

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 9:00 A.M. on March 16, 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 Nick Jordan
Senator Mark Taddiken (written testimony only)
Secretary Wagon, Department of Revenue
Rachel Rubin, Las Animas Landfill and Gas, LLC
Luke Morrow, V. P., Las Animas Landfill and Gas, LLC
Brad Smoot, Local Counsel, Las Animas Landfill and Gas
Charles Benjamin, Ph.D., J.D. Kansas Sierra Club (written testimony only)
Col. Adam King, Adjutant General's Office

SB 192 - Property tax exemption for renewable energy resources or technologies

Mr. Courtwright stated that **SB 192** as amended, would provide a property tax exemption retroactive to tax year 2002 for all personal property actually and regularly used predominantly to produce landfill gas; all such property used to transport the gas from a landfill to a common carrier; and the gas itself. The fiscal note indicated the impact to the state, which would be attributable to less revenue from the 21.5 mills in state property tax levies is unknown.

The Chairman opened the public hearing on **SB 192**.

Rachel Rubin, Las Animas Landfill and Gas, appeared in support of **SB 192** (Attachment 1). They believe that Johnson County has interpreted Kansas tax laws such that the tax imposed puts the entire operation in jeopardy. They believe that the County's interpretation is wrong and have appealed the levy. This bill gives the Legislature an opportunity to clarify its intentions regarding the tax exemption; affirm its support for important privately funded renewable energy projects and prevent costly and unnecessary litigation.

Luke Morrow, V. P., Las Animas Landfill and Gas, testified in support of **SB 192** (Attachment 2). He stated the company was a small business which has invested heavily in the development of a landfill gas collection and treatment facility on one of the nation's largest landfills. This venture is high risk, high cost and, at least financially, low reward. He called attention to an attachment letter from the Federal Environmental Protection Agency that supports landfill gas projects, and summarized by stating that this is the type of project Kansas should encourage.

Brad Smoot, Local Counsel, Las Animas Landfill and Gas, stated that this legislation was not proposed as a change in public policy but rather a clarification of the public policy established in 1999 (Attachment 3). **SB 192** amended K.S.A. 79-201 *Eleventh*, to make it clear that the tax exemption for personal property applied whether the renewable energy was used to make electricity or some other form of energy.

His testimony included a balloon with some suggested amendments, that clarified that they don't "produce" the gas (the gas comes from decomposition of manmade waste); they collect, refine or treat the gas emitted by the landfill. At the suggestion of the Department of Revenue, they urged the Committee to amend the bill to reference a "transmission pipeline" rather than a "common carrier." They understand this is a narrower and more precise term.

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on March 16, 2005 in Room 519-S of the Capitol.

Charles Benjamin, KS Sierra Club, submitted written testimony in support of **SB 192** (Attachment 4).

There being no other conferees the Chairman closed the public hearing on **SB 192**. Hearing no committee member objection he asked the Committee to consider **SB 192**.

Representative Goico made the motion to adopt the amendment offered by Mr. Smoot in his testimony on SB 192. Representative Kelley seconded the motion. The motion carried.

Representative Goico made the motion that SB 192, as amended, be passed out favorably. Representative Kelley seconded the motion. The motion carried.

SB 256 - Income tax exemption for amounts received for recruitment and student loan repayments by members of military.

Mr. Courtwright stated the bill would provide an individual income tax exemption beginning in tax year 2005 for recruitment, sign-up, or retention bonuses received by taxpayers who are or were members of the U.S. armed forces, including the Kansas Army and Air National Guard. The bill similarly would exempt educational and student loan repayments received by taxpayers as incentives related to their service in the U.S. armed forces, including the Kansas Guard. The fiscal note indicated that the exemptions would be expected to reduce FY 2006 receipts by about \$0.600 million.

The Chairman opened the public hearing on **SB 256**.

Col. Adam King, Adjutant General's office, testified in support of **SB 256** (Attachment 5). It shows the commitment of the legislature to recognize guardsmen and provide them financial assistance in the form of tax relief for funds received as an incentive to enlist, reenlist or to repay student loans. The legislative initiative to make those funds tax exempt, greatly assists their recruiting and retention efforts as well.

Senator Mark W. Taddiken submitted written testimony in support of **SB 256** (Attachment 6), that emphasized that members of our armed services, as well as their families, make commitments and sacrifices to provide our liberty and freedom. This bill would allow them to retain more of their incentives and assure them they have the full support of the people of Kansas.

There being no other conferees the Chairman closed the hearing on **SB 256**.

SB 138 - Income tax credit for business firms employing certain teachers when school is not in session.

Mr. Courtwright stated that **SB 138** would establish a new tax credit against Kansas corporate income tax liability for any business that enters into a partnership agreement with the local board of education and the businesses which employ the math or science teachers in positions that required math or science skills commensurate with the classes that the teachers regularly teach during the times school is not in session. The fiscal note indicated the bill would reduce revenues to the State General Fund by \$2.8 million during FY 2006.

