

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Vice-Chairman Donovan at 11:00 A.M. on March 16, 2005 in Room 519-S of the Capitol.

All members were present except:

Barbara Allen- excused

Committee staff present:

Chris Courtwright, Kansas Legislative Research

Martha Dorsey, Kansas Legislative Research

Gordon Self, Revisor of Statutes Office

Nancy Kirkwood, Secretary

Conferees appearing before the committee:

Representative Peck

Representative Schwartz

Representative Weber

Written testimony

Stephanie Richardson, CPA, Finance Director, City of Coffeyville

Barry Schmidt, Waterville, KS

Others attending:

See attached list.

Vice-Chairman Donovan called the meeting to order stating next Tuesday, March 22, would be the final day the Committee would be meeting. Due to the approaching deadline, he stressed the importance of getting through the agenda today.

Final action on:

SB 257 - Income tax credits for employer contributions to employee health benefit plans and health savings accounts

Vice-Chairman Donovan turned the Committee's attention to **SB 257**. The sub-committee had made several recommendations and wanted to have those amendments reflected in a substitute bill. Vice-Chairman Donovan recognized Gordon Self, Revisor of Statutes to explain to the Committee the proposed substitute for **SB 257 (Attachment 1)**.

Vice-Chairman Donovan entertained a motion from the committee. Senator Jordan made a motion for a Senate Substitute to **SB 257**. Senator Lee seconded the motion. The motion carried.

HB 2031 - Legislative division of post audit, certain statutory auditing and reporting duties for income tax abatements

Vice-Chairman Donovan asked the Committee to turn their attention to **HB 2031** brought to the Committee by the Post audit. Vice-Chairman Donovan called for discussion and final action on the bill.

Senator Lee made a motion to pass **HB 2031** out favorably. Senator Schmidt seconded the motion. The motion carried.

HB 2040 - relating to exemptions; repair of hearing aids

Vice-Chairman Donovan called for discussion and final action on **HB 2040**, dealing with hearing aid repairs.

Senator Goodwin made a motion to pass **HB 2040** out favorably and place on consent calendar. Senator Bruce seconded the motion. The motion carried.

CONTINUATION SHEET

MINUTES OF THE Senate Assessment and Taxation Committee at 11:00 A.M. on March 16, 2005 in Room 519-S of the Capitol.

HB 2082 - property tax exemption for property owned by community housing development organizations

Vice-Chairman brought the Committee's attention to **HB 2082**, property tax exemption for property owned by community development organizations.

The Kansas Supreme Court decision Senator Lee previously requested at the hearing of **HB 2082** (the reason why the CHDOs did not qualify as community organizations providing humanitarian services as required by the statute) was passed out to the Committee from the Revisors office (Attachment 2).

A handout from Representative Huff regarding CHDOs faith based and non-faith based homes was distributed to the Committee (Attachment 3).

Vice-Chairman Donovan called for discussion and final action **HB 2082** Senator Bruce made a motion to insert "primarily" in place of "regularly" on page 1, starting on line 17. Senator Lee seconded the motion. The motion carried.

Senator Bruce made a motion to pass **HB 2082** out favorably as amended. Senator Pine seconded the motion. The motion carried.

HB 2102- sales tax exemption for construction of facility conveyed to business qualifying for sales tax exemption

Vice-Chairman Donovan brought the Committee's attention to **HB 2102**, stating this bill was brought to the Committee by Salina Vortex Corporation to change whether or not property had to be leased or owned and dealing with tax exemption.

Senator Pine made a motion to pass **HB 2102** out favorably. Senator Apple seconded the motion. The motion carried

Hearing on:

HB 2288 - Eliminate driver's license number requirement on sales tax exemption

Vice-Chairman Donovan opened the hearing on **HB 2288**, and welcomed Representative Peck to the Committee. Representative Peck appeared before the Committee in support of **HB 2288**. This particular item had been brought to his attention by the Finance Director, City of Coffeyville. On the Tax-Exempt Entity Exemption Certificate there is a line where the signer is required, by statute, to put their personal driver's license number. The Finance director stated she was very uncomfortable in doing that due to the current crime of identity theft. Representative Peck stated he had the support of the KDOR, also (Attachment 4).

Written testimony was submitted by Stephanie Richardson, CPA, City of Coffeyville, in support of **HB 2288** (Attachment 5).

There being no others wishing to testify on **HB 2288**, Vice-Chairman Donovan closed the hearing.

HB 2308 - Determination of income for homestead property tax refund purposes

Vice-Chairman Donovan opened the hearing on **HB 2308**, and welcomed Representative Schwartz and Representative Weber to the Committee.

Representative Schwartz presented testimony and appeared in support of **HB 2308**. She stated that she felt this was an issue of equity and urged the committee's favorable consideration of the bill. (Attachment 6).

Representative Weber, a proponent of **HB 2308**, stated the bill amends the language in the current statute to

CONTINUATION SHEET

MINUTES OF THE Senate Assessment and Taxation Committee at 11:00 A.M. on March 16, 2005 in Room 519-S of the Capitol.

exclude veterans disability pensions or compensation as earned income from the adjusted gross income determination for homestead property tax refunds (Attachment 7).

Barry Schmidt, Waterville, Kansas, submitted written testimony in support of **HB 2308** (Attachment 8).

There being no others wishing to testify on **HB 2308**, Vice-Chairman Donovan closed the hearing.

The meeting adjourned at 11:50. The next meeting is scheduled for Tuesday, March 22, 2005

SENATE
ASSESSMENT & TAXATION COMMITTEE

GUEST LIST

DATE: Wed Mar 16, 05

NAME	REPRESENTING
Richard Crain	KDOR
Joel Wagoner	KDOR
Jean Galt	'/
Hal Hudson	NFIB/KS - Topeka
Ken Gaches	GBBA
Bill Moltis	AARP
BILL Brady	KGC
Matatei Bridger	CCG
Nick Reacht	Gaches Braden
Ken Seebey	Hein Law Firm
Muhyel Shaverdi	MENT of KS
Fred Lucky	Kan. Hosp Assn
Bill Sneed	AHIP
LEW Ebert	THE KANSAS Chamber
Tom Whitaker	KMCA
Kimberly Johnson	URS
Ann Burkus	Div. of the Budget
Erin Scaper	KAMU

Proposed Substitute for SENATE BILL NO. 257

By

AN ACT concerning health and health care; relating to health benefit plans and health savings accounts; income tax credits for certain employer contributions thereto; amending K.S.A. 40-2239, 40-2242 and 40-2246 and K.S.A. 2004 Supp. 40-2240 and repealing the existing sections.

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

Section 1. K.S.A. 40-2239 is hereby amended to read as follows: 40-2239. As used in this act, unless the context requires otherwise:

(a) "Carrier" means an insurance company, medical or hospital service corporation, medical and hospital service corporation or health maintenance organization which holds a valid certificate of authority from the insurance commissioner.

(b) "Commissioner" means the commissioner of insurance.

(c) "Eligible employee" means an employee who is employed by the employer for an average of at least 30 hours per week and who elects to participate in one of the benefit plans provided under this act, and includes individuals who are sole proprietors, business partners and limited partners. The term "eligible employee" does not include individuals:

(1) Engaged as independent contractors;

(2) whose periods of employment are on an intermittent or irregular basis; or

(3) who have been employed by the employer for fewer than 90 days.

