

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 9:00 A.M. on March 11, 2005 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Legislative Research Department
Martha Dorsey, Legislative Research Department
Gordon Self, Revisor of Statutes
Richard Cram, Department of Revenue
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:

Senator Mark Taddiken
Senator Phillip Journey
Brad Harrelson, Kansas Farm Bureau
Randall Allen, Kansas Association of Counties
Don Denny, Unified Government of Wyandotte County
Bob VanCrum, Greater KCK Chamber of Commerce
Ken Daniels, Midway Wholesale, Topeka (no written testimony)
Paul Welcome, Johnson County Appraiser
Ed Jaskinia, Associated Landlords of Kansas (no written testimony)
*Written testimony only
*John R Todd, Wichita Real Estate Broker, *Mike Billinger, Ellis County Treasurer
*John Donley, Kansas Livestock Assn.

Others attending:

See attached list.

SB 158 - Property tax exemption for hay and cotton storage structures

This bill would narrow an existing property tax exemption for certain farm storage and drying equipment to provide that the current exemption, which applies for any eight of the next 10 tax years following acquisition or construction, would not be renewable after that time period. The bill would further provide a new property tax exemption effective for tax year 2005 for farm storage structures designed and used for hay storage. The new exemption similarly would be available for any eight of the next 10 tax years following construction or assembly and would sunset after this initial exemption period. The fiscal note is unknown at this time.

The Chairman opened the public hearing on **SB 158**.

Senator Mark Taddiken appeared in support of **SB 158 (Attachment1)**. Currently Kansas has an eight-year property tax exemption for facilities built by agricultural producers that are used for drying and storing certain agricultural crops. The bill would clarify that hay storage structures are covered under the statute. Currently the statute speaks to hay and haylage but then refers to a federal code that is interpreted not to include hay and would place a one time limit on the exemption.

Brad Harrelson, Kansas Farm Bureau testified in support of **SB 158 (Attachment2)**. The underlying statute contemplated allows a property tax exemption for farm storage and drying equipment for most agricultural commodities. Hay storage was not included in the list for eligibility at the time and they suggested that hay should be classified alongside corn, wheat, beans, milo, etc. as an ag- commodity.

John Donley, Kansas Livestock Assn, submitted written testimony in support of **SB 158 (Attachment 3)**. Uniform environmental laws and favorable tax laws provide our livestock operations with competitive advantages that other states envy. **SB 158** is a good additional cost cutting measure that Kansas livestock operators appreciate and keeps them competitive.

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on March 11, 2005 in Room 519-S of the Capitol.

A question was raised whether the bill was exclusive to family operations or was applicable to commercial operations as well. Mr. Donley replied that the bill would include a variety of new business structures for large farm operations that would be eligible for this exemption.

Tony Folsom, Deputy Director of Property Valuation, stated that lines 24 and 25 on page 1 of **SB 158** refer to the code of Federal Regulations and those codes state that commercial properties are not included. The third section of the bill, starting on line 40, does not reference the Federal codes, therefore he believed that commercial structures could be exempted under that language.

The Chairman requested Mr. Folsom prepare a balloon that would exclude commercial operations, applying only to family farm operations, which most believed was the intent of Senator Taddiken. Mr. Folsom agreed to verify the intent with Senator Taddiken and prepare a balloon.

Discussion followed regarding an issue of possible discriminatory policy. Representative Owens requested that legal research be conducted to determine if there would be legal difficulties if challenged. Mr. Courtwright stated that they would work with PVD, however the exclusion in the current law had been in effect since 1978. Representative Siegfried requested clarification on exactly what business structures are being excluded. Mr. Folsom stated that he would provide a copy of the Federal Regulation codes to the Committee and a balloon to the Committee Secretary.

The Chairman closed the hearing on **SB 158**.

SB 126 - Amendment of tax rolls by county appraiser in certain circumstances and payment of tax under protest.

Mr. Courtwright stated that the bill would authorize county appraisers to amend the current year's property tax appraisal rolls up to October 31 when a final determination of property valuation appeals had been made for the prior tax year. Under current law, appraisers are unable to amend the current year's appraisal rolls to reflect final adjustments of a prior year's valuation after June 15. The bill also would authorize a property owner whose tax escrow agent pays the first-half taxes on or before December 20 to file a protest on or prior to January 31 of the next year. These changes were recommended by the County Appraisers Association and the PVD.

The Chairman opened the public hearing on **SB 126**.

Paul Welcome, Johnson County Appraiser, appeared in support of **SB 126**, a taxpayer friendly bill (Attachment 4). He stated the county appraiser was not allowed to change the following year's tax roll and the property owner had to file a payment under protest for the current year to receive the adjustment when they pay their taxes by December 20th. This cannot occur with the 2nd half payment under protest due to the timing for the following year's tax roll.

Ed Jaskinia, Associated Landlords of Kansas, appeared in support of **SB 126**. He spoke of an experience when his parents lost their right to appeal due to current limitations (no written testimony).

The Chairman stated that there may be a clarification amendment submitted for the bill.

The Chairman closed the hearing on **SB 126**.

SB 45 - Personal judgement against owner for unpaid real property taxes

SB 45 would provide a new methodology for a county to attempt to collect certain unpaid real property taxes by authorizing the commencement of a civil action under the Code of Civil Procedure in district court. Any judgement on such civil action would become a lien on the real estate.

The Chairman opened the public hearing on **SB 45**.

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on March 11, 2005 in Room 519-S of the Capitol.

Senator Phillip Journey testified that his support of **SB 45** is conditional upon the adoption of the attached balloon amendment (Attachment 5). **SB 45** would allow county treasurers to impose civil judgements for unpaid taxes, and to file these civil actions creating a judgement against the tax debtor. It also allows county government to dispose of the property in a manner pursuant to statute to pay the tax obligation against the property.

Discussion followed regarding the process for payment of tax obligation from sale of property

Randall Allen, Kansas Association of Counties, expressed strong support for **SB 45**, a bill offering an additional way for counties to tackle the ongoing problem of delinquent taxes (Attachment 6). Delinquent taxes are a drain on all tax-paying citizens, as governments are required to levy additional taxes to finance basic services to the extent that delinquent taxes are not paid. **SB 45** offers the alternative of commencing a civil procedure to force payment of real estate taxes. In response to a question he stated that the Association had not participated in drafting the language of **SB 45**, that it came from the Unified Government of Wyandotte County.

Discussion followed regarding the current law, verses the new proposed legislation. In response to a question regarding what percentage of taxes was delinquent for any given year. Mr. Allen stated his association would provide that information, by the county, to the Committee.

After a discussion on the definition and time line of delinquent taxes, Mr. Allen stated they would have no objection to modification of the definition of delinquency to allow more latitude to ensure multiple judgements would not be filed one day after the due date. He agreed to provide data on the delinquency rate, by county, to the Committee.

Don Denny, Unified Government of Wyandotte County testified in support of **SB 45** that would give officials an additional tool to collect delinquent taxes (Attachment 7). The Unified Government works with property owners who have fallen on hard times and can't pay their full tax bill by working out a reasonable payment plan.