Senator Nick Jordan, appeared in support of **SB 138** (Attachment 7). He stated that the bill was an attempt to fill a significant need in Kansas education by attracting more degreed science and math teachers through a partnership with the business community. The need for degreed science and math teachers is documented in Kansas and nationally.

The five points of the bill follow:

- Encourages partnerships between school districts, teachers and businesses by agreement.
- Offers a 25% tax credit on the salary paid by a business to a teacher for work outside of school.
- Offers a 30% tax credit if a teacher is in a school in a rural, under served, or underperforming urban area.
- Caps the amount of tax credits in any given year to \$500,000.

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on March 16, 2005 in Room 519-S of the Capitol.

- The position that the teacher is hired to do must require mathematics and science skills commensurate with the classes that the teacher regularly teaches.

As our economy moves toward jobs requiring math and science skills, there is a disturbing trend in education reflecting a shortage of degreed science and math teachers. **SB 138** is one of three bills introduced this session to address this need. He explained the success of the Business Education Success Team (BEST) program in Wichita that is similar in nature to the proposed legislation.

The Chairman asked if Senator Jordan would have an objection, to amending the bill to ensure that the tax credits were distributed equitably by congressional districts, based on where the teacher resided, not where they worked. The Senator stated they had tried to address that issue with the percentage difference in the bill.

Secretary Wagon, appeared before the Committee to offer a balloon a amendment that would allow the bill to operate as intended (Attachment 8). The bill imposes an annual cap of \$500,000 in tax credits allowed per year. Under the balloon, before claiming the tax credit, business firms must first apply to the Secretary of Revenue for tax credit approval on prescribed forms. They must also submit copies of any partnership agreements and salary amounts paid to teachers. With approval of the tax application, the business firm may claim the tax credit on the appropriate schedule.

The balloon amendment requires that the partnership agreement contain a description of the duties of the position sufficient to establish that it satisfies the qualifying criteria: the position requires math or science skills commensurate with the teacher's classes. She voiced concern over the teacher leaving education to work for business, therefore she recommended an additional amendment that no tax credit would be given if the teacher does not return to the classroom, after being employed for the summer.

The Chairman closed the hearing on **SB 192**.

SB 58 - Authorizing countywide retailers' sales tax for Sedgwick county arena.

Representative Larkin offered a conceptional amendment that would prospectively define in statute that any vote taken prior to Legislative approval was not binding. Representative Kirk seconded the motion. The motion failed.

Representative Brunk moved that SB 58 be passed out favorably. Representative Goico seconded the motion. The motion carried. Representatives Dillmore and Goico requested that their yes votes be recorded.

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

Representative Carlin made a motion to adopt a balloon amendment (Attachment 9) that would address the issue of exemptions on property or ad valorem taxes on any building constructed on property of a state educational institution, owned by a municipality and operated by a Kansas not-for-profit entity for the purpose of strategic technology acquisition and commercialization. Representative Thull seconded the motion. The motion carried.

Representative Carlin made the motion that SB 126, as amended, be moved out favorably for passage. Representative Davis seconded the motion. The motion carried.

SB 13 - Confidentiality and disclosure requirements of tax information

Representative Wilk made the motion to adopt a balloon amendment (Attachment 10) that would insert language in which reports of violations shall be investigated by the attorney general. Representative Goico seconded the motion. The motion carried.

Representative Dillmore moved that the House Taxation Committee recommend SB 13, as amended, favorably for passage, Representative Carlin seconded the motion.

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on March 16, 2005 in Room 519-S of the Capitol.

Representative Goico made a substitute motion to table the bill in order to study the issues further. Representative Kelley seconded the motion. The motion failed (8-13).

The motion to move **SB 13**, as amended, favorably for passage carried.

The Chairman adjourned the meeting at 11:00 a.m. The next meeting is March 17, 2005.

**Las Animas Landfill Gas, LLC
P. O. Box 60480
Midland, TX 79711-0480
(432) 563-2766**

Statement of Rachel Rubin
Attorney for Las Animas Landfill Gas, LLC
House Taxation Committee
2005 Senate Bill 192
March 16, 2005

Mr. Chairman and Members of the Committee,

I am Rachel Rubin, an Overland Park based Attorney for Las Animas Landfill Gas, LLC. With me today are Brad Smoot, a Topeka-based attorney and Luke Morrow, Vice President for Las Animas Landfill Gas, LLC. We are pleased to have the opportunity to appear before you today in support of SB 192.

The initial purpose behind the enactment of 79-201 *Eleventh* was to foster investment in facilities and equipment for the development of renewable energy resources and technologies. We support the clarification proposed in SB 192 in order to promote the continued development of renewable energy and landfill gas technologies in Kansas.