(d) "Family member" means an eligible employee's spouse and any unmarried dependent child or stepchild.

(e) "Health benefit plan" means a contract for group medical, surgical, hospital or any other remedial care recognized by state law and related services and supplies.

(f) "Health savings account" means a trust created or organized in the United States as a health savings account exclusively for the purpose of paying the qualified medical expenses of the account beneficiary, but only if the written governing instrument creating the trust meets the requirements

specified by the medicare, prescription drug, improvement and modernization act of 2003, Pub. L. No. 108-173, 117 Stat. 2067.

(g) "Premium" means the monthly or other periodic charge for a health benefit plan.

(g) (h) "Small employer health benefit plan" means an arrangement providing a health benefit plan for the purpose described in K.S.A. 40-2240, and amendments thereto.

Sec. 2. K.S.A. 2004 Supp. 40-2240 is hereby amended to read as follows: 40-2240. (a) Any small employer as defined in subsection (4) of K.S.A. 40-2209d, and amendments thereto, may establish a small employer health benefit plan for the purpose of providing a health benefit plan as described in subsection (u) of K.S.A. 40-2209d, and amendments thereto, covering such employers' eligible employees and such employees' family members. If an association or trust is used for such purposes, the association or trust may not condition eligibility or membership on the health status of members or employees.

(b) ~~Employers--desiring--to--offer--a--small--employer--health--benefit--plan--shall--notify--the--commissioner--and--provide--the--commissioner--with--information--on--the--number--of--employees--and--family--members--to--be--covered--by--the--insurance--described--in--K.S.A. 40-2209d, and amendments thereto. The commissioner shall provide assistance to employers desiring to organize and maintain any such benefit plan and may aid in the acquisition of the health care insurance by the small employer health benefit plan. The commissioner--shall--issue--a--certificate--to--every--employer participating--in--any--such--small--employer--health--benefit--plan entitling--such--employer--to--claim--the--tax--credit--authorized--by K.S.A. 40-2246--and--amendments--thereto--subject--to--the--following limitation:--No--certificate--shall--be--issued--to--any--employer seeking--the--same--after--certificates--have--already--been--issued under--this--act--to--employers--offering--health--benefits--described--in K.S.A. 40-2209d, and amendments thereto, to employees and family members entitling--such--employers--to--claim--the--credits--for--taxable years--which--commence--after--December--31,--1999.~~

Sec. 3. K.S.A. 40-2242 is hereby amended to read as follows: 40-2242. As a condition to participation as a member of any small employer health benefit plan as provided in K.S.A. 40-2240 and amendments thereto, an employer shall have not contributed within the preceding two years to any health insurance premium or health savings account on behalf of an employee who is to be covered by the employer's contribution other than a contribution by an employer to a health insurance premium or health savings account within the preceding two years solely for the benefit of the employer or the employer's dependents.

Sec. 4. K.S.A. K.S.A. 40-2246 is hereby amended to read as follows: 40-2246. (a) A credit against the taxes otherwise due under the Kansas income tax act shall be allowed to an employer for amounts paid during the taxable year for purposes of this act on behalf of an eligible employee as defined in K.S.A. 40-2239 and amendments thereto to provide health insurance or care and amounts contributed to health savings accounts of eligible covered employees.

(b) (1) For employers that have established a small employer health benefit plan after December 31, 1999, but prior to January 1, 2005, the amount of the credit allowed by subsection (a) shall be \$35 per month per eligible covered employee or 50% of the total amount paid by the employer during the taxable year, whichever is less, for the first two years of participation. In the third year, the credit shall be equal to 75% of the lesser of \$35 per month per employee or 50% of the total amount paid by the employer during the taxable year. In the fourth year, the credit shall be equal to 50% of the lesser of \$35 per month per employee or 50% of the total amount paid by the employer during the taxable year. In the fifth year, the credit shall be equal to 25% of the lesser of \$35 per month per employee or 50% of the total amount paid by the employer during the taxable year. For the sixth and subsequent years, no credit shall be allowed.

(2) For employers that have established a small employer health benefit plan or made contributions to a health savings

account of an eligible covered employee after December 31, 2004, the amount of credit allowed by subsection (a) shall be \$70 per month per eligible covered employee for the first 12 months of participation, \$50 per month per eligible covered employee for the next 12 months of participation and \$35 per eligible covered employee for the next 12 months of participation. After 36 months of participation, no credit shall be allowed.

(c) If the credit allowed by this section is claimed, the amount of any deduction allowable under the Kansas income tax act for expenses described in this section shall be reduced by the dollar amount of the credit. The election to claim the credit shall be made at the time of filing the tax return in accordance with law. If the credit allowed by this section exceeds the taxes imposed under the Kansas income tax act for the taxable year, that portion of the credit which exceeds those taxes shall be refunded to the taxpayer.

(d) Any amount of expenses paid by an employer under this act shall not be included as income to the employee for purposes of the Kansas income tax act. If such expenses have been included in federal taxable income of the employee, the amount included shall be subtracted in arriving at state taxable income under the Kansas income tax act.

(e) The secretary of revenue shall promulgate rules and regulations to carry out the provisions of this section.

(f) This section shall apply to all taxable years commencing after December 31, 1999.

Sec. 5. K.S.A. 40-2239, 40-2242 and 40-2246 and K.S.A. 2004 Supp. 40-2240 are hereby repealed.

Sec. 6. This act shall take effect and be in force from and after its publication in the statute book.



| Keyword | Name » SupCt - CtApp | Docket | Date |

No. 85,978

IN THE COURT OF APPEALS OF THE STATE OF KANSAS

In the Matter of the Application of

Johnson County Housing Coalition, Inc.

For Exemption from Ad Valorem Taxation

in Johnson County, Kansas.

SYLLABUS BY THE COURT

K.S.A. 2000 Supp. 79-201b *Fourth* and K.S.A. 2000 Supp. 79-201 *Ninth* are analyzed, contrasted, and applied.

Appeal from Board of Tax Appeals. Opinion filed June 15, 2001. Affirmed.

Eldon J. Shields, of Gates, Biles, Shields & Ryan, P.A., of Overland Park, for the appellant.

Kathryn D. Myers, assistant county counselor, of Olathe, for the appellee.

Before PIERRON, P.J., GREEN and BEIER, JJ.

Per Curiam: The Johnson County Housing Coalition (JCHC) appeals from the Board of Tax Appeal's (BOTA) denial of its application requesting an exemption from ad valorem taxes. We affirm.

JCHC was organized as a nonprofit, § 501(c)(3) corporation in the State of Kansas. It is a State-recognized nonprofit community housing development organization whose stated purpose is to provide low income persons, handicapped persons, elderly persons, and persons with special needs with housing facilities and services.

JCHC filed an application for exemption from ad valorem taxation for a residential apartment complex consisting of 5 structures totalling 40 living units. The property was acquired by JCHC on January 31, 2000, and JCHC applied for the exemption under K.S.A. 2000 Supp. 79-201b *Fourth*, *Fifth*, and *Sixth*. The apartment complex is used predominately as low income housing, housing for the disabled, and housing for handicapped persons. The Johnson County appraiser (County) recommended the exemption be granted.