He stated **SB 45** would give local government the same tool businesses regularly use to collect debts by allowing them to obtain a civil judgement to collect delinquent tax against those who could easily afford to pay their taxes but do not, such as out-of-county or out-of-state landlords who buy rental property, take all the profit they can, let it fall into disrepair, and then abandon the property. His testimony outlined collection procedures under **SB 45** and the process of tax collection under tax sale.

Bob VanCrum, Greater KCK Chamber of Commerce, appeared in support of **SB 45** stating that it was not fair to any taxpayer, business or individuals, that pay their taxes on time to permit some real estate property owners who intentionally and perpetually leave their real estate taxes in arrears by nearly three years in order to just avoid tax foreclosure on the property (Attachment 8). Too often it is the small business whose mortgagees pay the taxes who bears the largest brunt of the defaulting big landowners who could easily pay up but aren't forced to.

Concerns were raised regarding future possible abuse and it was suggested that a balloon be drafted that would provide a provision for a safeguard against possible abuse.

Written testimony in support of **SB 45** was submitted by Mike Billinger, Ellis County Treasurer (Attachment 9).

Ken Daniels, Midway Wholesale, Topeka, appeared as an opponent of **SB 45**. He stated that giving the government the ability to bring a civil action against a property owner that owes delinquent taxes and who has been paying penalties, is parallel to extortion (no written testimony).

Written testimony in opposition of **SB 45** was submitted by John R. Todd, Wichita real estate broker (Attachment 10).

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on March 11, 2005 in Room 519-S of the Capitol.

The Chairman closed the hearing on **SB 45**.

The meeting was recessed at 10:25 a.m., and reconvened on adjournment of the House at 11:40 a.m.

SB 13 - Confidentiality and disclosure requirements of tax information.

Representative Goico made a motion to adopt an amendment that would codify that the Attorney General would indeed have the authority to prosecute for violations of confidentiality (Attachment 11). Representative Huff seconded the motion.

Discussion followed regarding how far that authority should be extended, and the intent of "shall or may" language.

Several Committee members requested clarification from the Attorney General's office regarding the language and intent of the amendment.

Mr. Self stated that to clarify Representative Goico's intent, there should be mention of the county or district attorney as well. He described the difference between shall or may and its importance to the amendments.

Representative Goico withdrew his amendment. Representative Huff seconded the withdrawal.

Representative Goico offered a motion that would add language pertaining to concurrent authority of the county or district attorney to prosecute for violations of confidentiality. Representative Huff seconded the motion.

Representative Hill made a substitute motion regarding a language change to "the Attorney General shall, concurrent with the district or county attorney, have the authority to prosecute for violations of confidentiality, etc. Representative Goico seconded the substitute motion.

Discussion followed regarding the intent of the original amendment and confusion over current jurisdiction of county attorneys, district attorneys and the Attorney General.

Mr. Self explained the three parts of the bill that would be changed to accommodate the proposed amendment. The Chairman stated that, with the motion, the revisor had the ability to put the proper language into the bill that matches the intent of the proposed amendment.

Representative Hill closed his substitute motion. The motion carried.

Representative Goico made the motion for a second balloon amendment pertaining to the limitation of confidential information to city or county having a population less than 5,000 (Attachment 12). Representative Carlson seconded the motion.

Discussion followed regarding the reasoning behind the amendment.

Representative closed his amendment. The motion failed.

The Chairman closed the hearing on **SB 13**, with the intent to continue the discussion at a future meeting.

The Chairman adjourned the meeting at 12:15 p.m. The next meeting is March 15, 2005.

HOUSE TAXATION COMMITTEE GUEST LIST

DATE: March 11, 2005

NAME	REPRESENTING
Don Denney	Uni. Fed. Govt. Wyco/KDC
Phil Journey	Sen Dist #26

STATE OF KANSAS



TOPEKA

SENATE CHAMBER

MARK W. TADDIKEN
SENATOR, 21ST DISTRICT
CLAY, CLOUD, JEWELL,
MARSHALL, NEMAHA, REPUBLIC, RILEY,
AND WASHINGTON COUNTIES
2614 HACKBERRY RD.
CLIFTON, KS 66937
(785) 926-3325

STATEHOUSE—ROOM 422-S
TOPEKA, KS 66612
(785) 296-7371 FAX 368-6365
taddiken@senate.state.ks.us

COMMITTEE ASSIGNMENTS
CHAIR: AGRICULTURE
MEMBER: NATURAL RESOURCES
UTILITIES
WAYS & MEANS
JOINT COMMITTEE ON SPECIAL
CLAIMS AGAINST THE STATE
LEGISLATIVE EDUCATIONAL
PLANNING

TESTIMONY IN SUPPORT OF SENATE BILL 158

March 11, 2005

House Taxation Committee

By Senator Mark Taddiken

Thank you Chairman Wilk and committee members for the opportunity to testify in support of Senate Bill 158 today.

Currently in Kansas we have an eight-year property tax exemption for facilities built by agricultural producers that are used for the drying and storing certain agricultural crops. The intent of the exemption is to provide assistance and encouragement for agricultural producers to protect the newly harvested crops from the deteriorating effects of inclement weather. This protection from the weather preserves both the quantity and the quality of the crop thus maintaining the value of the crop, which has a very positive effect on the Kansas economy.

Hay producing practices evolve over time to keep up with the changes in animal feeding methods. Presently the industry trend is toward the use of large square bales measuring 4 foot by 4 foot by 8 foot. This shape of bale is very susceptible to rain and requires coverage before any rainfall.

This bill would clarify that hay storage structures are covered under the statute. Currently the statute speaks to hay and haylage but then refers to a federal code that is interpreted not to include hay. Also, it would require that any hay storage structure that receives the exemption be newly constructed and used predominantly for hay storage.

Hs Taxation Committee
March 11, 2005
Attachment 1

Under current language each time a structure is “acquired” it becomes eligible for another exemption. This bill would place a one time limit on the exemption. .

The bill originally spoke to the inclusion of cotton storage structures. The cotton language was included upon the request of a legislator from a cotton-producing district. In conversations of late, with the directors of associations of cotton producers, the directors request that cotton **NOT** be included.

They report that cotton storage occurs at the cotton gin, not with individual producers, and that the cotton language in this bill is not needed and could lead to confusion at a later date.

I would respectfully ask that the committee give Senate Bill 158 favorable consideration.



PUBLIC POLICY STATEMENT

HOUSE COMMITTEE ON TAXATION

RE: SB No. 158 – an act concerning property taxation; relating to
hay storage structures.

March 11, 2005
Topeka, Kansas

Testimony provided by:
Brad Harrelson
State Policy Director
KFB Governmental Relations

Chairperson Wilk, and members of the House Committee on Taxation, thank you for the opportunity to appear today in support of SB 158. I am Brad Harrelson, State Policy Director—Governmental Relations for Kansas Farm Bureau. KFB is the state's largest general farm organization representing more than 40,000 farm and ranch families through our 105 county Farm Bureau Associations.