The legislature made its intent clear in 1999 when it created a personal property tax exemption under 79-201 *Eleventh* for renewable energy resources or technologies, including landfill gas. **To be clear, since 1999, the definition of “renewable energy resources or technologies” specifically includes landfill gas.** Unfortunately, 79-201 *Eleventh* speaks in terms of exempting renewable energy projects which produce electricity. Due to regulatory constraints in Kansas regarding electricity sales, landfill gas is not converted to electricity on site; instead, Las Animas employs a state of the art high BTU process that captures landfill gas, and converts it to biogas that is funneled to the Kansas Gas Pipeline. Some of the end users do use the pipeline gas to produce and generate electricity, but some of the biogas is used directly to heat homes and businesses. Frankly, it makes little public policy sense to favor the generation of electricity over the generation of biogas or natural gas equivalents. Heating homes and businesses is an equally, if not preferred, environmentally sound use of renewable energy resources. SB 192 would clarify the important legislative intentions of this section.

Most landfills are owned by a city or county and are thus exempt from property taxes. Any arrangement with such municipal landfill for collection of landfill gas would probably be exempt from taxation as well. Here, however, the Johnson County landfill is privately owned. The owners of landfill do pay substantial real estate property taxes. This legislation only concerns the taxes levied on the personal property owned by Las Animas for the landfill gas collection and treatment process and the gas produced therefrom.

Johnson County has interpreted Kansas tax laws such that the tax imposed puts the entire operation in jeopardy. We believe the County's interpretation is wrong and have appealed the levy. SB 192 gives the Legislature an opportunity to clarify its intentions regarding the tax exemption; affirm its support for important privately funded renewable energy projects and prevent costly and unnecessary litigation. Thank you.

Hs Taxation Committee
March 16, 2005
Attachment 1

Las Animas Landfill Gas, LLC
P. O. Box 60480
Midland, TX 79711-0480
(432) 563-2766

Statement of Luke Morrow
Vice President, Las Animas Landfill Gas, LLC
House Taxation Committee
2005 Senate Bill 192
March 16, 2005

Mr. Chairman and Members,

I am Luke Morrow, Vice President of Las Animas Landfill Gas, LLC of Midland, Texas. We are a small business which has invested heavily in the development of a landfill gas collection and treatment facility on one of the nation's largest landfills. This venture is high risk, high cost and, at least financially, low reward. But it is important to all of us.

According to the EPA, municipal solid waste landfills are the largest human-generated source of methane emissions in the United States. Given that all landfills generate methane, it makes sense to use the gas for the beneficial purpose of energy generation, rather than emitting it to the atmosphere. Methane is a very potent greenhouse gas that is a key contributor to local smog and global climate change, and is over 21 times more potent than carbon dioxide. The EPA estimates that a landfill gas project will capture roughly 60-90% of the methane emitted from a landfill. Instead of allowing these harmful gases to escape into the air causing pollution in Johnson County, our company, Las Animas Landfill Gas, LLC, captures the gases and converts them into a renewable energy source.

The federal Environmental Protection Agency supports landfill gas projects, such as the one at the Johnson County Landfill. (See attached letter.) Las Animas is a leader in the renewable energy field, and has a current affiliation with the Kansas Geological Survey to study carbon dioxide sequestration in underground coal seams at the Johnson County Landfill. Las Animas is also involved in a cutting edge project to convert animal waste into pipeline-grade gas. The United States Department of Energy, Kansas Geological Survey, and the University of Kansas are currently working on site, performing renewable energy research.

In addition to the environmental benefits that Las Animas provides in Johnson County and the surrounding area, Las Animas employs 10 full time employees locally, with a payroll of over \$500,000 annually. Las Animas buys pipe and other materials locally, uses local crews, and purchases over \$50,000 per month from Westar in utilities used in its collection and refining process.

The landfill gas recovery project at the Johnson County Landfill is the only one of its kind in Kansas, and one of eight in the United States, that converts landfill gas into high BTU biogas. This is the type of project that Kansas should encourage, and one that provides immeasurable benefits to the residents of Kansas. Thank you.

Hs Taxation Committee
March 16, 2005
Attachment 2



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, DC 20460

OFFICE OF AIR AND RADIATION

March 15, 2005

RE: Johnson County, Kansas Landfill Gas Energy Project

To whom it may concern,

The U.S. EPA Landfill Methane Outreach Program (LMOP) is writing to support and commend the efforts of the landfill gas energy project at the Johnson County Landfill located in Shawnee, Kansas. Landfill gas is approximately 50 percent methane, a potent greenhouse gas that contributes to global climate change. If uncontrolled, landfill gas can also contribute to local smog and present health and safety hazards. The methane found in landfill gas, however, is a local reliable and renewable fuel source that can be collected and used in a variety of applications.

The Johnson County project is a prime example of landfill gas being utilized to benefit the local community and the environment. Our records indicate the project captures approximately five million standard cubic feet per day of landfill gas. It should be noted that the amount of gas available for delivery to the pipeline after processing will be much lower, as only about 50 percent of landfill gas is methane (the energy source within landfill gas). Since its inception, this project has had the environmental equivalent to removing the CO₂ emissions of 28,000 cars, planting 38,000 acres of trees, or heating approximately 74,000 homes. These benefits will continue to accrue as long as the project is on-line, and will very likely increase as more landfill gas is generated at the landfill. In the alternative, these benefits will be lost should the project shut down.