BOTA determined the applicable statutes were K.S.A. 2000 Supp. 79-201b *Fourth* and K.S.A. 2000 Supp. 79-201 *Ninth*. In the order, BOTA found that as of June 2000, 23 of the 40 units appeared not to be rented by low income, elderly, or handicapped persons. It also found JCHC did not use the subject property exclusively for housing the elderly, handicapped persons, or persons with limited or lower income pursuant to K.S.A. 2000 Supp. 79-201b *Fourth* and the property was not used predominately for humanitarian purposes pursuant to K.S.A. 2000 Supp. 79-201 *Ninth*. In addition, BOTA noted that K.S.A. 2000 Supp. 79-201b *Fourth* was a more specific statute addressing property operated under

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United States Department of Housing and Urban Development guidelines and, as such, should be the statute applied to the subject property. BOTA denied the exemption.

In its petition for reconsideration, JCHC clarified that 35 of the 37 habitable units were rented to low income households. The other two units included one unit where the tenant was simply delinquent in reporting income and one unit in which an eviction was pending. The three remaining units were being renovated, used for storage, or for the management office.

In its order denying JCHC's petition for reconsideration, BOTA reiterated K.S.A. 2000 Supp. 79-201b *Fourth* still controlled as it was the most specific statute addressing real property. BOTA then found JCHC had not demonstrated it had satisfied the requirements of K.S.A. 2000 Supp. 79-201b *Fourth*. There was no evidence JCHC used the property exclusively for cooperative housing for persons having limited or low income and operated the property pursuant to Sections 236 or 221(d)(3) of the national housing act. BOTA also stated the evidence did not show the property was used exclusively for elderly and handicapped persons having a limited or low income.

On appeal, JCHC argues BOTA erred in its determination that K.S.A. 2000 Supp. 79-201b *Fourth* applied and asserts that K.S.A. 2000 Supp. 79-201 *Ninth* is the applicable statute and that the exemption should be granted accordingly. This issue involves the interpretation of statutes. The County contends BOTA was correct in finding K.S.A. 2000 Supp. 79-201b *Fourth* applied but asserts BOTA erred in denying the exemption pursuant to that statute. The County, however, did not cross-appeal.

"The interpretation of a statute by an administrative agency charged with the responsibility of enforcing a statute is entitled to judicial deference and is called the doctrine of operative construction. Deference to an agency's interpretation is particularly appropriate when the agency is one of special competence and experience. Although an appellate court gives deference to the agency's interpretation of a statute, the final construction of a statute lies with the appellate court, and the agency's interpretation, while persuasive, is not binding on the court. Interpretation of a statute is a question of law over which an appellate court's review is unlimited. [Citation omitted.]" *In re Appeal of United Teleservices, Inc.*, 267 Kan. 570, 572, 983 P.2d 250 (1999).

JCHC candidly concedes the subject property does not fall within the exemption created by K.S.A. 2000 Supp. 79-201b *Fourth*. The statute reads:

"The following described property, to the extent herein specified, shall be and is hereby exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

Fourth. All real property and tangible personal property, actually and regularly used exclusively for housing for elderly and handicapped persons having a limited or lower income, or used exclusively for cooperative housing for persons having a limited or low income, assistance for the financing of which was received under 12 U.S.C.A. 1701 *et seq.*, or under 42 U.S.C.A. 1437 *et seq.*, which is operated by a corporation organized not for profit under the laws of the state of Kansas or by a corporation organized not for profit under the laws of another state and duly admitted to engage in business in this state as a foreign, not-for-profit corporation; and all intangible property including moneys, notes and other evidences of debt, and the income therefrom, belonging exclusively to such a corporation and used exclusively for the purposes of such housing. For the purposes of this subsection, cooperative housing shall mean those not-for-profit cooperative housing projects operating pursuant to sections 236 or 221(d)(3), or both, of the national housing act and which have been approved as a cooperative

housing project pursuant to applicable federal housing administration and U.S. Department of Housing and Urban Development statutes, and rules and regulations, during such time as the use of such properties are restricted pursuant to such act, statutes or rules and regulations."

Clearly, the subject property is not used exclusively as housing for elderly and handicapped persons having a limited or lower income. There is also no evidence the property is used exclusively for cooperative housing as defined in the aforementioned statute. This much is admitted by JCHC. However, JCHC contends the subject property falls within the exemption created by K.S.A. 2000 Supp. 79-201 *Ninth*. It reads:

"The following described property, to the extent herein specified, shall be and is hereby exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

"*Ninth*. All real property and tangible personal property actually and regularly used by a community service organization for the predominant purpose of providing humanitarian services, which is owned and operated by a corporation organized not for profit under the laws of the state of Kansas or by a corporation organized not for profit under the laws of another state and duly admitted to engage in business in this state as a foreign not-for-profit corporation if: (a) The directors of such corporation serve without pay for such services; (b) the corporation is operated in a manner which does not result in the accrual of distributable profits, realization of private gain resulting from the payment of compensation in excess of a reasonable allowance for salary or other compensation for services rendered or the realization of any other form of private gain; (c) no officer, director or member of such corporation has any pecuniary interest in the property for which exemption is claimed; (d) the corporation is organized for the purpose of providing humanitarian services; (e) the actual use of property for which an exemption is claimed must be substantially and predominantly related to the purpose of providing humanitarian services, except that, the use of such property for a nonexempt purpose which is minimal in scope and insubstantial in nature shall not result in the loss of exemption if such use is incidental to the purpose of providing humanitarian services by the corporation; (f) the corporation is exempt from federal income taxation pursuant to section 501(c)(3) of the internal revenue code of 1986 and; (g) contributions to the corporation are deductible under the Kansas income tax act. As used in this clause, 'humanitarian services' means the conduct of activities which substantially and predominantly meet a demonstrated community need and which improve the physical, mental, social, cultural or spiritual welfare of others or the relief, comfort or assistance of persons in distress or any combination thereof including but not limited to health and recreation services, child care, individual and family counseling, employment and training programs for handicapped persons and meals or feeding programs. Notwithstanding any other provision of this clause, motor vehicles shall not be exempt hereunder unless such vehicles are exclusively used for the purposes described therein."

This court must determine the applicable statute: K.S.A. 2000 Supp. 79-201b *Fourth* or K.S.A. 2000 Supp. 79-201 *Ninth*.

When reviewing decisions made by BOTA, certain guidelines and legal principles have been developed by the courts. Taxation is the rule; exemption is the exception. Any doubts are to be resolved against the exemption and in favor of taxation. The burden of establishing exemption from taxation is on the one claiming it. *In re Tax Exemption Application of Via Christi Regional Med. Ctr.*, 27 Kan. App. 2d 446, 447, 6 P.3d 896 (2000). Tax exemption statutes are to be construed strictly in favor of imposing the tax and against allowing the exemption for one who does not clearly qualify. *Presbyterian Manors, Inc. v. Douglas County*, 268 Kan. 488, 492, 998 P.2d 88 (2000).

BOTA ruled K.S.A. 2000 Supp. 79-201b *Fourth* controlled over K.S.A. 2000 Supp. 79-201 *Ninth* because it is the most specific statute addressing residential property. K.S.A. 2000 Supp. 79-201b *Fourth* specifically deals with exemptions of low income housing while K.S.A. 2000 Supp. 79-201 *Ninth* is a more general statute that deals with property used for the predominant purpose of providing humanitarian services. General and specific statutes should be read together and harmonized whenever possible. "[T]he rule is that to the extent they conflict, the special statute will prevail unless it appears the legislature intended the general statute to be controlling." *Wilkerson v. Brown*, 26 Kan. App. 2d 831, 834-35, 995 P.2d 393, rev. denied 269 Kan. 941 (2000).