Attached to my testimony is a copy of K.S.A. 79-201i which lays out in law the purpose for farm machinery and equipment property tax exemptions. It stipulates that the purpose of the act is "to promote, stimulate and develop the general welfare, economic development and prosperity of the state of Kansas by fostering the growth and development of agricultural endeavors within the state". It goes on to state that, "Considering this state's heavy reliance on agriculture, the enhancement of agricultural endeavors is deemed to be a public purpose which will promote the general welfare of the state and be for the benefit of the people of the state."

As you are aware, production agriculture is very capital intensive and requires substantial investment in land, machinery and equipment. Because of these unique requirements, often accompanied by high risk and marginal returns, property tax places a substantial burden on farmers and ranchers, and often becomes a deterrent to such investment.

Hs Taxation Committee
March 11, 2005
Attachment 2

The underlying statute contemplated for amendment today, allows a property tax exemption for farm storage and drying equipment for most agricultural commodities. Kansas Farm Bureau supported passage of that legislation and the legislature agreed that it was good public policy with enactment.

Unfortunately, "hay" storage was not included in the list for eligibility at the time. We would suggest that hay is an ag commodity as sure as corn, wheat, beans, milo, etc. are. Storage facilities erected to preserve and protect hay quality from the elements serve the same purpose and should therefore qualify for the same treatment. The only difference from grain storage bins is the appearance.

In conclusion, Kansas Farm Bureau respectfully urges your recommendation to pass favorably SB 158. Thank you, once again, for the opportunity to appear before you and share the policy of our members. KFB stands ready to assist you as you consider this measure.

Thank you.

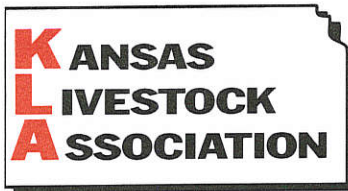
79-201i

Chapter 79.--TAXATION

Article 2.--PROPERTY EXEMPT FROM TAXATION

79-201i. Purpose for farm machinery and equipment property tax exemption. It is the purpose of K.S.A. 79-201j of this act to promote, stimulate and develop the general welfare, economic development and prosperity of the state of Kansas by fostering the growth and development of agricultural endeavors within the state. Agriculture, as conducted in farming and ranching operations throughout the state, is the primary basis of the Kansas economy. Communities, regions, and the state as a whole are materially dependent upon agricultural endeavors and derive substantial financial benefit from the success of Kansas agriculture. Farming and ranching operations require the investment of large sums of capital for the purpose of providing the land on which the operations are conducted, and the farm machinery and equipment necessary to satisfactorily carry out such endeavors. Because of agriculture's unique requirements of substantial capital investment, the property tax burden becomes a deterrent to such investment and, in some instances, an encouragement to farm and ranch abandonment. Kansas, and all its citizens, will benefit from any improvement in the economic environment of Kansas agriculture. The exemption from the ad valorem property tax of farm machinery and equipment actually and regularly used in farming and ranching operations will constitute an incentive to agriculture and will improve the general economy of the state. Considering this state's heavy reliance on agriculture, the enhancement of agricultural endeavors is deemed to be a public purpose which will promote the general welfare of the state and be for the benefit of the people of the state.

History: L. 1982, ch. 390, § 2; May 20.



Since 1894

TESTIMONY

To: House Taxation Committee
Representative Kenny Wilk, Chairman

From: John Donley
Kansas Livestock Association

Date: March 11, 2005

Re: Support of Senate Bill 158

The Kansas Livestock Association (KLA), formed in 1894, is a trade association representing over 6,000 members on legislative and regulatory issues. KLA members are involved in many aspects of the livestock industry, including seed stock, cow-calf and stocker production, cattle feeding, grazing land management and diversified farming operations.

Good morning. My name is John Donley. I am here today representing the Kansas Livestock Association. We are asking for your support of Senate Bill 158.

As many of you know Kansas is a leading livestock producing state. In 2003, Kansas ranked number 2 in the nation with 20% of the total number of cattle slaughter in the United States. In 2003 Kansas ranked second in the number of cattle on feed and number 2 in the total number of cattle on farms.

Kansas is a leader in livestock production for several reasons: 1. Favorable weather conditions-Low humidity and relatively mild climate that make ideal conditions for growing cattle (most days); 2. plentiful grain supplies; and, 3. access to processing facilities.

In addition to these basic factors, Kansas has a good business climate created by good laws. Uniform environmental laws and favorable tax laws provide our livestock operations with competitive advantages that other states envy. SB 158 is a good additional cost cutting measure that Kansas livestock operators appreciate and keeps them competitive.

This industry is mobile, within the United States, and the world. While removing this tax may not be the sole reason a livestock operation remains in the state or locates in Kansas, it helps those here remain competitive.

Thank you for your consideration of this bill.

House Taxation Committee
March 11, 2005
Attachment 3

KANSAS FARM FACTS

KANSAS' RANK IN U.S. AGRICULTURE, 2003

Crop or Livestock Item	Production or Number		Rank	Kansas Number as % of U.S. Total
Wheat Flour Milled	34,159,000	cwt.	1	8.7
Wheat Flour Milling Capacity, Nov. 1, 2003	136,640	cwt.	1	9.7
All Wheat Produced	480,000,000	bu.	1	20.5
Sorghum Grain Produced	130,500,000	bu.	2	31.7
Sorghum Silage Produced	560,000	tons	2	15.8
Cattle Slaughtered	8,926,345	head	2	20.4
Cropland <u>1/</u>	29,542,022	acres	2	6.8
Prime Farmland <u>2/</u>	23,232,100	acres	2	7.0
All Cattle and Calves on Farms, Jan. 1, 2004	6,650,000	head	2	7.0
Cattle and Calves on Grain Feed, Jan. 1, 2004	2,480,000	head	2	18.0
Red Meat Production by Com'l. Slaughter Plants	5,728,900,000	lbs.	3	12.3
Land in Farms	47,200,000	acres	3	5.0
Commercial Grain Storage Capacity, Dec. 1, 2003	890,000,000	bu.	3	10.5
Sunflowers Produced	205,000,000	lbs.	3	7.7
Cash Receipts from Farm Marketings, 2003 <u>3/</u>	9,046,096,000	dol.	5	4.3
All Hay Produced	7,000,000	tons	6	4.5
Exports of Farm Products, FY 2003	2,969,600,000	dol.	6	5.3
Beef Cows That Have Calved, Jan. 1, 2004	1,550,000	head	6	4.7
All Other Hay (Excluding Alfalfa) Produced	3,600,000	tons	6	4.5
Irrigated Acres <u>1/</u>	2,678,277	acres	6	4.8
Alfalfa Hay Produced	3,400,000	tons	8	4.5
Hogs on Farms, Dec. 1, 2003	1,650,000	head	9	2.7
Corn Grain Produced	300,000,000	bu.	10	3.0
Oats Produced	4,550,000	bu.	10	3.1
Soybeans Produced	57,040,000	bu.	11	2.4
Corn Silage Produced	3,080,000	tons	12	2.9
Dry Edible Beans Produced	231,000	cwt.	13	1.0
Cotton Produced	89,500	bales	16	0.5
All Sheep and Lambs on Farms, Jan. 1, 2004	100,000	head	17	1.6
Potatoes Produced, Summer	1,026,000	cwt.	19	0.2
Barley Produced	456,000	bu.	23	0.2

1/ Total cropland and irrigated acres, 2002 U.S. Census of Agriculture.

