

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:13 a.m. on March 15, 2001 in Room 526-S of the Capitol.

All members were present except: Rep. Carl Krehbiel
 Rep. Jerry Williams

Committee staff present: Lynne Holt, Legislative Research
 Mary Torrence, Revisor of Statutes
 Jo Cook, Committee Secretary

Conferees appearing before the committee: None

Others attending: See Attached List

HB 2521 - Kansas Underground Utility Damage Prevention Act revision

The debate continued on **HB 2521**. Rep. Lightner moved to allow all water and sewer systems to opt out of the One-Call program. Rep. McLeland seconded the motion. The motion failed. Rep. Myers moved to allow city water systems to opt out of the program. Rep. McLeland seconded the motion and the motion failed. Rep. McLeland moved to strike the previously added amendment that allows rural water districts to opt out of the program. Rep. Merrick seconded the motion. After discussion, Rep. McLeland withdrew his motion. Rep. Loyd moved to recommend **HB 2521**, as amended, favorable for passage. Rep. Dreher seconded the motion. The motion carried. Rep. Lightner requested her NO vote be recorded in the minutes. Rep. Myers will carry the bill.

HR 6011 - Consideration of life-cycle costs in the design of state buildings

Chairman Holmes opened the hearing on **HR 6011**. There were no conferees and the hearing was closed. The Chairman opened the debate on the resolution. Rep. Loyd moved to recommend **HR 6011** favorable for adoption. Rep. McClure seconded the motion. Motion carried. Rep. O'Brien will carry the resolution.

HCR 5013 - Constitutional amendment decreasing the property tax assessment rate for public utility property to 25%

Chairman Holmes reconvened the hearing on **HCR 5013**. Written testimony in opposition to **HCR 5013** was submitted by Judy Moler, General Counsel for the Kansas Association of Counties (Attachment 1). Gene L. Merry, Chairman of the Coffey County Commissioners, provided written testimony in opposition to **HCR 5013** (Attachment 2). Conferees previously testifying responded to questions from the committee. The Chairman closed the hearing on **HCR 5013**. Chairman Holmes stated he intends to request an interim to study decreasing property tax assessments on public utilities and asked that members of the committee prepare questions to be included in the request.

The meeting adjourned at 10:30 a.m.

The next meeting is Tuesday, March 20, 2001.

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: March 15, 2001

NAME	REPRESENTING
Bill Haislip	KCC
Leo Haynos	KCC
Joe Lieber	HS Co-op Council
Jack Graves	Rube - P-21 - Day & N.M.
JCFmy	UCU
Bruce Graham	KSPLO
Tom Day	KCC
Don & Mules	KEC
Nancy S. Langnessy	Federico Consult.
John H. Hoffman	DOAS - D of A
Kim Gulley	LKM



KANSAS
ASSOCIATION OF
COUNTIES

Kansas Association of Counties
Testimony on HCR 5013
Before the House Utility Committee
By Judy A. Moler, General Counsel/Legislative Services Director
March 14, 2001

Chairman Holmes and Members of the Committee:

The Kansas Association of Counties is in opposition to the proposed constitutional amendment HCR 5013. Passage of this amendment would constitute a dramatic property tax shift. The tax shift to residential, agricultural use and commercial property owners could be as high as \$71,085,222 based upon the 1999 abstract. The shift would be felt most strongly in rural areas that do not have the diversity of taxing options that more urban counties have.

For these reasons, the Kansas Association of Counties oppose HCR 5013.

The Kansas Association of Counties, an instrumentality of member counties under K.S.A. 19-2690, provides legislative representation, educational and technical services and a wide range of informational services to its member counties. Inquiries concerning this testimony should be directed to the KAC by calling (785) 272-2585.

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HOUSE UTILITIES

DATE: 3-15-01

ATTACHMENT 1

Coffey County Commissioners

Phone 620-364-2683
Courthouse
Burlington, Kansas 66839

Board of Commissioners
Gene L. Merry, District #1
Larry Crotts, District #2
Fred Rowley, Jr., District #3
Timothy A. Sipe, District #4
Johnnie R. Sleezer, District #5

Board Meets Every Monday

March 13, 2001

The Honorable Carl Holmes
300 SW 10th Ave., Room #115-S
1st Floor, Memorial Hall
Topeka, KS 66612-1594

Re: HCR 5013
Utility Tax Assessment Rate Assessment

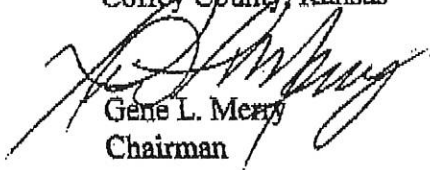
Dear Representative Holmes:

The Board of Coffey County Commissioners, on behalf of the citizens of Coffey County, has requested that I correspond with you and your committee members, to express its reservations and opposition to the proposal expressed by HCR 5013. As we understand it, this proposed constitutional amendment would effectively lower the property tax assessment rate for public utility property from 33% to 25%.

We believe the effect of such a tax policy change would be detrimental to the average citizens of the state. The effect of this proposal would simply be to shift the tax burden from utilities to residential property owners. To shift \$65 million in taxes to residential property owners would be bad policy both in the short and long term. Frankly, it would appear quite unlikely that a majority of Kansas taxpayers would support a constitutional amendment that would have this effect.

We appreciate the difficult work you and your committee members do on behalf of all Kansans you represent. We appreciate this opportunity to express our views on this important issue and we appreciate your consideration.

Board of County Commissioners
Coffey County, Kansas


Gene L. Merry
Chairman

HOUSE UTILITIES

DATE: 3-15-01
ATTACHMENT 2