Landfill gas is generated as a result of the decomposition of solid waste from human activity. This decomposition occurs after the solid waste has been placed in a landfill. Landfill gas consists of about 50 percent methane (CH₄), about 50 percent carbon dioxide (CO₂), and a small amount of non-methane organic compounds. It is classified as a medium-Btu gas with a heating value of about 500 Btu per cubic foot.

Landfill gas is a "use it or lose it" fuel source - the gas will be generated whether we choose to beneficially use it or not. If we choose not to use it, we are wasting a valuable source of energy that helps reduce our reliability on fossil fuels and advance us towards energy independence. It has been our experience that landfill gas collection systems associated with beneficial use projects improve the level of gas collection from landfills, helping better control odors and mitigate health and safety concerns.

We are pleased that renewable energy projects such as landfill gas energy are becoming more cost competitive due to technological, operational and policy advances. However, they often cannot compete with traditional fuel sources such as coal, natural gas and oil.

The U.S. EPA Landfill Methane Outreach Program (LMOP) is a voluntary assistance and partnership program that promotes the use of landfill gas as a renewable energy source. LMOP helps businesses, states, and communities protect the environment and build a sustainable energy future by advancing the development of landfill gas energy projects. If you should have any questions or need additional assistance please do not hesitate to contact me at (202) 343-9406.

Sincerely,

A handwritten signature in cursive script that reads "Christopher M. Voell".

Chris Voell, Program Manager
U.S. EPA Landfill Methane Outreach Program

BRAD SMOOT

ATTORNEY AT LAW

800 SW JACKSON, SUITE 808
TOPEKA, KANSAS 66612
(785) 233-0016
(785) 234-3687 (fax)
bsmoot@nomb.com

10200 STATE LINE ROAD
SUITE 230
LEAWOOD, KANSAS 66206

STATEMENT OF BRAD SMOOT
LEGISLATIVE COUNSEL
LAS ANIMAS LANDFILL GAS, L.L.C.
HOUSE TAXATION COMMITTEE
REGARDING 2005 SENATE BILL 192
March 16, 2005

Mr. Chairman and Members:

I am appearing today on behalf of Las Animas Landfill Gas, L.L.C., in support of SB 192 and to explain a few technical and procedural matters.

First, as introduced, SB 192 amended K.S.A. 79-201 *Eleventh*, to make it clear that the tax exemption for personal property applied whether the renewable energy was used to make electricity or some other form of energy. However, the tax levy by the county also includes a tax on the production of the gas and not just the personal property used to collect and process the gas. Both taxes are the subject of our pending appeal to the state board of tax appeals (BOTA). It is our belief that the production tax imposed by K.S.A. 79-329 on "natural gas" does not apply to biogas collected from manmade landfills. See attached EPA letter. The Senate Assessment & Taxation Committee felt so strongly about the desirability of this project that it wished to also clarify that the gas collected from a landfill, as well as the equipment used to collect and treat it, should also be exempt. In an effort to clarify the law on this subject, the committee crafted the language of 79-201 *Twelfth* and deleted our original amendment. The Senate agreed 39 to 0.

Second, as one might guess, a bill crafted by committee occasionally needs a little tweaking. In order to clarify a couple of matters, we have attached a balloon with some suggested amendments. These changes clarify that we don't "produce" the gas (the gas comes from decomposition of manmade waste); we collect, refine or treat the gas emitted by the landfill. And, at the suggestion of the Department of Revenue, we urge you amend the bill to reference a "transmission pipeline" rather than a "common carrier." We are told this is a narrower and more precise term.

Finally, as we have said from the beginning, this legislation was not proposed as a change in public policy but rather a clarification of the public policy established in 1999. These changes merely reflect the actual science and technology now associated with the generation of a renewable energy source from landfill gas. As amended, we believe SB 192 is consistent with current Kansas law and state tax policy. The passage of SB 192 would merely obviate the need for further litigation and expense. Thank you.

Hs Taxation Committee
March 16, 2005
Attachment 3



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

May 11, 2004

Mr. Luke Morrow
South Texas Treaters
P.O. Box 60480
Midland, Texas 79711

OFFICE OF
AIR AND RADIATION

RE: Johnson County Landfill Gas Project Benefits

Dear Mr. Morrow,

The U.S. EPA Landfill Methane Outreach Program (LMOP) is writing to support and commend the efforts of the high-Btu landfill gas project at the Johnson County Landfill located in Shawnee, Kansas. Landfill gas is approximately 50 percent methane, a potent greenhouse gas that contributes to global climate change. If uncontrolled, landfill gas can also contribute to local smog and present health and safety hazards. The methane found in landfill gas, however, is a reliable and renewable fuel source that can be collected and used in a variety of applications.