2/ Prime farmland is the land best suited to producing food, feed, forage, fiber, and oilseed crops. 1997 National Resource Inventory issued by National Resources Conservation Service.

3/ Preliminary.



MEMORANDUM

Office of the County Appraiser Johnson County, KS

Named "Distinguished Assessment Jurisdiction" for 2000

TO: House Taxation

FROM: Paul Welcome, CAE, County Appraiser

RE: **SB 126 Proposed Statute Changes to 79-1460 & 79-2005**

DATE: March 11, 2005

The change in KSA 79-1460 would allow the county appraiser to change the tax roll after the certification date of June 15 but before November 1st. The second half payment protest hearing for the prior year occurs after June 15th certification deadline for the current year. The county appraiser is not allowed to change the following year's tax roll and the property owner has to file a payment under protest for the current year to receive the adjustment when they pay their taxes by December 20th. The intent of 79-1460 was to allow for the value change to be carried forward to the following year. This cannot occur with the 2nd half payment under protest due to timing for the following year's tax roll. We believe allowing the county appraiser to change the roll would be advantageous for the property owner and the county. The county could correct the roll prior to final millage rates being finalized and the county would not have to pay for additional interest because of the delay to implement 79-1460.

The second bill 79-2005 would allow the property owner to make a payment under protest until January 31st if the mortgage company makes a partial or full payment. This bill was changed to allow for the property owner to file until January 31st the mortgage companies were making a full payment by December 20th. With federal law changes, the mortgage companies will make two payments if there is not incentive or discount for full payment at the first payment time. We feel this change would allow for the most expeditious remedy for proper changes to the tax roll if their evidence would warrant a change in value. The county would be able to make the change early and not have to wait until the second half payment is due.

Thank you for your consideration.

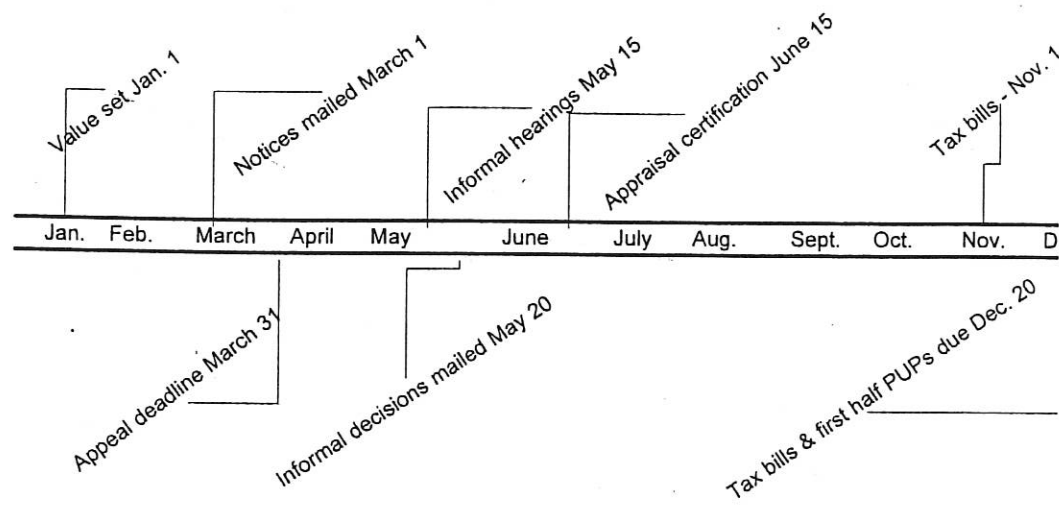
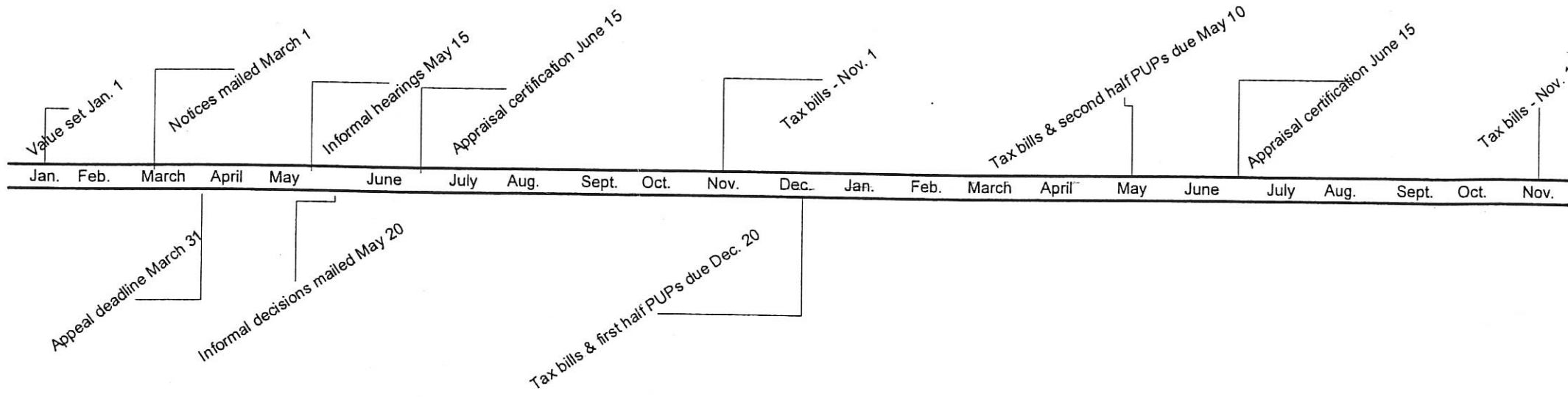
SENATE BILL 126

K.S.A. 79-1460 provides that when a property's value has been reduced as a result of the hearing and appeals process, the lower value is required to be carried forth for the following year absent substantial and compelling reasons to increase it.

Senate Bill 126 amends K.S.A. 79-1460 to allow the county appraiser to amend the appraisal rolls to reduce the current appraised value of property to the property's prior year's value. This is necessary when the Board of Tax Appeals has reduced the prior's year's value after the county appraiser has certified the current year's value to the county clerk on June 15. Senate Bill 126 allows the county appraiser to amend the appraisal rolls to implement that lower value for the current year after certification (June 15) and on or before October 31.

Senate Bill 126 will save taxpayers from having to pay taxes under protest to implement the prior year's reduced value.

Senate Bill 126 also amends K.S.A. 79-2005 (the "payment under protest" statute) to authorize taxpayers to file such protests through January 31, when at least half to the tax has been paid on or before December 20 by an escrow or tax service agent. Presently, this is authorized only when the full tax is paid on or before December 20.



