

MINUTES OF THE HOUSE COMMITTEE ON TAXATION

The meeting was called to order by the Chairman Edmonds at 9:00 a.m. March 6 in Room 519-S of the Capitol.

All members were present except: Representative T. Powell, excused  
Representative Sharp, excused  
Representative Tafanelli, excused

Committee staff present: Chris Courtwright, Legislative Research Department  
April Holman, Legislative Research Department  
Don Hayward, Revisor  
Winnie Crapson, Secretary

Conferee appearing before the committee: Rep. Landwehr

Others attending: See attached list.

By unanimous consent bill will be introduced concerning gallonage liquor tax as requested by Representative Powers.. [HB 2576 - Alternative crop research and marketing]

By unanimous consent bill will be introduced pertaining to cigarette tax. [HB 2560 - Cigarette and tobacco products tax rate increase]

Representative Larkin moved that Minutes be approved for February 7, February 8, February 12, February 13, February 14, February 15, February 19, February 20 and February 21. Representative Palmer seconded and motion was adopted.

Hearing was opened on:

**HB 2510 Income tax check-off for senior citizen pharmaceutical assistance**

Representative Landwehr presented testimony in support of **HB 2510** and responded to questions from Committee members.

Hearing on HB 2510 was closed.

Hearing was opened on:

**HB 2511 Income tax check-off for school district contributions**

Representative Landwehr presented testimony in support of **HB 2511** (Attachment #1). Representative Landwehr responded to questions from Committee members. She indicated that although the bill as written provides that donations would go to the school district in which the contributor lives, she would have no objection to the suggestion that provision should be made that the contributor could choose another school district. For instance grandparents could designate the school district their grandchildren attend rather than where they themselves reside.

Hearing on HB 2511 was closed.

In response to several questions during discussion of **HB 2511**, see memorandum from Chris W. Courtwright, Principal Analyst, Legislative Research, dated March 8 (Attachment #2).

The meeting adjourned at 9:32 a.m. The next scheduled meeting is March 7.

GUEST LIST

DATE March 6

NAME	REPRESENTING
Charlie Wilson	AARP
Lol Remington Smith	KDOA
George Peterson	KTN
Kevin Barone	Henn Jaer Ch Ad
Michelle Peterson	PhRMA
Ann Dukes	DOB
Karl Dawson	Waddell & Reed
Colleen Mullen	Dawson & Assoc.
Marlee Carpenter	KCEB
Stacey Farmer	KASB

*Was there  
written testimony  
on 2510?*

State of Kansas  
House of Representatives

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COMMITTEE ASSIGNMENTS  
MEMBER: APPROPRIATIONS  
HEALTH & HUMAN SERVICES  
SOCIAL SERVICES BUDGET



TOPEKA

**BRENDA K. LANDWEHR**  
Representative, Ninety-First District

March 6, 2001

Thank you Mr. Chairman and Committee Members for the opportunity to appear before you today in support of HB 2511.

There is a lot of talk about K-12 funding that occurs every year. The amazing thing is that the discussion is always the same. Money!

I realize that it is not this committee's function to deal with funding, but I do feel that it is every legislators responsibility to understand the discussion. I will not go over the entire funding debate today. What I will do is ask that you entertain a new possibility to add some education funding to our school districts.

I have received letters from teachers and school employees that tell me education funding must be increased and that they are willing to pay more in taxes. Those that I have spoken to, I have suggested that they write a check to their schools so that they are assured that their schools get the money. Some thought that was a good idea others still wanted a tax increase.

I find it really difficult to entertain a tax increase on the citizens of Kansas especially at a time when many on fixed incomes are trying to make ends meet with day to day living expenses and also deal with the high cost of utility bills. Kansas is not immune from the economic downturn and massive layoffs affecting the US economy. A tax increase would only lessen the buying power on those already trying to stretch their income to make ends meet. A tax increase would also hurt an economy trying to recover.

House Taxation  
Date 3-06-01  
AH No. 1  
Page 1 of 2

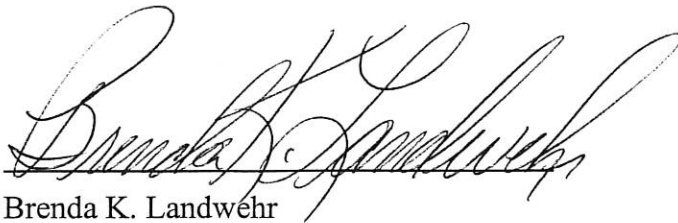
It appears that a better way would be to allow an easy way for the citizens of Kansas to provide additional funds to the school districts. By providing a check off box on the Kansas Income Tax Form to those citizens who desire and can afford the extra taxes, they can easily provide additional dollars for education.

We currently have staff reviewing the school formula to make sure that this additional funding would have no negative impact. I also want to make it clear that this would be funds on top of school districts existing budgets. It is not to replace any funding. So it could be used for special projects, one time projects, etc.

I guess you could say this would be a way to vote with your dollars. Show your support for your school district.

Department of Revenue has shown a fiscal note of \$282,200. This start up expense could be covered by funds in their Electronic Data Base Computer Fee Fund which for the fiscal year 2002 has an approximate balance of \$1,244,920. So this bill would not have a financial impact on the State General Fund. What it would do is provide a new funding source for schools for children.

I ask that you support HB 2511 for children. I will be happy to stand for questions.



Brenda K. Landwehr

State Representative, 91<sup>st</sup> District

Date 3-06-01  
AH No. 1  
Page 2 of 2

March 8, 2001

**To:** Representative John Edmonds

**Office No.:** 171-W

**From:** Chris W. Courtwright, Principal Analyst

**Re:** House Bill No. 2511

This is in response to your request for information on several school finance issues related to HB 2511. As you know, HB 2511 would provide an individual income tax checkoff allowing taxpayers to designate contributions for their home school districts.

You asked me for responses to several questions raised during Committee discussion, including whether such contributions would be treated as local effort for purposes of the school finance formula; whether the contributions could have a disequalizing impact on expenditures and educational opportunities for students in different districts; and how the contributions could be treated as "additional money" for school finance and not prompt the Legislature to simply reduce the amount of its K-12 appropriation. I have discussed these questions with Ben Barrett—we are providing the following response.

Under the terms of HB 2511, it is possible that donations to school districts would fall under the provisions of KSA 72-8210 which allows bequests, legacies, trusts, and donations received by school districts to be placed in separate funds where they are exempt from "budget law" requirements. If the Revisor believes an explicit reference to that statute is needed, the bill could be amended to provide that clarification.

Very likely, some school districts will not receive as much in donations as other districts having similar enrollments. These latter districts could be expected to contend that the new funding source has a disequalizing impact relative to their ability to provide equal education opportunity.

Finally, we think that the Legislature likely would not give much weight to the impact of income tax checkoff donations in making its decisions about school aid appropriations, as these contributions probably would provide a relatively small revenue stream.

CWC/aem

House Taxation  
Date 3-06-01  
AH No. 2  
Page 1 of 1