The Johnson County project is a prime example of landfill gas being utilized to benefit the local community and the environment. Our records indicate the project captures approximately 5 million standard cubic feet per day of landfill gas. Since the inception of this project, this is equivalent to removing the CO₂ emissions of 28,000 cars, planting 38,000 acres of trees, or heating approximately 74,000 homes. The use of landfill gas from the Johnson County Landfill helps reduce reliance on fossil fuels for Kansas residents.

Regarding your question as to whether landfill gas is the same as natural gas: In the energy industry, natural gas is commonly understood to be a distinct commodity compared to landfill gas. Natural gas is commonly understood to be a product formed over millions of years by a natural process acting on natural materials in a natural environment, none of which are in any way attributable to the efforts or activities of mankind. Natural gas is thermogenic gas and is produced from organic material that was deposited naturally millions of years ago.

Landfill gas is produced as a result of the decomposition of solid waste that is generated by human activity. This decomposition occurs only after the solid waste has been placed and processed in a man-made facility commonly referred to as a "sanitary landfill". Landfill gas consists of about 50 percent methane (CH₄), about 50 percent carbon dioxide (CO₂), and a small amount of non-methane organic compounds. It is classified as a medium-Btu gas with a heating value of 500 Btu per cubic foot

As you know, the U.S. EPA Landfill LMOP is a voluntary assistance and partnership program that promotes the use of landfill gas as a renewable energy source. LMOP helps businesses, states, and communities protect the environment and build a sustainable energy future. If you should have any questions or need additional assistance please do not hesitate to contact me at (202)343-9406.

Sincerely,

A handwritten signature in cursive script that reads "Chris Voell".

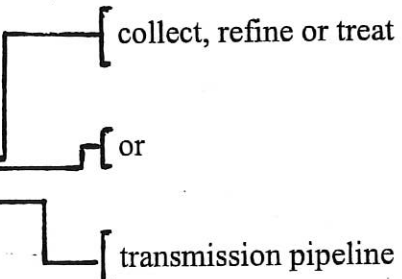
Chris Voell
U.S. EPA Landfill Methane Outreach Program

3-3

1 nevolent, charitable or educational ministrations or the performance of
2 health care services.

3 *Eleventh.* For all taxable years commencing after December 31, 1998,
4 all property actually and regularly used predominantly to produce and
5 generate electricity ~~or other forms of energy~~ utilizing renewable energy
6 resources or technologies. For purposes of this section, "renewable en-
7 ergy resources or technologies" shall include wind, solar, thermal, pho-
8 tovoltaic, biomass, hydropower, geothermal and landfill gas resources or
9 technologies.

10 *Twelfth.* ***For all taxable years commencing after December 31,***
11 ***2001, all personal property actually and regularly used predomi-***
12 ***nantly to produce landfill gas and to transport landfill gas from a***
13 ***landfill to a common carrier, and the landfill gas produced***
14 ***therefrom.***



15 The provisions of this section, except as otherwise more specifically
16 provided, shall apply to all taxable years commencing after December 31,
17 1995.

18 Sec. 2. K.S.A. 2004 Supp. 79-201 is hereby repealed.

19 Sec. 3. This act shall take effect and be in force from and after its
20 publication in the statute book.

Testimony in Favor of S.B. 192
Exempting renewable energy resources from property taxation

Before the Kansas House Taxation Committee
March 16, 2005

Charles M. Benjamin, Ph.D., J.D.
Attorney at Law
P.O. Box 1642
Lawrence, Kansas 66044-8642
(785) 841-5902
(785) 841-5922 facsimile
chasbenjamin@sbcglobal.net

On Behalf of the Kansas Chapter of the Sierra Club

Thank you for the opportunity to testify in favor of S.B. 192 that would exempt renewable energy resources from property taxation.

The Sierra Club is the largest grass roots environmental organization in the world with almost 800,000 members including over 4,000 in Kansas. The Kansas Chapter of Sierra Club has just launched a campaign to promote both energy efficiency and renewable energy, especially wind power, in Kansas. Details of that campaign can be found on-line at <http://kansas.sierraclub.org/>.

S.B. 192 would show that Kansas is committed to developing its vast renewable energy resources. Kansas has been ranked from first to third as the state with the most wind development potential. If you factor in biomass and solar, Kansas is considered the number one state in the U.S. based on a 1999 Union of Concerned Scientists study on renewable potential.

For many years Kansas and the federal government have given various kinds of tax incentives to encourage non-renewable energy development in Kansas - coal in southeast Kansas, natural gas in western Kansas and petroleum all over the state. As a result Kansas become a net energy exporting state. Energy was exported out of the state and dollars, from all over the U.S., were imported into Kansas. Those dollars coming into Kansas from outside the state created jobs and economic opportunity for Kansans.

Now the coal in southeast Kansas is depleted or too high in sulfur to use. The Hugoton natural gas field is 2/3 depleted. The remaining petroleum reserves are largely "stripper" wells. Starting in the mid-1990s Kansas become a net energy importing state. Now dollars, not energy, are being exported out of Kansas to buy energy and not staying in the state to create jobs and economic prosperity. According to the Kansas Energy Council, Kansas sent \$1.89 billion out of state in

2004 alone, largely to buy coal from places like Wyoming that is burned in Kansas power plants to make electricity.