SENATOR PHILLIP B. JOURNEY

STATE SENATOR, 26TH DISTRICT
P.O. BOX 471
HAYSVILLE, KS 67060

STATE CAPITOL—136N
300 S.W. 10TH AVENUE
TOPEKA, KANSAS 66612-1504
(785) 296-7367

E-mail: journey@senate.state.ks.us



TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS

MEMBER: SPECIAL CLAIMS AGAINST THE STATE
(JOINT), CHAIR
HEALTH CARE STRATEGIES
JUDICIARY
PUBLIC HEALTH AND WELFARE
TRANSPORTATION

CORRECTIONS AND JUVENILE JUSTICE
OVERSIGHT (JOINT)

**Testimony in Support of Senate Bill #45
Presented to the House Taxation Committee
the Honorable State Representative Wilk, Chair**

First, let me thank the Committee for the opportunity to address Senate Bill 45, and to clarify that my support for this legislation is conditional upon the adoption of the appropriate balloon amendment. A copy of which I have attached to my testimony.

Senate Bill 45 allows county treasurers to impose civil judgements for unpaid taxes, and to file these civil actions creating a judgement against the tax debtor. It also allows county government to dispose of the property in a manner pursuant to statute to pay the tax obligation against the property. I believe it would be unfair to allow the government to enforce the judgement and seize the real property. In my discussions with the governmental liaisons for Wyandotte's Unified Government, it is my understanding that they do not oppose this amendment. While I was successful in amending Senate Bill 45 and removing the last of Section 1 of the bill, thus protecting the homestead exemption from the levy of judgements, I was unable to draft the appropriate amendment on the Senate floor, and so was told to fix it in the House and thus my purpose for being here today.

I hope that the Committee will find the fairness and equity of this proposed amendment and adopt the same. With the adoption of that amendment I intend to vote in favor of Senate Bill 45.

Respectfully submitted,

Senator Phillip B. Journey
26th District

SENATE BILL No. 45

By Committee on Assessment and Taxation

1-18

Proposed Amendment

5-2

10 AN ACT concerning property taxation; relating to unpaid real property
11 taxes; judgment and enforcement thereof pursuant to code of civil
12 procedure.
13

14 *Be it enacted by the Legislature of the State of Kansas:*

15 Section 1. All real estate upon which the real property taxes have not
16 been paid as provided by law shall be subject to the provisions of this act.
17 In addition to sale of such real estate for unpaid real property taxes pur-
18 suant to the provisions of K.S.A. 79-2301 *et seq.*, and amendments
19 thereto, upon the approval of the board of county commissioners of any
20 county, such county may collect such unpaid taxes by commencing a civil
21 action pursuant to the code of civil procedure in the district court of the
22 county in which the real estate is located brought against the owner of
23 such real estate. The county may seek judgment on such civil action to
24 recover such unpaid real property taxes and such judgment shall be a
25 judgment in the same manner and to the same extent as any other judg-
26 ment of a civil action brought pursuant to the code of civil procedure.
27 Such judgment shall become a lien on real estate from and after the time
28 of the filing thereof. A transcript of the judgment may be filed with the
29 clerk of the district court in any other county and when it is entered in
30 the manner provided above such judgment shall become a lien upon real
31 estate located in such county in the same manner as is provided in case
32 of other judgments. No fee shall be made for making the entry. Execution,
33 garnishment or other proceedings in aid of execution may issue within
34 the county or to any other county on the judgment in the same manner
35 as on judgments under the code of civil procedure, except that any real
36 estate taken upon execution for the collection of such taxes shall be sold
37 without appraisal. ~~None of the exemptions provided for in the code~~
38 ~~of civil procedure shall apply to any such judgment, but no such judgment~~
39 ~~secured for taxes on real estate shall be levied against a homestead.~~

40 Sec. 2. This act shall take effect and be in force from and after its
41 publication in the statute book.

Within 30 days of any judgment of any civil action brought pursuant to this section, the county shall file satisfaction and release of judgment. Such satisfaction and release shall be filed with the clerk of the court in which such judgment was entered and with the clerk of any other court in which the judgment was filed. If the county neglects to enter satisfaction and release as required pursuant to this section, the county shall be liable to the owner of the property in damages in the amount of \$100, together with reasonable attorney fees for preparing and prosecuting the action to recover such damages.

Sec. 1. K.S.A. 2004 Supp. 60-2803 is
hereby amended to read as follows: 60-2803.

a) When a money judgment rendered in a civil action in a court of this state is satisfied, the judgment creditor or the assignee of the judgment creditor shall file satisfaction and release of the judgment within twenty days after receipt of written demand therefor, sent by restricted mail as defined by K.S.A. 60-103 and amendments thereto. Such satisfaction and release shall be filed with the clerk of the court in which the judgment was entered and with the clerk of any other court in which the judgment was filed.

(b) If a judgment creditor or the assignee of a judgment creditor refuses or neglects to enter satisfaction and release of a judgment when required by this section, such judgment creditor or assignee shall be liable to the judgment debtor, or other interested person demanding the satisfaction or release, in damages in the amount of one hundred dollars, together with a reasonable attorney's fee for preparing and prosecuting the action to recover such damages.

(c) The provisions of this section shall not apply if the judgment is satisfied by payment through the office of the clerk of the district court, the district court trustee or any central unit for collection and disbursement of support payments designated pursuant to K.S.A. 23-4,118, and amendments thereto.

52



KANSAS
ASSOCIATION OF
COUNTIES

Testimony re. SB 45
House Taxation Committee
Randall Allen, Executive Director
Kansas Association of Counties
March 11, 2005

Chairman Wilk and members of the committee, I am Randall Allen, Executive Director of the Kansas Association of Counties. I am here today to express strong support for SB 45, a bill offering an additional way for counties to tackle the ongoing problem of delinquent taxes.

At our annual conference held last November, our membership unanimously adopted the following statement:

"The problem of delinquent real estate taxes is serious and growing. The methods used to collect delinquent real estate taxes are archaic and cumbersome. The Kansas Association of Counties supports legislation that would treat real estate taxes as debts and, as such, enforceable by a civil action against a property owner owing delinquent taxes. Local governments should have the authority to collect delinquent taxes and liens similar to the methods used for the collection of any debt."

As you know, delinquent taxes are a drain on all tax-paying citizens, as governments are required to levy additional taxes to finance basic services to the extent that delinquent taxes are not paid. It is really a fairness issue, i.e. why should you and I as tax-paying citizens pay more to offset the delinquencies of those who do not pay their taxes? SB 45 offers the alternative of commencing a civil procedure to force payment of real estate taxes. It is not a mandate on counties, nor will it be used in every instance. In fact, it may be used rather sparingly. Having an additional option will likely be a deterrent to persons contemplating using the county as its "bank," while at the same time other citizens are paying their fair share.

We urge the committee to report SB 45 favorably for passage.

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. For more information, please contact Randall Allen or Judy Moler at (785) 272-2585.

300 SW 8th Avenue
3rd Floor
Topeka, KS 66603-3912
785•272•2585
Fax 785•272•3585

House Taxation Committee
March 11, 2005
Attachment 6



Testimony

Unified Government Public Relations
701 N. 7th Street, Room 620
Kansas City, Kansas 66101

Mike Taylor, Public Relations Director 913.573.5565
Don Denney, Media Relations Specialist 913.573.5544

Senate Bill 45 Delinquent Property Tax Collections

Delivered March 9, 2005
House Taxation Committee

The Unified Government of Wyandotte County is requesting this legislation on behalf of the hard-working, law-abiding citizens in our community and across Kansas who pay their taxes. This measure is about fairness and equity. It is about reducing the property tax mill levy in Wyandotte County, Kansas City and possibly other communities.