If K.S.A. 2000 Supp. 79-201 *Ninth* controlled, there would be virtually no purpose for any section of K.S.A. 2000 Supp. 79-201b. All exemptions listed in K.S.A. 2000 Supp. 79-201b can necessarily be classified as humanitarian activities. When a conflict exists between a statute dealing generally with a subject and another statute dealing specifically with a certain phase of it, the specific statute controls unless the legislature intended to make the general act controlling. *In re L.D.B.*, 22 Kan. App. 2d 821, 824-25, 924 P.2d 642 (1996). K.S.A. 2000 Supp. 79-201 *Ninth* deals generally with providing humanitarian services while K.S.A. 2000 Supp. 79-201b *Fourth* refers specifically to low income residential housing.

Legislative history makes it clear the legislature did not intend K.S.A. 2000 Supp. 79-201 *Ninth* to control over K.S.A. 2000 Supp. 79-201b *Fourth* in cases such as this. K.S.A. 2000 Supp. 79-201 *Ninth* was adopted largely in response to a BOTA decision which required the subject property be used "exclusively" for charitable, educational, scientific, or religious purposes. House Bill 2651 expansively defined the term "humanitarian services" in response and in contrast to the narrow interpretation of the term "charitable and benevolent purposes" as used in K.S.A. 2000 Supp. 79-201 *Second* adopted by the Supreme Court in *Lutheran Home, Inc., v. Board of County Commissioners*, 211 Kan. 270, ¶¶ 6-7, 505 P.2d 1118 (1973). K.S.A. 2000 Supp. 79-201 *Ninth* also eliminated the language about "investment income" that had been included in K.S.A. 2000 Supp. 79-201 *Second* and abandoned the "exclusive use" requirement of earlier exemptions in favor of the provision the property be used for the "predominant purpose" of providing humanitarian services. *In re Tax Appeal of Univ. of Kan. School of Medicine*, 266 Kan. 737, 756-57, 973 P.2d 176 (1999).

As evidenced by case law and the plain reading of the statute, K.S.A. 2000 Supp. 79-201 *Ninth* was not designed to govern residential housing facilities. The nonexclusive list of activities classified as "humanitarian services" in the statute include health and recreation services, child care, counseling, employment and training programs for handicapped persons, and meals or feeding programs. Existing case law applying this subsection reinforces this position. See *Via Christi Regional Med. Ctr.*, 27 Kan. App. 2d 446 (health care facility); *Univ. of Kan. School of Medicine*, 266 Kan. 737 (health care facility); *9200 Santa Fe Corp. v. Board of Johnson County Comm'rs*, 19 Kan. App. 2d 91, 864 P.2d 742 (1993) (YWCA building provided community services such as child care, teenage job readiness programs, and programs for child fitness).

K.S.A. 2000 Supp. 79-201 governs service-oriented facilities including religious, educational, literary, scientific, benevolent, charitable, or alumni associations or institutions; veterans' organizations; parsonages; and community service organizations providing humanitarian services. Here, the subject property is a residential housing complex. K.S.A. 2000 Supp. 79-201b governs housing facilities. K.S.A. 2000 Supp. 79-201b *Fourth* is a more specific statute and is applicable to the facts of this case.

Affirmed.

END



| [Keyword](#) | [Name](#) » [SupCt](#) - [CtApp](#) | [Docket](#) | [Date](#) |

Comments to: [WebMaster, kscases@kscourts.org](mailto:WebMaster,kscases@kscourts.org).

Updated: June 15, 2001.

URL: <http://www.kscourts.org/kscases/ctapp/2001/20010615/85978.htm>.

year	CHDO	Project Address	Proj City	County	HOME \$
1992	Faith Housing Services	119 W 10th Avenue	Hutchinson	Reno	27,061.18
1992	NEK-CAP, Inc.	407 Kentucky	Elwood	Doniphan	11,035.00
1992	NEK-CAP, Inc.	313 Main	Fairview	Brown	28,971.39
1992	NEK-CAP, Inc.	610 Kansas	Hiawatha	Brown	28,488.13
1992	NEK-CAP, Inc.	305 S Vine	Elwood	Doniphan	11,678.68
1992	Topeka City Homes, Inc.	3201 SE Irvingham	Topeka	Shawnee	19,500.00
1992	ECKAN, Inc.	731 Main	Ottawa	Franklin	40,500.00
1992	ECKAN, Inc.	617 Cedar	Ottawa	Franklin	47,984.37
1992	ECKAN, Inc.	1016 Cottonwood	Ottawa	Franklin	44,570.16
1992	ECKAN, Inc.	331 Cedar	Ottawa	Franklin	42,544.47
1992	ECKAN, Inc.	729 Princeton	Ottawa	Franklin	36,301.00
1992	Interfaith Housing Services	804 E 7th Ave	Hutchinson	Reno	29,632.51
1992	Interfaith Housing Services	1111 E Avenue B	Hutchinson	Reno	24,995.00
1992	Interfaith Housing Services	1539 Eastland Dr	Hutchinson	Reno	37,111.31
1992	NEK-CAP, Inc.	223 N. Topeka	Holton	Jackson	28,000.00
1992	NEK-CAP, Inc.	306 S 6th	Hiawatha	Brown	39,164.28
1992	NEK-CAP, Inc.	714 Wisconsin	Holton	Jackson	50,800.00
1992	NEK-CAP, Inc.	302 State	Robinson	Brown	24,862.52
1992	NEK-CAP, Inc.	814 Pennsylvania	Holton	Jackson	26,000.00
1992	Topeka City Homes, Inc.	3212 SE Irvingham	Topeka	Shawnee	34,307.35
1992	Topeka City Homes, Inc.	425 SE 35th Street	Topeka	Shawnee	19,500.00
1992	Topeka City Homes, Inc.	1828 SE Hudson	Topeka	Shawnee	19,249.11
1992	Topeka City Homes, Inc.	706 SW 3rd	Topeka	Shawnee	19,500.00
1992	Topeka City Homes, Inc.	1018 SW Jewell	Topeka	Shawnee	19,500.00
1992	Topeka City Homes, Inc.	618 SE Leland	Topeka	Shawnee	22,500.00
1992	Topeka City Homes, Inc.	2308 SW Clay	Topeka	Shawnee	21,700.00
1992	Topeka City Homes, Inc.	3324 SE Fremont	Topeka	Shawnee	19,500.00
1992	Topeka City Homes, Inc.	313 SW 13th Street	Topeka	Shawnee	19,500.00
1992	Topeka City Homes, Inc.	3313 SE Irvingham	Topeka	Shawnee	21,050.00
1992	Topeka City Homes, Inc.	609 SE Overton	Topeka	Shawnee	16,938.60
1992	Topeka City Homes, Inc.	1908 SE Illinois	Topeka	Shawnee	18,613.07
1993	Ec Opportunity Foundation	1848 Freeman	Kansas City	Wyandotte	30,000.00
1993	Ec Opportunity Foundation	1033 Quindaro	Kansas City	Wyandotte	30,000.00
1993	ECKAN, Inc.	325/329 9th	Leroy	Coffey	64,195.87
1993	ECKAN, Inc.	318/326 9th	Leroy	Coffey	64,366.87
1993	ECKAN, Inc.	317/321 9th	Leroy	Coffey	64,366.87
1993	ECKAN, Inc.	829/833 Main	Leroy	Coffey	64,366.87
1993	Services	460 N. Emporia	Valley Center	Sedgwick	150,000.00
1993	NEK-CAP, Inc.	17567 26th St	Lawrence	Douglas	35,000.00
1993	NEK-CAP, Inc.	115 Linden	Perry	Jefferson	35,000.00
1993	NEK-CAP, Inc.	Rte 1, Box 1a	Winchester	Jefferson	225,300.00
1993	Topeka City Homes, Inc.	700 SW Polk	Topeka	Shawnee	19,500.00
1993	Topeka City Homes, Inc.	619 SW 7th	Topeka	Shawnee	18,718.90
1993	Topeka City Homes, Inc.	704 SW Polk	Topeka	Shawnee	37,746.87
1994	Community Dev Coalition	1326 S Vine	Wichita	Sedgwick	40,000.00
1994	Great Plains Development	201 Buffalo Jones	Garden City	Finney	255,000.00
1994	NE Area Rehab	604 N Calvert	Liberal	Seward	46,812.10
1994	NE Area Rehab	606 N Calvert	Liberal	Seward	46,812.10
1994	NE Area Rehab	608 N Calvert	Liberal	Seward	46,812.10
1994	NE Area Rehab	400/402 Purdue	Liberal	Seward	5,300.00
1994	NE Area Rehab	602 N Calvert	Liberal	Seward	46,812.10
1994	SEK Housing Develop	2618 Broadway	Parsons	Labette	40,000.00
1994	SEK Housing Develop	3610 Belmont	Parsons	Labette	32,954.00
1994	Stardusters, Inc.	1127 SE Chandler	Topeka	Shawnee	28,967.00
1994	Stardusters, Inc.	828 SE 13th	Topeka	Shawnee	28,967.00
1994	Stardusters, Inc.	927 SE Overton	Topeka	Shawnee	28,966.00
1994	Stilwel Heritage & Ed F.	707 N Broadway	Pittsburg	Crawford	300,000.00