It is time to develop the remaining energy resources in the Kansas. Those remaining energy resources in Kansas happen to be renewable energy resources. If we can successfully develop those resources Kansas can again become energy independent. Let's stop sending \$1.89 billion out of state every year to buy energy. Let's develop Kansas' renewable energy resources and keep that money in Kansas to create jobs and economic prosperity. A small property tax incentive now will reap large economic development benefits in the future, for our families and our future.

Thank you for your time and attention. I will stand for questions.

COL. ADAM KING
presente

**House Committee on Taxation
Testimony supporting Senate Bill 256
Major General Tod Bunting, The Adjutant General
March 16, 2005**

Mr. Chairman, thank you for the opportunity to testify today on Senate bill 256.

We applaud the outstanding and continued support of the legislature for our over 7,000 National Guard men and women. Repeatedly they have been called on to serve our state and nation. Today we see large numbers of our personnel proudly serving throughout the world on extended periods of active duty.

Senate bill 256 shows the commitment of the legislature to recognize guardsmen and provide them financial assistance in the form of tax relief for funds received as an incentive to enlist, reenlist or to repay student loans. These incentives help us to attract and retain quality personnel to serve our state and country. Additionally, the student loan repayment program helps our citizen soldiers and airmen to achieve a quality post secondary education at Kansas institutions which enhances the state's work force.

Your initiative to make these funds state tax exempt not only shows your appreciation for their service, but will greatly assist our recruiting and retention efforts as well.

I'll stand for any questions you may have.

STATE OF KANSAS



TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS

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

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

TESTIMONY IN SUPPORT OF SENATE BILL 256

March 16, 2005

HOUSE TAXATION COMMITTEE

by

Senator Mark Taddiken

Thank you Chairperson Wilk and committee members for the opportunity to testify in support of Senate Bill 256 today.

A constituent who had recently received her W-2 brought this issue to me. She inquired why she was required to pay income tax on the amount of money the Kansas Air National Guard paid for her schooling in the form of student loan repayments. In researching the matter, I learned that we also tax the income that members of the military receive on recruitment, sign up, and retention bonuses.

The members of our armed services, as well as their families, make commitments and sacrifices to provide our liberty and freedom. With minimal pay the members of our armed forces stand ready to give their lives for our country.

It seems odd that on one hand our government provides incentives and bonuses to encourage these individuals to serve their country and then turns around and takes a good portion of it away from them.

I respectfully request that you allow the members of our armed services to retain more of their incentives and assure them they have the full support of the people of Kansas.

Hs Taxation Committee
March 16, 2005
Attachment 6



TOPEKA

SENATE CHAMBER

NICK JORDAN

SENATOR, TENTH DISTRICT
JOHNSON COUNTY
7013 ALBERVAN
SHAWNEE, KS 66216

STATE CAPITOL, ROOM 143-N
TOPEKA, KANSAS 66612-1504
(785) 296-7362

COMMITTEE ASSIGNMENTS

CHAIR: JOINT ECONOMIC DEVELOPMENT
COMMITTEE
CO-CHAIR: COMMERCE
MEMBER: ASSESSMENT AND TAXATION
CONFIRMATION OVERSIGHT
PUBLIC HEALTH AND WELFARE
HEALTH CARE STRATEGIES
JOINT COMMITTEE ON KANSAS
SECURITY
LEGISLATIVE POST AUDIT
COMMITTEE

TESTIMONY - SB 138
WEDNESDAY, MARCH 16, 2005

HOUSE TAXATION COMMITTEE
SENATOR NICK JORDAN

Thank you, Chairman Wilk and members of the Committee, for this opportunity to appear today to discuss SB 138.

This bill is an attempt to fill a significant need in Kansas education by attracting more degreed science and math teachers through a partnership with the business community.

The need for degreed science and math teachers is documented in Kansas and nationally. Behind special education teachers, this is one of our greatest needs. In previous testimony by the Kansas Association of School Boards they stated, "This bill is designed to target the most serious area of teacher shortage." In a survey conducted by the National Science Teachers Association, 70 per cent of the respondents stated that their school or school district is experiencing difficulty finding and hiring qualified science teachers.

This idea was generated through a discussion and follow-up meetings I had with a Dr. Duncan Moore, who at the time was the number two technology adviser at the White House. We held meetings with Kansas companies and educators to find out if there was interest. There certainly was and this bill is now trying to proceed.

The Wichita Chamber of Commerce also has a similar program called Business Education Success Team (BEST) which has proven successful. Both business and educators view the program as very positive. Teachers come to the classroom energized and students are motivated through a "real world" practical application of their studies.