The Mayor and Board of Commissioners realize in order to lower taxes, they must do everything possible to ensure local government is collecting the money it is already owed. There are millions of dollars in unpaid real estate taxes in Wyandotte County. The Unified Government is making strong advancements in collecting delinquent taxes with the tools we have under current law, but we need to do even more. SB 45 will give officials an additional tool to collect delinquent taxes. We need the Legislature's help.

It's often said government should run more like a business. SB 45 would give local government the same tool businesses regularly use to collect debts. It would allow local government to obtain a civil judgment to collect delinquent tax as opposed to the current law (KSA 79-2901) which only allows us to foreclose on the property and sell it at a tax sale after the delinquency is three years old.

There are 10,713 parcels of land which owe a total of \$23.9-million in delinquent taxes. Since 1998, the Unified Government has aggressively worked to collect delinquent taxes and get the involved properties back on the tax rolls. More than 4,500 parcels have been placed in tax sales since 2000, returning millions of dollars to the Unified Government and citizens of Wyandotte County. Nearly \$4-million was generated for the taxpayers of Wyandotte County as a result of 2004 Tax Sales conducted by the Unified Government. But that is a small percentage of what is owed.

SB 45 would give local governments an option to deal with situations where the property is a liability rather than an asset. It lets us effectively deal with people who can easily afford to pay their taxes but choose not to. This tool would be especially helpful to collect unpaid taxes from out-of-county or out-of-state landlords who buy rental property, milk it for all the profits they can, let it fall into disrepair, then abandon the property.

Getting tougher with tax deadbeats is the most fair and responsible thing the Unified Government can do for the majority of citizens in our community. SB 45 has significant support from citizens in our community. The Unified Government works with property owners who have fallen on hard times and can't pay their full tax bill. We work out reasonable payment plans. But we will not tolerate tax deadbeats who are cheating the system. Not being able to use every method possible to collect delinquent taxes is an injustice to the hard-working, conscientious citizens of our community who do pay their taxes.

House Taxation Committee
March 11, 2005
Attachment 7

A Primer on How Collection of Delinquent Taxes Would Work Under SB 45

- To obtain a civil judgment, the Unified Government would file a Petition in Wyandotte County District Court and serve the defendant/property owner who would then have to file an Answer.
- The government would have the burden to prove that the defendant is the property owner and that the taxes are delinquent.
- KSA 60-303 requires that the defendant be served a copy of the Petition and a Summons which advises how to respond. Service can be made by Certified Mail, serve the defendant personally, or leave at defendant's residence. Service under this statute makes the defendant personally liable to pay any judgment.
- Once service is obtained, the claim litigated and a judgment obtained, SB 45 would allow the government to collect the judgment as a personal debt against any non-exempt asset of the defendant, as opposed to the current tax foreclosure process which is only collectable against the delinquent property.
- To collect a personal judgment the government can order the defendant into Court and disclose assets, real and personal property, bank accounts, equities, wages etc.(KSA 60-2419)
- KSA 60-2401 allows the seizure and sale of any non-exempt property of the debtor necessary to satisfy the judgment.
- KSA 60-721 to 744 allows the garnishment of the defendants wages, bank accounts, or other property. Garnishment is a court process with notice to the defendant, bank, employer etc with an opportunity to contest (limited essentially to the defendants interest in the asset, not whether he owes the debt).

A Primer on How Collection of Delinquent Taxes From Tax Sale Works

- In order for a lot to be placed in a tax sale, it must be eligible: Any lot at least three (3) years delinquent on property taxes is eligible. But not only must a property be delinquent, someone must formally request that it be placed in a tax sale.
- As properties are placed on the tax sale roster, abstractors begin their research, collecting information on each parcel: name of property owner, address of property owner, lien holders, etc. In addition, in accordance with Kansas Law, the abstractor contacts the property owner via Certified Mail. The owner is notified their property is eligible for sale, what their legal rights are, and how--if they choose--they may retain ownership of their property.
- Each lot in a tax sale is bid on. The lowest bid is the amount of back-taxes owed. All properties not bid on are conveyed to the Unified Government. These lots are initially conveyed to the Delinquent Real Estate Office and the necessary public notices are given. Approximately thirty (30) days later, each lot is then transferred to the Unified Government's Land Bank.

Testimony to House Committee on Taxation
Robert J. Vancrum, Kansas Government Lobbyist for the
Greater Kansas City Chamber of Commerce

March 9, 2005

Chairman Wilk and Other Honorable Representatives:

I am appearing today on behalf of the Greater Kansas City Chamber of Commerce in support of Senate Bill 45 which was requested by the Unified Government of Wyandotte County, but is applicable in all counties. The bill has been endorsed as a strategic position by our Chamber's Kansas State Affairs Committee and ratified by our Board last November.

Some have asked why a business group wants counties to have stronger tools to collect taxes. Our members believe that it is not fair to any taxpayer, business or individuals, that pay their taxes on time to permit some real estate property owners who intentionally and perpetually leave their real estate taxes in arrears by nearly three years in order to just avoid tax foreclosure on the property. Too often it is the small business whose mortgagees pay the taxes who bears the largest brunt of the defaulting big landowners who could easily pay up but aren't forced to.

As the Unified Government has pointed out, government is often asked to run more like a business. This bill merely gives local government the same tool that is regularly used to collect debts. It would allow local government to obtain a civil judgment for delinquent taxes rather than waiting for foreclosure and a tax sale, which is currently the only option for local governments.

We understand the statutes prohibiting tax foreclosure until the owner was three years behind was enacted during and following the depression to protect people from losing their homes and farms from such a cataclysmic and unavoidable economic downturn. Certainly, the commissioners of the Unified Government, and nearly every local elected government official I know of are very sympathetic in such situations. After all, they are elected by the same citizenry that elects legislators. I feel confident that local officials (and the department heads and managers responsible to them) will continue to work out reasonable payment plans.

You will note the Senate limited the bill to prohibit any means of collecting such a judgment other than levying on the deadbeat's bank account. No doubt they were worried some county would try to collect against a small business or homeowner by filing or foreclosing a judgement lien against the real estate. That hasn't hurt the real value of the bill. The counties need the tool to at least threaten certain tax deadbeats that have a history of trying to beat the system that they will take them to court for a civil judgment if such behavior persists.

As always, I will be available for your questions now or as the Chair directs.

Hs Taxation Committee
March 11, 2005
Attachment 8

ELLIS COUNTY TREASURY

Mike "Mickey" Billinger
Treasurer
Jerry Schmidtberger
Deputy Treasurer

1204 Fort St. * P.O. Box 520 * Hays, Kansas 67601-0520
E-Mail: treasury@ellisco.net or jrtreasury@ellisco.net

Phone 785-628-9465
FAX 785-628-9467

Representative Kenny Wilk, Chairman and Members of the House Taxation Committee

My name is Mike Billinger; I am the Ellis County Treasurer and a member of the Kansas County Treasurers Association. I am providing this written testimony on behalf of the KCTA in support of Senate Bill 45.