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 HOMES

BLACK PRINT
 NON-FAITH BAS.
 HOMES

1995	Interfaith Housing Services	320 Sherman	Hutchinson	Reno	15,000.00
1995	Interfaith Housing Services	711 9th	Hutchinson	Reno	8,000.00
1995	Wichita Indochinese Center	2952/2958 Davidson	Wichita	Sedgwick	23,600.00
1995	Community Action, Inc.	111 Erpelding	Leonardville	Riley	250,000.00
1995	ECKAN, Inc.	710 1st	Waverly	Coffey	25,000.00
1995	ECKAN, Inc.	708 1st	Waverly	Coffey	25,000.00
1995	ECKAN, Inc.	706 1st	Waverly	Coffey	25,000.00
1995	ECKAN, Inc.	704 1st	Waverly	Coffey	25,000.00
1995	Interfaith Housing Services	1321 20th	Hutchinson	Reno	49,500.00
1995	Interfaith Housing Services	12 Sunset Dr	Hutchinson	Reno	26,600.00
1995	Interfaith Housing Services	813 E 9th	Hutchinson	Reno	28,400.00
1995	Interfaith Housing Services	607 8th	Hutchinson	Reno	15,000.00
1995	Coalition	10800/10802 65th	Shawnee	Johnson	90,000.00
1995	Coalition	10900/10902 65th	Shawnee	Johnson	45,000.00
1995	SEK-CAP, Inc.	406 Kennedy	Iola	Allen	25,000.00
1995	SEK-CAP, Inc.	2605 W 8th	Pittsburg	Crawford	45,000.00
1995	SEK-CAP, Inc.	332 Kennedy	Iola	Allen	25,000.00
1995	SEK-CAP, Inc.	305 Kennedy	Iola	Allen	25,000.00
1995	SEK-CAP, Inc.	201 Leonard	Girard	Crawford	12,500.00
1995	SEK-CAP, Inc.	402 Walnut	Girard	Crawford	12,500.00
1995	SEK-CAP, Inc.	501 Kennedy	Iola	Allen	25,000.00
1995	SPIRIT	418 Logan	Ottawa	Franklin	113,631.97
1995	SPIRIT	335 Cedar	Ottawa	Franklin	111,386.03
1995	Stardusters, Inc.	916 Overton	Topeka	Shawnee	35,000.00
1995	Stardusters, Inc.	916 11th	Topeka	Shawnee	35,000.00
1995	Topeka City Homes, Inc.	501 34th	Topeka	Shawnee	17,250.00
1995	Topeka City Homes, Inc.	3329 Girard	Topeka	Shawnee	20,500.00
1995	Topeka City Homes, Inc.	1715 Clay	Topeka	Shawnee	20,926.10
1995	Topeka City Homes, Inc.	1181 Clay	Topeka	Shawnee	17,000.00
1995	Wichita Indochinese Center	2974 Davidson	Wichita	Sedgwick	34,733.00
1995	Wichita Indochinese Center	4301/4305 Whitney	Wichita	Sedgwick	21,250.00
1996	Community Action, Inc.	731 Crawford	Clay Center	Clay	200,000.00
1996	Cornerstone of Topeka, Inc.	1035 SW Woodward	Topeka	Shawnee	35,190.61
1996	Cornerstone of Topeka, Inc.	1940 SE Penns	Topeka	Shawnee	50,388.00
1996	Cornerstone of Topeka, Inc.	335 SW Roosevelt	Topeka	Shawnee	43,000.00
1996	Cornerstone of Topeka, Inc.	920 SW Jewell	Topeka	Shawnee	40,100.00
1996	Cornerstone of Topeka, Inc.	436 SW Jewell	Topeka	Shawnee	43,300.00
1996	MID-CAP, Inc.	921 Third	Madison	Greenwood	99,626.71
1996	MID-CAP, Inc.	919 Third	Madison	Greenwood	59,063.75
1996	SANCHO	833 Market	Wichita	Sedgwick	94,940.53
1996	SEE-KAN CDI	8 Orchard Lane	Neodesha	Wilson	48,924.00
1996	SEE-KAN CDI	309/313 S Cement St	Independence	Montgomery	53,434.66
1996	SEE-KAN CDI	917/921 E Walnut	Independence	Montgomery	53,434.66
1996	SEE-KAN CDI	1013/1017 E Walnut	Independence	Montgomery	53,434.32
1996	SEE-KAN CDI	1702 N 3rd Street	Neodesha	Wilson	85,538.00
1996	SEE-KAN CDI	1700 N 3rd Street	Neodesha	Wilson	85,368.00
1996	SEE-KAN CDI	RT4 BOX 185D	Fredonia	Wilson	45,000.00
1996	SEK-CAP, Inc.	225 E 6th	Erie	Neosho	30,000.00
1996	SEK-CAP, Inc.	817 Park	Cherryvale	Montgomery	30,000.00
1996	SEK-CAP, Inc.	615 S Massachusetts	Erie	Neosho	30,000.00
1996	SEK-CAP, Inc.	523 Kennedy	Iola	Allen	30,000.00
1996	SEK-CAP, Inc.	321 Nebraska	Oswego	Labette	30,000.00
1996	Tenants to Homeowners	1440 Prairie	Lawrence	Douglas	27,142.00
1996	Tenants to Homeowners	1404 15th	Lawrence	Douglas	27,142.00
1996	Tenants to Homeowners	1416 15th	Lawrence	Douglas	27,142.00
1996	Tenants to Homeowners	1429 Prospect	Lawrence	Douglas	27,142.00
1996	Tenants to Homeowners	1412 1/2 15th	Lawrence	Douglas	27,142.00
1996	Tenants to Homeowners	1434 Prairie	Lawrence	Douglas	27,142.00