HS Taxation Committee
March 16, 2005
Attachment 7

**TESTIMONY - SB 138
HOUSE TAXATION COMMITTEE
SEN. NICK JORDAN**

WHAT THE BILL DOES:

- 1. Encourages partnerships between school districts, teachers and businesses by agreement.**
- 2. Offers a 25% tax credit on the salary paid by a business to a teacher for work outside of school.**
- 3. Offers a 30% tax credit if a teacher is in a school in a rural, underserved, or underperforming urban area.**
- 4. Caps the amount of tax credits in any given year to \$500,000**
- 5. The position that the teacher is hired to do must require mathematics and science skills commensurate with the classes that the teacher regularly teaches.**

As stated earlier, this bill is an attempt to address a critical need. As our economy moves toward jobs requiring math and science skills, we find a most disturbing trend in education with the shortage of degreed science and math teachers. This bill is one of three introduced this session to address this need.

Thank you again for this opportunity to appear. I certainly hope that you will pass SB 138 out of Committee favorably. I would be pleased to answer any questions.



K A N S A S

JOAN WAGNON, SECRETARY

DEPARTMENT OF REVENUE
OFFICE OF THE SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

March 16, 2005

Testimony to the House Taxation Committee
Joan Wagnon

Senate Bill 138

Representative Wilk, Chair, and Members of the Committee:

Senate Bill 138 proposes a tax credit for business firms hiring science and math teachers. The credit is 25% of the salary payments, except that if the teacher is teaching in a school district in a rural community, underserved area, or underperforming urban area, the credit is 30% of the salary payments. The bill calls for the business firm, school district and teacher to enter into a "partnership agreement" whereby the business firm agrees to employ the teacher in a position that requires math or science skills commensurate with the classes taught by the teacher.

This bill imposes an annual cap of \$500,000 in tax credits allowed per year. However, the bill does not provide any mechanism for administering this cap. Attached are recommended balloon amendments to accomplish that. Under the balloon, before claiming the tax credit, business firms must first apply to the Secretary of Revenue for tax credit approval on prescribed forms. They must also submit copies of any partnership agreements and salary amounts paid to teachers, for which the tax credit is sought. Once the tax credit application has been approved, then the business firm may claim the tax credit on the appropriate schedule. The Department can then track issuance of the tax credits before they are claimed, so that the cap is not exceeded.

The balloon amendment requires that the partnership agreement must contain a description of the duties of the position sufficient to establish that it satisfies the qualifying criteria: the position requires math or science skills commensurate with the teacher's classes. The Department will receive this information when the business firm provides a copy of the partnership agreement as part of the approval process for the tax credit.

These amendments are needed in order for this bill to operate as intended, along with the annual \$500,000 tax credit cap.

SENATE BILL No. 138

By Committee on Commerce

1-28

12 AN ACT concerning taxation; providing for a tax credit against the in-
13 come tax liability of certain business firms.

14

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

16 Section 1. (a) For taxable years commencing after December 31,
17 2004, any business firm which has entered into a partnership agreement
18 pursuant to subsection ~~(d)~~ shall be allowed a credit against the income

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19 tax imposed by the Kansas income tax act as follows:

20 (1) An amount equal to 25% of the amount paid during the taxable
21 year by such business firm to teachers as salary pursuant to the partner-
22 ship agreement; or

23 (2) an amount equal to 30% of the amount paid during the taxable
24 year by such business firm to teachers as salary pursuant to the partner-
25 ship agreement if the teacher is teaching in a school district located in a
26 rural community, underserved area, or underperforming urban area.

27 (b) *[In no event shall the total amount of credits allowed under
28 this section exceed \$500,000 for any one fiscal year.]*

29 (c) The credit allowed by this section shall not exceed the amount
30 of tax imposed under the Kansas income tax act reduced by the sum of
31 any other credits allowable pursuant to law. Such credit shall be deducted
32 from the taxpayer's income tax liability for the taxable year in which the
33 expenditures are made by the taxpayer. The taxpayer shall not be allowed
34 to carry over any amount of such credit exceeding the taxpayer's income
35 tax liability.

36 ~~(e)~~ [(d)] As used in this section:

e

37 (1) "Business firm" means any business entity authorized to do busi-
38 ness in the state of Kansas which is subject to the state income tax im-
39 posed by the provisions of the Kansas income tax act and any individual
40 subject to the state income tax imposed by the provisions of the Kansas
41 income tax act.

42 (2) "Underserved area" shall have the meaning ascribed thereto by
43 K.S.A. 74-32,101, and amendments thereto.

(d) Prior to a business firm claiming this tax credit, the secretary of revenue shall require each business firm to submit for approval the following information on forms as prescribed by the secretary: (1) each partnership agreement; (2) the salary amount paid to each teacher during the taxable year by such business firm pursuant to such partnership agreement and for which the tax credit is sought; and (3) such further information as the secretary may require to administer this provision.

1 (3) "Teacher" means a person who holds a certificate to teach in
2 Kansas with an endorsement in the areas of mathematics, science, physics,
3 chemistry or biology and has entered into a partnership agreement.

f

4 (4) "Partnership agreement" means an agreement entered into pur-
5 suant to subsection (d).

6 (5) "Rural community" shall have the meaning ascribed thereto by
7 K.S.A. 79-32,195, and amendments thereto.