While the Kansas County Treasurers Association did not request this legislation, we support it for the simple reason that this provides another tool to assist us in collecting all of the taxes levied by our local governments. This enhanced tax collection tool will not replace the current tax foreclosure process. Instead, it will provide an alternative when use of the present tax foreclosure process will not result in sufficient financial resources to satisfy the tax liens in place on a given piece of property.

Mr. Chairman and Committee members, I respectfully request that Senate Bill 45 be advanced from this committee for further action.

Thank you for allowing me to provide this written testimony.

Mike Billinger,
Ellis County Treasurer
Member of the KCTA Legislative Committee

Hs Taxation Committee
March 11, 2005
Attachment 9

1559 Payne
Wichita, Kansas 67203

March 11, 2005

wo

Members
House Taxation Committee
State Capitol
Topeka, Kansas 66612

Subject: **Testimony in OPPOSITION TO SENATE BILL #45 (A Bill that would grant Counties an alternative process to collect unpaid real estate taxes through civil action in the district court.).**


My name is John Todd. I am a self-employed real estate broker from Wichita, and I present testimony to you in opposition to Senate Bill #45 that would grant Counties an alternative process to collect unpaid real estate taxes through civil action in the district court.

I just found out about this legislation on Tuesday of this week and in visiting with other real estate people since then, I have concluded that this Bill has been "under the radar" for most of us and has caught us *off guard* with limited time to adequately respond to, and consider the many ramifications that could result if this radical change to current state law were enacted into law. At first blush, it reminds me of the hated, albeit well intended "*clunker law*" that was enacted during the last legislative session that you repealed early in this legislative session after the voracious public outcry. I believe hasty passage of this Bill into law could result in a similar public reaction plus have a devastating impact on the real estate economy.

I have been active in several facets of the real estate industry for many years and therefore have some familiarity with the process counties use for real estate tax collections including their sale of real estate for unpaid taxes through the "tax sale" process, and would be hard pressed to think that the current process of law available to counties for tax collection is broke or therefore needs to be changed.

Real estate is a complex subject dealing with agricultural, industrial, commercial, land development, and residential real estate including single family new and existing houses, multifamily projects, not to mention the conversion of "tax sale" properties into usable and taxpaying projects. As a licensed real estate practitioner, I would not choose to handle an agricultural transaction for a customer any more than I would choose to substitute for a barber and cut his customer's hair during his absence. Fortunately, there are many skilled real estate people who can "weigh-in" on how the proposed tax collection changes could impact their particular real estate specialty provided they have the time to prepare a response, and you need their input before you change the law.

There are several areas in real estate that I can respond to relating to the negative "economic impact" the passage of this Bill into law could have on the real estate industry. And, I do not believe that a "one size fits all" law can solve the problems that certain counties are having with the collection of real estate taxes. Perhaps they need to "tighten" the procedures they now have available through current law to collect real estate taxes. We do not need another "clunker" law!

Sincerely,
John R. Todd


Hs Taxation Committee
March 11, 2005
Attachment 10

SENATE BILL No. 13

By Special Committee on Assessment and Taxation

Proposed Amendments to SB No. 13

12-30

10 AN ACT concerning taxation; relating to confidentiality of information;
11 disclosure; amending K.S.A. 79-1119, 79-3392, 79-3614 and 79-4105
12 and K.S.A. 2004 Supp. 12-189, 75-5133, 79-3234 and 79-3657 and
13 repealing the existing sections; also repealing K.S.A. 2004 Supp. 74-
14 8017.
15

penalties;
75-702,

16 Be it enacted by the Legislature of the State of Kansas:

17 Section 1. K.S.A. 2004 Supp. 12-189 is hereby amended to read as
18 follows: 12-189. Except as otherwise provided by paragraph (2) of sub-
19 section (a) of K.S.A. 12-187, and amendments thereto, the rate of any
20 class A, class B or class C city retailers' sales tax shall be fixed in the
21 amount of .25%, .5%, .75% or 1% which amount shall be determined by
22 the governing body of the city. Except as otherwise provided by paragraph
23 (2) of subsection (a) of K.S.A. 12-187, and amendments thereto, the rate
24 of any class D city retailers' sales tax shall be fixed in the amount of .10%,
25 .25%, .5%, .75%, 1%, 1.125%, 1.25%, 1.5% or 1.75%. The rate of any
26 countywide retailers' sales tax shall be fixed in an amount of either .25%,
27 .5%, .75% or 1% which amount shall be determined by the board of
28 county commissioners, except that:

29 (a) The board of county commissioners of Wabaunsee county, for the
30 purposes of paragraph (2) of subsection (b) of K.S.A. 12-187, and amend-
31 ments thereto, may fix such rate at 1.25%; the board of county commis-
32 sioners of Osage county, for the purposes of paragraph (2) of subsection
33 (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 1.25%
34 or 1.5%; the board of county commissioners of Cherokee, Crawford,
35 Ford, Saline, Seward or Wyandotte county, for the purposes of paragraph
36 (2) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix
37 such rate at 1.5%, the board of county commissioners of Atchison county,
38 for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-187, and
39 amendments thereto, may fix such rate at 1.5% or 1.75% and the board
40 of county commissioners of Anderson, Barton, Jefferson or Ottawa
41 county, for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-
42 187, and amendments thereto, may fix such rate at 2%;

43 (b) the board of county commissioners of Jackson county, for the

1 and regulations as may be necessary for the efficient and effective ad-
 2 ministration and enforcement thereof.

3 Upon receipt of a certified copy of an ordinance or resolution author-
 4 izing the levy of a local retailers' sales tax, the director of taxation shall
 5 cause such taxes to be collected within or without the boundaries of such
 6 taxing subdivision at the same time and in the same manner provided for
 7 the collection of the state retailers' sales tax. Such copy shall be submitted
 8 to the director of taxation within 30 days after adoption of any such or-
 9 dinance or resolution. All moneys collected by the director of taxation
 10 under the provisions of this section shall be credited to a county and city
 11 retailers' sales tax fund which fund is hereby established in the state treas-
 12 ury. Any refund due on any county or city retailers' sales tax collected
 13 pursuant to this act shall be paid out of the sales tax refund fund and
 14 reimbursed by the director of taxation from collections of local retailers'
 15 sales tax revenue. Except for local retailers' sales tax revenue required to
 16 be deposited in the redevelopment bond fund established under K.S.A.
 17 74-8927, and amendments thereto, all local retailers' sales tax revenue
 18 collected within any county or city pursuant to this act shall be appor-
 19 tioned and remitted at least quarterly by the state treasurer, on instruction
 20 from the director of taxation, to the treasurer of such county or city.

21 Revenue that is received from the imposition of a local retailers' sales
 22 tax which exceeds the amount of revenue required to pay the costs of a
 23 special project for which such revenue was pledged shall be credited to
 24 the city or county general fund, as the case requires.