Multifa Family

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1996	Tenants to Homeowners	1416 1/2 15th	Lawrence	Douglas	27,142.00
1997	Coalition	6404 Lowell	Overland Park	Johnson	12,088.36
1997	Coalition	6600 Lowell	Overland Park	Johnson	14,478.50
1997	Cornerstone of Topeka, Inc.	1420 SW Western	Topeka	Shawnee	38,077.02
1997	Cornerstone of Topeka, Inc.	634 SW Fillmore	Topeka	Shawnee	41,185.44
1997	Housing Opportunities, Inc.	615 1/2 N Main	Ellinwood	Barton	125,000.00
1997	Coalition	7701 W 64th Terr	Overland Park	Johnson	33,326.00
1997	Coalition	8106 W 85th	Overland Park	Johnson	16,347.14
1997	Coalition	5135 Walmer	Shawnee	Johnson	41,846.00
1997	Coalition	7138 Beverly	Overland Park	Johnson	31,914.00
1997	NEK-CAP, Inc.	400-500 Roosevelt St	Sabetha	Nemaha	295,000.00
1997	Inc.	Reagan & Quail Dr	Norton	Norton	130,000.00
1997	Inc.	312 E Main	Osborne	Osborne	16,497.89
1997	Inc.	626 New Hampshire	Osborne	Osborne	16,835.45
1997	Inc.	211 S Oak	Osborne	Osborne	16,666.66
1997	Inc.	115 N Russell	Lucas	Russell	40,675.00
1997	Inc.	117 N Russell	Lucas	Russell	40,675.00
1997	SEK-CAP, Inc.	105 S Steuben Ct	Erie	Neosho	30,000.00
1997	SEK-CAP, Inc.	103 S Steuben Ct	Erie	Neosho	30,000.00
1997	SEK-CAP, Inc.	101 S Steuben Ct	Erie	Neosho	30,000.00
1997	SEK-CAP, Inc.	405 S May	Cherryvale	Montgomery	30,000.00
1997	SEK-CAP, Inc.	409 S May	Cherryvale	Montgomery	30,000.00
1997	Topeka City Homes, Inc.	703/705 SW Tyler	Topeka	Shawnee	74,804.57
1997	Topeka City Homes, Inc.	701 SW Tyler	Topeka	Shawnee	40,195.43
1998	Cornerstone of Topeka, Inc.	1400 SE 27th	Topeka	Shawnee	95,432.00
1998	Cornerstone of Topeka, Inc.	2700-06 SE Illinois	Topeka	Shawnee	111,123.00
1998	ECKAN, Inc.	2800 Main St	Spring Hill	Miami	150,000.00
1998	ECKAN, Inc.	9th & Cedar	Eudora	Douglas	150,000.00
1998	Interfaith Housing Services	17-31 E 7th	Hutchinson	Reno	103,661.74
1998	Interfaith Housing Services	1604 Cochran	Hutchinson	Reno	38,927.35
1998	Interfaith Housing Services	1407 Plaza Way	Hutchinson	Reno	28,273.78
1998	Interfaith Housing Services	2300 W 59th	Hutchinson	Reno	65,688.62
1998	SEK-CAP, Inc.	615 E Maple	Girard	Crawford	50,000.00
1998	SEK-CAP, Inc.	701 E Maple	Girard	Crawford	50,000.00
1998	SEK-CAP, Inc.	401/403 Burnett	Girard	Crawford	100,000.00
1998	SEK-CAP, Inc.	405/407 Burnett	Girard	Crawford	100,000.00
1998	Tenants to Homeowners	1133 Pennsylvania	Lawrence	Douglas	58,500.00
1998	Tenants to Homeowners	216 Alabama	Lawrence	Douglas	58,506.00
1998	Wichita Indochinese Center	2672 Vasser Ct	Wichita	Sedgwick	17,200.00
1998	Wichita Indochinese Center	3500-08 Roseberry	Wichita	Sedgwick	18,000.00
1998	Wichita Indochinese Center	3133 S Clifton	Wichita	Sedgwick	20,000.00
1998	Wichita Indochinese Center	2731-39 Holyoak	Wichita	Sedgwick	33,400.00
1998	Wichita Indochinese Center	3129 S Clifton	Wichita	Sedgwick	25,000.00
1998	Wichita Indochinese Center	3121 S Clifton	Wichita	Sedgwick	21,000.00
1999	Cornerstone of Topeka, Inc.	961 SW Jewell	Topeka	Shawnee	64,435.47
1999	Cornerstone of Topeka, Inc.	1645 SW Western	Topeka	Shawnee	52,370.00
1999	Cornerstone of Topeka, Inc.	1321 NW Logan	Topeka	Shawnee	42,095.00
1999	Cornerstone of Topeka, Inc.	2327 SE Indiana	Topeka	Shawnee	49,578.00
1999	Housing	9th & Laramie	Atchison	Atchison	300,000.00
1999	Coalition	400-408 Poplar	Olathe	Johnson	300,000.00
1999	MID-CAP, Inc.	933 N Main	Eureka	Greenwood	81,556.63
1999	MID-CAP, Inc.	SE 7th St	Rosalia	Butler	72,225.00
1999	Inc.	12th & Cattle Trail	Goodland	Sherman	300,000.00
1999	Pelathe CRC	1409-11 Haskell	Lawrence	Douglas	171,150.00
1999	SEK-CAP, Inc.	806 Lincoln	St. Paul	Neosho	47,333.00
1999	SEK-CAP, Inc.	603 5th	St. Paul	Neosho	47,333.00
1999	SEK-CAP, Inc.	208 N 6th	St. Paul	Neosho	47,334.00
1999	Topeka City Homes, Inc.	3630 SW Plass	Topeka	Shawnee	300,000.00

