kansas Association of Homes and Services for  
the Aging  
Shirley Sicilian, Department of Revenue

Others attending: See attached list.

**SB 124-Property taxation; concerning the adult care home exemption.**

Senator Janice Hardenburger, who requested the introduction of the bill, testified in support. She began by informing the Committee that she was a member of the Long-term Care Task Force during the 1998 Interim. That task force made several recommendations regarding staff retention issues, especially the retention of nursing assistants.. She noted that the Senate Public Health and Welfare Committee had testimony on February 1, 1999, that the turnover for Certified Nursing Assistants (CNAs) statewide was verified at 117 percent for 1997. Senator Hardenburger further noted that CNAs are paid at the lower end of the wage scale with an average salary of \$6.50 per hour to a high of \$7.50 per hour. The work involves menial tasks as well as heavy lifting, and the long-term retention of this level of health care worker is very difficult. A nursing home operator recently told Senator Hardenburger that nursing homes hate to hire just warm bodies to fulfill the federal requirement for staff. They want to hire people who become an integral part of their staff, who want to care for the elderly, and who want to stay longer than two weeks. Senator Hardenburger said the Long-Term Care Task Force also tried to find a key to retaining that staff, the key to how to find continuity of care, and how to build a team in the delivery of care to the elderly.

Senator Hardenburger clarified that **SB 124** was not discussed by the interim Long-Term Care Task Force but rather is her proposal as a key to provide support for the employees of nursing home facilities. She went on to say that day care is a number one concern of young women and men who consider a CNA position. In her opinion, day care for their children on the site of employment should encourage employees to retain their jobs in nursing homes. Her hope is that **SB 124** will encourage other nursing home facilities to establish day care centers in their operations. Beside offering support for the staff, the generational experiences which could result for the elderly and the young would be a plus for both age groups.

Senator Hardenburger explained that existing law offers a property tax exemption for a nonprofit nursing home only if it is used exclusively for the care of the elderly. Currently, a nursing home in her district is being threatened with the loss of its total property tax exemption because one cottage is being used for day care. Senator Hardenburger is also aware of five or six other nursing homes operating day care for their employees, and she believes that they may also have their tax status jeopardized. **SB 124** would provide a property tax exemption for nursing homes if a day care center is established within their home. She noted that the date the credit commences in the bill as written is December 31, 1998; however, she offered an amendment to change the date to December 31, 1996, to retroactively cover those nursing homes that have already established day care within their facility, noting that appraisers can discover escaped taxes for only two years back.

Shirley Sicilian, Department of Revenue, reported that the fiscal note on **SB 124** indicates it would have little or no fiscal impact on the state and briefly states that the exemption must be granted by the Board of Tax Appeals and would apply to a few unique situations.

CONTINUATION SHEET

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE, Room 519-S Statehouse, at 11:10 a.m. on February 2, 1999.

Debra Zehr, Kansas Association of Homes and Services for the Aging (KAHSA), followed with further testimony in support of **SB 124**. She believes the presence of child day care enhances the purpose for which not-for-profit adult care homes and elderly housing tax exemptions were originally designed. Further, it should be encouraged as good public policy as it enhances the quality of life and will help stabilize the work force. She also supported changing the effective date of the bill (Attachment 1)

Mark Beck, Property Valuation Division, confirmed Senator Hardenburger's statement that counties can go back only two years on escape taxes and that changing the effective date for credit to December 31, 1996, would establish a permanent basis. With this, the hearing on **SB 124** was closed.

**Action on bills previously heard:**

**SB 45—Income taxation; enhancing the adoption expense credit.**

Senator Langworthy reminded the Committee that the bill would increase the current income tax credit for adoptions from 25 percent to 50 percent of the federal credit allowed. The maximum credit would be \$2,500.00, which could be carried forward for five years and is non-refundable. The bill also allows adoption credit for a child with special needs or a child who is in the custody of SRS. That credit would be raised from \$1,500.00 to \$3,000.00. She noted that the original fiscal note on the bill was \$1.9 million, but it has been revised down to \$1.3 million.

Senator Donovan moved to report SB 45 as favorable for passage, seconded by Senator Hardenburger. The motion carried.

Senator Bond confirmed with Ms. Sicilian that the Department will prepare a pamphlet explaining the credit for preparers of income tax returns for adoptive families.

The meeting was adjourned at 11:33 a.m.

The next meeting is scheduled for February 3, 1999.

# SENATE ASSESSMENT AND TAXATION COMMITTEE GUEST LIST

DATE: February 2, 1999

NAME	REPRESENTING
Shirley Sicilian	KDOR revenue
George Welch	Barbee & Assoc.
RICHARD BODENWALD	TAXPAYERS
Debby Fleming	Federico Consulting
Mike Regal	AT&T
Mark Bunk	KDOR
SCOTT SCHNEIDER	McGILL, GACHES & ASSOC
GEORGE PETERSEN	TAXPAYERS Network
Mark Towse	KFB - Beecher Co.
Judy Melu	Ks. Assoc of Counties
Nana Fenton	Johnson County
Erik Sartorius	Johnson Co. Board of Realtors
Kathy Dameron	YMCAs of Kansas
Carolyn Mollenberg	KSDA / Ks Coalition on Aging
Larry Klesman	League of KS Municipalities
Debra Zehr	KATSA
Shane Gagnebin	Sen. Stephens staff

# KAHSA

KANSAS ASSOCIATION OF  
HOMES AND SERVICES FOR THE AGING

## TESTIMONY IN SUPPORT OF SENATE BILL 124

To: Senator Audrey Langworthy, Chair, and Members,  
Senate Assessment and Taxation Committee  
From: Debra Zehr, Vice President  
Date: Tuesday, February 2, 1999

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Thank you, Madam Chair, and Members of the Committee, for this opportunity to offer support for Senate Bill 124. The Kansas Association of Homes and Services for the Aging (KAHSA) represents 160 not-for-profit nursing homes, elderly housing providers and community service providers throughout the State.

The partnering of not-for-profit child care and not-for profit nursing homes and elderly housing is a natural and beneficial phenomenon that should be encouraged as good public policy. It supports the purpose for which not-for-profit adult care home and elderly housing tax exemptions were originally designed, by enhancing the quality of life and care for elderly residents.

Onsite child care in a nursing home or elderly housing **enhances quality of life for elderly residents** by providing opportunities for meaningful and ongoing interaction with children. Onsite child care in a nursing home or elderly housing **enhances quality of care for elderly residents** by promoting adequate and consistent staff through provision of a nurturing, familiar environment for children of staff in close proximity to the work place.

KAHSA seeks one change in Senate Bill 126. We respectfully request that the December 31, 1997 commencement date as noted on page 2 line 24, and page 3 line 35 be changed to December 31, 1991 to acknowledge not-for-profit adult care homes and housing for the elderly that instituted onsite child care programs prior to 1997.

Thank you for your support of Senate Bill 126, amended as above. I would be happy to answer any questions you may have.

*Senate Assessment & Taxation*

*2-2-99*

*Attachment 1*