8 (6) "Underperforming urban area" means an area of the state in
9 which low academic performance by pupils in school districts in such area
10 as determined and specified by the state board of education.

f

11 ~~(d)~~ [(f)] The board of education of any school district, teacher and
12 business firm may enter a partnership agreement under which such busi-
13 ness firm agrees to employ such teacher *in a position that requires*
14 *mathematics or science skills commensurate with the classes that*
15 *the teacher regularly teaches* during the ~~months~~ *times* in which school
16 is not regularly in session.

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

Such agreement shall contain a description of the duties of the position the teacher will be performing, sufficient to establish that such position satisfies the criteria set forth in subsection (f).

If a teacher entering into a partnership agreement voluntarily leaves the employ of the school district during the term of the agreement or within one year after the agreement is completed or terminated, the business firm shall repay to the state all credits claimed pursuant to this section. Such payment shall be due as part of the tax liability of the business entity for the tax year in which the teacher is no longer employed by the school district.

SENATE BILL No. 126

By Committee on Assessment and Taxation

1-27

Proposed Amendment to
Senate Bill No. 126

10 AN ACT concerning property taxation; relating to reduction of valuation
11 of real property; amendment of tax rolls; payment of taxes under pro- exemption;
12 test; amending K.S.A. 2004 Supp. 79-1460 and 79-2005 and repealing
13 the existing sections.

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

16 Section 1. K.S.A. 2004 Supp. 79-1460 is hereby amended to read as
17 follows: 79-1460. (a) The county appraiser shall notify each taxpayer in
18 the county annually on or before March 1 for real property and May 1
19 for personal property, by mail directed to the taxpayer's last known ad-
20 dress, of the classification and appraised valuation of the taxpayer's prop-
21 erty, except that, the valuation for all real property shall not be increased
22 unless: (1) The record of the latest physical inspection was reviewed by
23 the county or district appraiser, and documentation exists to support such
24 increase in valuation in compliance with the directives and specifications
25 of the director of property valuation, and such record and documentation
26 is available to the affected taxpayer; and (2) for the taxable year next
27 following the taxable year that the valuation for real property has been
28 reduced due to a final determination made pursuant to the valuation
29 appeals process, documented substantial and compelling reasons exist
30 therefor and are provided by the county appraiser. *When the valuation*
31 *for real property has been reduced due to a final determination made*
32 *pursuant to the valuation appeals process for the prior year, and the*
33 *county appraiser has already certified the tax appraisal rolls for the cur-*
34 *rent year to the county clerk pursuant to K.S.A. ~~79-1412~~ 79-1466, and*
35 *amendments thereto, the county appraiser may amend the tax appraisal*
36 *rolls and certify the changes to the county clerk to implement the*
37 *provisions of this subsection and reduce the valuation of the real property*
38 *to the prior year's final determination, except that the county appraiser*
39 *may not amend the tax rolls as provided in this subsection such changes*
40 *shall not be made after October 31 of the current year.* For the purposes
41 of this section and in the case of real property, the term "taxpayer" shall
42 be deemed to be the person in ownership of the property as indicated on
43 the records of the office of register of deeds or county clerk and, in the

1 property assessed by the director of property valuation and it shall not be
 2 necessary for any owner of state assessed property, who has an appeal
 3 pending before the board of tax appeals, to protest the payment of taxes
 4 under this statute solely for the purpose of protecting the right to a refund
 5 of taxes paid under protest should that owner be successful in that appeal.

6 ~~Sec. 3~~ K.S.A. 2004 Supp. 79-1460 and 79-2005 are hereby repealed.

7 ~~Sec. 4~~ This act shall take effect and be in force from and after its
 8 publication in the statute book.

New Sec. 3. (a) The following described property, to the extent specified, shall be and is hereby exempt from all property or ad valorem taxes levied under the laws of Kansas:

Any building constructed on property of a state educational institution under the supervision of the state board of regents, owned by a municipality and operated by a Kansas not-for-profit entity comprised of one or more state universities and municipalities for the purpose of strategic technology acquisition and commercialization, and any personal property located therein.

(b) The provisions of this section shall apply to all taxable years commencing after December 31, 2004.

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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. [penalties;
[75-702,

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

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

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

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

Hs Taxation Committee
March 16, 2005
Attachment 10

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.

Reports of violations of this paragraph shall be investigated by the attorney general. The district attorney, county attorney and attorney general shall have authority to prosecute violations of this paragraph.

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

10-3

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 (e)(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), ~~(e)~~ or ~~(d)~~ shall be subject to the confidentiality provisions of
27 subsection (a) and to the penalty provisions of subsection ~~(f)~~ (d).

28 ~~(f)~~ (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 ~~(3)~~ 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-

Reports of violations of this paragraph shall be investigated by the attorney general. The district attorney, county attorney and attorney general shall have authority to 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~~ 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
23 ~~acts amendatory thereof or supplemental 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 Sec. 9. K.S.A. 75-702

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. 1. K.S.A. 75-7052 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 have authority to 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.