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2000	21st Century Homestead	920 E Cedar Street	Independence	Montgomery	200,000.00
2000	Housing Opportunities, Inc.	1001 W 13th	Larned	Pawnee	277,481.00
2000	Interfaith Housing Services	704 & 706 Elm	Hutchinson	Reno	65,000.88
2000	Interfaith Housing Services	915 & 917 15th	Hutchinson	Reno	144,600.00
2000	Interfaith Housing Services	Court	Buhler	Reno	142,000.00
2000	Revitalization	8 & 8 1/2 S. Calhoun	Liberal	Seward	55,360.56
2000	Revitalization	19 S. Sherman	Liberal	Seward	130,639.44
2000	SEE-KAN CDI	101 Somerset Dr.	Frontenac	Crawford	300,000.36
2000	Tenants to Homeowners	1825 Atherton	Lawrence	Douglas	75,000.00
2000	Tenants to Homeowners	1603 Random Road	Lawrence	Douglas	75,000.00
2001	21st Century Homestead	Ave	Independence	Montgomery	200,000.00
2001	Community Action, Inc.	Harvey	Topeka	Shawnee	200,000.00
2001	Cornerstone of Topeka, Inc.	523 SW Fillmore	Topeka	Shawnee	200,000.00
2001	Housing	404 N Main	Haysville	Sedgwick	300,000.00
2001	Services	4224 S. Elizabeth	Wichita	Sedgwick	200,000.00
2001	MID-CAP, Inc.	511 E Main	Cassoday	Butler	66,257.00
2001	MID-CAP, Inc.	420 Chestnut	Strong City	Chase	95,113.00
2001	MID-CAP, Inc.	317/319 W 9th	Eureka	Greenwood	135,000.00
2001	Revitalization	315 N Grant Avenue	Liberal	Seward	58,750.00
2001	Revitalization	511 N. Pershing	Liberal	Seward	70,775.90
2001	Revitalization	604 N. Missouri	Liberal	Seward	62,617.06
2001	Revitalization	516 S. Pershing	Liberal	Seward	39,857.04
2001	SEK-CAP, Inc.	703 Maple	Girard	Crawford	50,000.00
2001	SEK-CAP, Inc.	106 Stuben Ct	Erie	Neosho	50,000.00
2001	SEK-CAP, Inc.	102 Stuben Ct	Erie	Neosho	50,000.00
2001	SEK-CAP, Inc.	104 Stuben Ct	Erie	Neosho	50,000.00
2001	SEK-CAP, Inc.	705 Maple	Girard	Crawford	50,000.00
2001	SEK-CAP, Inc.	707 Maple	Girard	Crawford	50,000.00
2002	Housing Opportunities, Inc.	3104 Williams	Great Bend	Barton	300,000.00
2002	Interfaith Housing Services	102 N Star	Hutchinson	Reno	175,000.00
2002	Interfaith Housing Services	Manor Street	Hutchinson	Reno	75,000.00
2002	MID-CAP, Inc.	131 Main	Severy	Greenwood	140,000.00
2002	Inc.	7th & D Streets	Phillipsburg	Phillips	300,000.00
2002	SEE-KAN CDI	220 N Preston	Thayer	Neosho	274,000.00
2002	SEK-CAP, Inc.	Cypress/Maple & Vine	Cherokee	Crawford	195,000.00
2003	Cornerstone of Topeka, Inc.	29th & California	Topeka	Shawnee	200,000.00
2003	Housing, Inc.	612 Washington	Junction City	Geary	300,000.00
2003	Housing Opportunities, Inc.	Scattered Site	Hoisington	Barton	300,000.00
2003	Inc.	Ave B & Elm	Hutchinson	Reno	55,000.00
2003	Inc.	229 E Ave B	Hutchinson	Reno	55,000.00
2003	Inc.	908 E 6th	Hutchinson	Reno	55,000.00
2003	Inc.	609 E Avenue B	Hutchinson	Reno	35,000.00
2003	Partnership	Brookfield Subdivision	Manhattan	Riley	299,960.00
2003	Services	460 N. Emporia	Valley Center	Sedgwick	100,000.00
2003	Inc.	12th & Elm	Ellis	Ellis	300,000.00
2003	Revitalization	Scattered Site - TBD	Liberal	Seward	217,500.00
2003	SEE-KAN CDI	Walnut & Earl	Independence	Montgomery	174,100.00
2003	Tenants to Homeowners	1800 Random Rd	Lawrence	Douglas	25,000.00
2004	21st Century Homestead	Street	Independence	Montgomery	300,000.00
2004	Resource, Inc.	35th & Amidon	Wichita	Sedgwick	300,000.00
2004	Cornerstone of Topeka	520 SW Clay	Topeka	Shawnee	300,000.00
2004	Organization	Scattered Site	Emporia	Lyon	300,000.00
2004	Housing Opportunities Inc.	Morton & 31st Street	Great Bend	Barton	300,000.00
2004	Partnership	Brookfield Addition	Manhattan	Riley	300,000.00
2004	Services	4224 S. Elizabeth	Wichita	Sedgwick	200,000.00
2004	Mid-Cap, Inc.	6&7 Robinson's	City/Cassoday	Chase/Butler	189,000.00
2004	Inc.	Ivory Street	Oakley	Logan	300,000.00
2004	Revitalization	Addition	Liberal	Seward	300,000.00

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STATE OF KANSAS

VIRGIL PECK, JR.

REPRESENTATIVE, DISTRICT 11
BOX 251
TYRO, KANSAS 67364



TOPEKA

STATE CAPITOL - RM 427-S
TOPEKA, KANSAS 66612-1504
(785) 296-7674
peck@house.state.ks.us

Senate Assessment and Taxation Committee
Senator Barbara Allen, Chairwoman
March 16, 2005
House Bill 2288

Chairwoman Allen, and members of the Senate Assessment & Taxation Committee.
Thank you for the opportunity to address you this morning regarding HB 2288.

HB 2288 is a 6 word change (amendment) to KSA 79-3651(f).

After being elected to the Kansas House I sat down with the City of Coffeyville Department Heads. During our meeting the Finance Director handed me a form (see attached) from the Department of Revenue. On the Tax-Exempt Entity Exemption Certificate there is a line where the signer is required, by statute, to put their personal driver's license number. The Finance Director stated she was very uncomfortable in doing that due to the current crime of identity theft. She told me this form went out to some 800 (or more) vendors and she didn't want to give people she had not met and would not know her personal information.

I received an e-mail from the City of Coffeyville Finance Director showing her support for HB 2288. (which you should have a copy)

I realize having a person's D.L. number is not, in itself, all that is needed for identity theft. However, it is a piece of the puzzle.

One last thing, the Department of Revenue said they had received a large number of complaints about this requirement. Because of this they have been allowing the use of the tax identification number of the tax exempt organization rather than an individual's drivers license number, which takes them out of compliance. They indicated it would be good if this was changed.

Thank you for your consideration. I will be happy to stand for questions.

Assessment & Taxation
Date 03-16-05
Attachment # 4

Fig. 1 ngr 1 2002 01

KANSAS DEPARTMENT OF REVENUE
DIVISION OF TAXATION

TAX-EXEMPT ENTITY EXEMPTION CERTIFICATE

The Kansas Department of Revenue certifies that the entity to which it has issued this numbered certificate is exempt from paying Kansas sales and/or compensating use tax pursuant to:

K.S.A. 79-3606(b), which exempts all sales of tangible personal property and services, including the renting or leasing of tangible personal property, purchased directly by the State of Kansas, a political subdivision thereof (other than a school or educational institution), or purchased by a public or private nonprofit hospital or public hospital authority or nonprofit blood, tissue or organ bank and used exclusively for state, political subdivision, hospital or public hospital authority or nonprofit blood, tissue or organ bank purposes. EXCEPTION: When such state, hospital or public hospital authority is engaged or proposes to engage in any business specifically taxable, or when such political subdivision is engaged in the business of furnishing gas, electricity or heat to others, purchases of property or services used or proposed to be used in such businesses are taxable.

By furnishing this certificate, the undersigned tax-exempt entity certifies that its direct purchase of: _____

Description of property or service purchased

Seller's Name: _____

Address: _____
Street, RR or PO Box City State Zip

is exempt from the state and local sales or compensating use tax. The undersigned tax-exempt entity further understands and agrees that if the tangible personal property and/or service are used other than as stated, or for any other purpose that is not exempt from the tax, the undersigned tax-exempt entity becomes liable for the state and local sales or use tax. The unlawful or unauthorized use of this certificate is expressly prohibited, punishable by fine and/or imprisonment.