25 The director of taxation shall provide, upon request by a city or county
 26 clerk or treasurer *or finance officer* of any city or county levying a local
 27 retailers' sales tax, monthly reports identifying each retailer ~~having a place~~
 28 ~~of doing business in such city or county or making taxable sales sourced~~
 29 ~~to such city or county, setting forth the tax liability and the amount of~~
 30 ~~such tax remitted by each retailer during the preceding month and iden-~~
 31 ~~tifying each business location maintained by the retailer within such city~~
 32 ~~or county and such retailer's sales or use tax registration or account num-~~
 33 ~~ber. Such report shall be made available to the clerk or treasurer or fi-~~
 34 ~~nance officer of such city or county within a reasonable time after it has~~
 35 ~~been requested from the director of taxation. The director of taxation~~
 36 ~~shall be allowed to assess a reasonable fee for the issuance of such report.~~
 37 Information received by any city or county pursuant to this section shall
 38 be confidential, and it shall be unlawful for any officer or employee of
 39 such city or county to divulge any such information in any manner. Any
 40 violation of this paragraph by a city or county officer or employee is a
 41 class B misdemeanor, and such officer or employee shall be dismissed
 42 from office.

[The attorney general shall prosecute violations of this paragraph.

43 Sec. 2. K.S.A. 2004 Supp. 75-5133 is hereby amended to read as

1 tary of health and environment or the secretary's designee for the sole
2 purpose of ensuring that retailers collect the environmental surcharge tax
3 or solvent fee, or both;

4 (13) provide water protection fee information from returns and ap-
5 plications for registration filed pursuant to K.S.A. 82a-954, and amend-
6 ments thereto, to the secretary of the state board of agriculture or the
7 secretary's designee and the secretary of the Kansas water office or the
8 secretary's designee for the sole purpose of verifying revenues deposited
9 to the state water plan fund;

10 (14) provide to the secretary of commerce copies of applications for
11 project exemption certificates sought by any taxpayer under the enterprise
12 zone sales tax exemption pursuant to subsection (cc) of K.S.A. 79-3606,
13 and amendments thereto;

14 (15) Disclose information received pursuant to the liquor control act,
15 club and drinking establishment act, nonalcoholic malt beverage act or
16 the Kansas cigarette and tobacco act and subject to the confidentiality
17 provisions of this act to any criminal justice agency, as defined in subsec-
18 tion (c) of K.S.A. 22-4701, and amendments thereto, or to any law en-
19 forcement officer, as defined in subsection (c)(10) of K.S.A. 21-3110, and
20 amendments thereto, on behalf of a criminal justice agency, when re-
21 quested in writing in conjunction with a pending investigation; and

22 (16) provide to retailers tax exemption information for the sole pur-
23 pose of verifying the authenticity of tax exemption numbers issued by the
24 department.

25 (c) Any person receiving any information under the provisions of sub-
26 section (b), ~~(c)~~ or ~~(d)~~ shall be subject to the confidentiality provisions of
27 subsection (a) and to the penalty provisions of subsection ~~(d)~~.

28 ~~(d)~~ Any violation of this section shall be a class B, nonperson mis-
29 demeanor, and if the offender is an officer or employee of this state, such
30 officer or employee shall be dismissed from office.

31 Sec. 3. K.S.A. 79-1119 is hereby amended to read as follows: 79-
32 1119. (a) All reports, statements, lists and returns required under the
33 provisions of article 11 of chapter 79 of the Kansas Statutes Annotated,
34 and amendments thereto, shall be preserved for three ~~(2)~~ years and there-
35 after until the director of taxation orders them to be destroyed.

36 (b) Except in accordance with proper judicial order, or as provided
37 in subsection (c) of this section, subsection (g) of K.S.A. 17-7511 or 46-
38 1106, and amendments thereto, it shall be unlawful for the director of
39 taxation, or any deputy, agent, clerk or other officer, employee or former
40 employee of the department of revenue or any other state officer or em-
41 ployee or former state officer or employee to divulge, or to make known
42 in any way, the amount of income or any particulars set forth or disclosed
43 in any report, statement, list, return, federal return or federal return in-

The attorney general shall prosecute any violation of this section if the offender is a city or county clerk or treasurer or finance officer of a city or county.

1 *the department of revenue in connection with administration of the Kan-*
2 *sas retailer's sales tax act is subject to the confidentiality provisions as set*
3 *forth in K.S.A. 75-5133, and amendments thereto.*

4 Sec. 7. K.S.A. 2004 Supp. 79-3657 is hereby amended to read as
5 follows: 79-3657. Return information submitted to any party or parties
6 acting for and on behalf of the state shall be treated as confidential. Dis-
7 closure of such information necessary under K.S.A. 2004 Supp. 79-3655
8 and 79-3656, *and amendments thereto*, shall be pursuant to a written
9 agreement between the department and the party or parties. Such party
10 or parties shall be bound by the same requirements of confidentiality as
11 the department, under ~~K.S.A. 79-3614~~ 75-5133, and amendments
12 thereto.

13 Sec. 8. K.S.A. 79-4105 is hereby amended to read as follows: 79-
14 4105. The provisions of K.S.A. 75-5133, 79-3605, 79-3609, 79-3610, 79-
15 3611, 79-3612, 79-3613, ~~79-3614~~, 79-3615, 79-3617 and 79-3619, and ~~acts~~
16 ~~amendatory thereof or supplemental amendments~~ *amendments* thereto, relating to en-
17 forcement, collection and administration, insofar as practicable, shall have
18 full force and effect with respect to taxes imposed under the provisions
19 of K.S.A. 79-4101 to 79-4104, inclusive, and *amendments thereto*. Where-
20 ever the word "director" is used in ~~said sections such statutes~~ it shall be
21 construed to mean, for the purposes of this act, the director of taxation.
22 The provisions of K.S.A. 74-2422, 74-2425, 74-2426 and 74-2427, and ~~acts~~
23 ~~amendatory thereof or supplemental amendments~~ *amendments* thereto, relating
24 to the approval of rules and regulations, and the adoption of uniform rules
25 and regulations for ~~said such~~ hearings and for appeals from orders of the
26 director of taxation and prescribing the duties of county attorneys with
27 respect to such appeals, insofar as practicable, shall have full force and
28 effect with respect to taxes imposed by, and proceedings under, the pro-
29 visions of K.S.A. 79-4101 to 79-4108, inclusive, and amendments thereto.

See attached

75-702,

30 Sec. 9. K.S.A. ~~79-1119, 79-3392, 79-3614 and 79-4105~~ and K.S.A.
31 2004 Supp. 12-189, 74-8017, 75-5133, 79-3234 and 79-3657 are hereby
32 repealed.

Renumber sections accordingly

33 Sec. 10. This act shall take effect and be in force from and after its
34 publication in the statute book.

Sec. 9. K.S.A. 75-702 is hereby amended to read as follows: 75-702. The attorney general shall appear for the state, and prosecute and defend all actions and proceedings, civil or criminal, in the supreme court, in which the state shall be interested or a party, and shall also, when required by the governor or either branch of the legislature, appear for the state and prosecute or defend, in any other court or before any officer, in any cause or matter, civil or criminal, in which this state may be a party or interested or when the constitutionality of any law of this state is at issue and when so directed shall seek final resolution of such issue in the supreme court of the state of Kansas. The attorney general shall prosecute any matter related to a violation of K.S.A. 12-189 or 75-5133, and amendments thereto, related to unlawful acts when the offender is an officer or employee of a city or county.