Tax-exempt Entity Information

Name: City of Coffeyville
Address 7th & Walnut
PO Box 1629
Coffeyville KS 67337



Kansas Exemption Number:
KS2N6U1BC5

Expiration Date: November 1, 2009

Authorized Signature: _____ Driver's License #: _____ *
Officer, Office Manager or Administrator * Required by K.S.A. 79-3651(f)

Printed Name: _____ Date: _____

USE OF THIS EXEMPTION CERTIFICATE

What purchases are exempt: The direct purchase, rental or lease of tangible personal property and the direct purchase of repair services are exempt, subject to the exception(s) noted in the statute above.

Materials furnished by or through a contractor or materials and/or labor of a subcontractor for real property projects are taxable.

Project Exemption Certificate (PEC) applicability: This entity is authorized to receive or issue a Project Exemption Certificate (PEC) in order that the materials purchased or furnished by a contractor or the materials and labor of a subcontractor on a real property project may be purchased without tax.

INFORMATION FOR RETAILERS

- You must keep a copy of this completed certificate with your other sales tax records for a period of at least three years from the date this certificate was signed and presented to you.
- A completed certificate may be used by the organization as a blanket exemption for future purchases from you of the same type for the same exempt purpose.
- All purchases must be a direct purchase – billed directly to the entity, and/or paid for with entity funds (check or credit card).
- Sales to employees or agents of the exempt entity using their personal funds are taxable, even when the employee/agent is later reimbursed the expense by the exempt entity.
- The items purchased must be used exclusively by the exempt entity for the stated exempt purpose(s).

HB 2288 Letter of Support

The City of Coffeyville, along with many other organizations, recently received notification of the new sales tax exemption certificate requirements. K.S.A. 2004 Supp. 79-3651 Section 1 (f) states that exemption certificates issued under K.S.A. 79-3606 shall be signed by an officer, office manager or other administrator of the nonprofit entity and contain the *driver's license number of the signer*. Determining who was willing to distribute this type of personal information to all of the vendors, presented a problem with city staff.

People are inundated everyday with stories of identity theft and privacy regulations. Hospitals and health care institutions have been forced to comply with federal laws restricting the distribution of any private information of their patients, even to immediate family members. We have all received Privacy Policies in the mail from banking institutions, credit card companies and investment agencies detailing how personal information will be used and protected by these organizations, yet this statute requires an organization's officer to willingly send this information out to others across the nation. As the City's Finance Director, I am responsible for sending these exemption forms to each of the 1,000 vendors that the City does business with. I am not comfortable sending my drivers license information to *any* of these companies.

I, along with other city officials, am in support of this amendment striking the requirement of the driver's license number and inserting the language requiring the organization's tax identification number. I appreciate your consideration in this matter and hope that you will agree that protecting this personal information is in everyone's best interest.

Stephanie A. Richardson, CPA

City of Coffeyville

Finance Director



TOPEKA

HOUSE OF
REPRESENTATIVES

SHARON SCHWARTZ
REPRESENTATIVE, 106TH DISTRICT
WASHINGTON, MARSHALL, RILEY
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COMMITTEE ASSIGNMENTS
CHAIRPERSON: AGRICULTURE AND NATURAL
RESOURCES BUDGET
MEMBER: AGRICULTURE
APPROPRIATIONS
ENVIRONMENT

Testimony on HB 2308 relating to determining tax refund purposes

Senate Assessment and Taxation Committee – March 16, 2005

By Representative Sharon Schwartz

Members of the committee, thank you for the opportunity to appear in support of HB 2308.

Throughout the past several years, I have been asked why the Homestead Act treat V.A. disability compensation for service connected injuries as real income when Federal law declares otherwise. This summer I contacted Legislative research who explained that the Kansas Homestead program originally had a very broad measure of income. I understand that several years ago, the legislature was looking at expanding the program and decided that since one of the groups the program is targeting is disabled people, it was silly to continue to count disability income against them. When drafting an amendment to the then current law, they inadvertently left out disability incomes like railroads and V.A.

I feel that this is an issue of equity and urge your favorable consideration of HB 2308. Thank you again for the opportunity to appear before you in support of HB 2308.

State of Kansas

Rep. Shari Weber
68th District
405 E. Lewerenz
Herington, KS 67449
(785) 258-3526



Capitol Building
Room 502-S
Topeka, KS 66612
(785) 296-7698
weber@house.state.ks.us

House of Representatives

TESTIMONY ON HB 2308

March 16, 2005

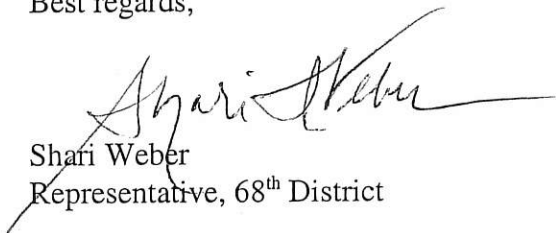
Madam Chairperson:

I appreciate your time in addressing **HB 2308**. This legislation, which I proposed at the request of a constituent, concerns the income requirements relating to homestead property tax refunds.

HB 2308 amends the language in the current statute to exclude veterans disability pensions or compensation as earned income from the adjusted gross income determination for homestead property tax refunds. At the present time, the statute excludes social security disability payments; however, veterans disability compensation is included.

I respectfully request your consideration of **HB 2308**.

Best regards,


Shari Weber
Representative, 68th District

Assessment & Taxation
Date 03-16-05
Attachment # 7

Ladies and Gentlemen:

My name is Barry Schmidt. I am a 57 year old disabled veteran. My wife and I live in Waterville.

Several years ago I picked up copy of the Kansas Homestead Act thinking that a man living on disability might find some property tax relief.

I looked for Railroad Retirement disability under exclusions and found no mention. Social Security disability, on the other hand, was excluded. Must be some mistake, I thought.

Funny though, there is no mention of service-connected disability compensation from the VA. Sure, tax the veteran's pension but Federal Law protected disability compensation from levy or attachment. Two oversights in the publication or two errors, I wondered. I'll give them a call, me thinks.

When I called the next day a polite and very correct woman answered. She struck me as very experienced in dealing with taxpayers. So I asked her about Railroad disability, pointing out that Social Security Disability was excluded from income. Payments from Railroad Retirement are counted as regular income Mr. Schmidt, said she. That is the law. Ok, moving on...

I was a combat soldier in Viet Nam, I told her. I earned the CIB and two Purple Hearts. My disability compensation cannot be taxed.

That is considered a Veterans pension, she said. But Federal Law says that disability compensation is exempt from taxation, I protested. It's Kansas Law, she concluded in her curt fashion.

Whoa! I thought. Kansas has seceded from the Union. Wonder if anybody else knows about this?

I wrote to Sen. Taddiken and Rep. Schwartz of my concerns. Both replied in a positive manner. This year Rep. Schwartz along with Rep. Weber introduced HB2308, which addresses both of my concerns: the inequitable way a disabled railroad worker is treated and the shameful fashion a disabled soldier is ignored.

I pray that the Kansas Senate will give its approval to HB2308.

It is the right thing to do.

>Barry Schmidt
03/16/05

Assessment & Taxation
Date 03-16-05
Attachment # 8