

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Vice Chairman David Huff at 9:00 A.M. on March 3, 2006 in Room 519-S of the Capitol.

All members were present except:

Representative Kenny Wilk- excused  
Representative Nile Dillmore- excused  
Representative Mario Goico- excused  
Representative Lana Gordon- excused  
Representative Nancy Kirk- excused

Committee staff present:

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

Conferees appearing before the committee:

Representative Mark Treaster  
Sheriff Randy Henderson, Reno County  
Doug Lawrence, Representing Crawford County  
Daniel Holub, Marion County Commission  
Brad Smoot, First American Property Information  
Marge Roberson, Harvey County Commission District II  
John L. Carder, City Administrator, The City of Hesston

Others attending:

See attached list.

The Vice Chairman asked for bill introductions.

Brad Smoot, on behalf of First American Property Information, requested a bill introduction of a short amendment to the Kansas Open Records Act. Without objection the bill was introduced (Attachment 1).

Representative O' Malley, on behalf of Senator Allen, requested a bill introduction concerning a sales tax exemption for the non-profit TLC. Without objection, the bill was introduced.

A copy of the 2005 Committee Action Index, with the bills related to sales tax exemptions checked, was distributed. Vice Chair Huff said that it was Chairman Wilk's intent to review and possibly take action Monday on any of the bills that the Committee wanted to work. He suggested that they take the memo home, review and come prepared for discussion on Monday (Attachment 2).

The Vice Chairman asked Chris Courtwright to brief the committee on HB 2689, HB 2793, and HB 2960. He said that they are all local sales tax authority expansion bills.

**HB 2689 - Provisions of the bill would give Crawford county authority to impose a countywide sales tax for the purpose of economic development and public infrastructure improvements. There is a five year sunset on the sales tax.**

The Vice Chairman opened the public hearing on HB 2689.

Doug Lawrence, Representative of Crawford County, testified that the county plan is primarily focused on road and bridge improvement, however it has the flexibility for additional infrastructure projects. This legislation simply authorizes the local voters to consider a proposal from the county commission (Attachment 3).

There being no opposition to the bill, Vice Chairman Huff closed the public hearing on HB 2689.

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on March 3, 2006 in Room 519-S of the Capitol.

**HB 2793 - The bill would give Reno County the authority to raise their sales tax .25% for the purpose of building a new jail and would sunset in eleven years.**

The Vice Chairman opened the public hearing on **HB 2793.**

Representative Mark Treaster, said there was a difference in the percent of sales tax in the bill and what he believed was the original intent of their requests, which was .25% instead of .50%. He introduced Sheriff Randy Henderson, from Reno County to explain the need for the increased sales tax (Attachment 4).

Sheriff Randy Henderson, explained that the current two facilities do not meet the security needs of the community. The Reno County Commission and Hutchinson Kansas City Council have decided it is time to address those concerns for inmate security and staff safety and security by building a new Justice Center (Attachment 5).

There being no opposition to the bill, Vice Chairman Huff closed the public hearing on **HB 2793.**

**HB 2960 - Would grant Marion County a .5% sales tax increase above its current authority, for the purpose of financing a Law Enforcement Center Facility; thus allowing their governing body to submit this option to their electorate.**

Daniel Holub, Marion County Commission said that Marion County is in critical need of a new Law Enforcement Center Facility. On behalf of Marion County, Mr. Holub requested a 1.5% increase in sales tax authority. **HB 2960** would give them the opportunity to present the option of a sales tax increase for the purpose of financing a new facility, to their electorate (Attachment 6).

There being no opposition to the bill, Vice Chairman Huff closed the public hearing on **HB 2960.**

The Vice Chair hearing no objections to work the three bills they just heard, opened discussion on the bills for possible action.

Representative Thull moved that **HB 2793, HB 2960** be amended into **HB 2689** as a substitute bill, to include additional language of "up to" .50% for Reno County and an increase of 1.5% for Marion County. The Committee would grant the revisor the authority to amend the appropriate versions of KSA 12-187 and 12-189, in the substitute bill.. Representative Menghini seconded the motion. The motion passed.

Representative Thull offered an amendment to **HB 2689**, that would permit Harvey County to impose a .1% sales tax, for the purpose of property tax relief, infrastructure and economic development. Representative Owen seconded the motion.

The Vice Chairman deferred to Marge Roberson, Chairperson of the Harvey County Commission, explained the process the seven cities in Harvey County to reach consensus on an acceptable solution to a tax increase for the county that would be used primarily for property tax relief in the rural areas (Attachment 7).

John L. Carder, City Administrator, The city of Hesston, said that Harvey County is a very unique county, wherein all parties have consistently, throughout history, put the needs of the entire area before any one particular city. They have reached consensus on this proposed countywide sales tax increase and believe that this is a win-win situation for all parties (No written testimony).

Representative Thull closed on his amendment to include the request from Harvey County . The motion passed.

Representative Owens recommended that they move **Substitute HB 2689** out favorable for passage, as amended. Representative Menghini seconded the motion. The motion carried.

A memo on Proposed Amendments to **HB 2601** - Amendments for Conformity with Streamlined

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on March 3, 2006 in Room 519-S of the Capitol.

Sales and Tax Agreement was distributed (Attachment 8).

The meeting adjourned at 10:05 A. M. The next meeting is March 6, 2006 at 10:00 A.M.



# 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  
First American Property Information and Services Group  
House Taxation Committee  
March 3, 2006

Mr. Chairman and Members of the Committee,

On behalf of First American Property Information and Services Group, we respectfully request introduction of a short amendment to the Kansas Open Records Act. First American gathers various public recorded real property information from county offices including deeds and mortgages. This information is used by lenders, surveyors, appraisers, utilities, government agencies and others. The bill is designed to address a recent Supreme Court decision. Attached please find a copy of our proposed amendment. Thank you for consideration of our request.

House Taxation  
3-3-06  
Attachment 1

**45-217. Definitions.** As used in the open records act, unless the context otherwise requires:

(a) "Business day" means any day other than a Saturday, Sunday or day designated as a holiday by the congress of the United States, by the legislature or governor of this state or by the respective political subdivision of this state.

(b) "Clearly unwarranted invasion of personal privacy" means revealing information that would be highly offensive to a reasonable person, including information that may pose a risk to a person

or property and is not of legitimate concern to the public.

(c) "Criminal investigation records" means records of an investigatory agency or criminal justice agency as defined by K.S.A. 22-4701 and amendments thereto, compiled in the process of preventing, detecting or investigating violations of criminal law, but does not include police blotter entries, court records, rosters of inmates of jails or other correctional or detention facilities or records pertaining to violations of any traffic law other than vehicular homicide as defined by K.S.A. 21-3405 and amendments thereto.

(d) "Custodian" means the official custodian or any person designated by the official custodian to carry out the duties of custodian of this act.

(e) "Official custodian" means any officer or employee of a public agency who is responsible for the maintenance of public records, regardless of whether such records are in the officer's or employee's actual personal custody and control.

(f) (1) "Public agency" means the state or any political or taxing subdivision of the state or any office, officer, agency or instrumentality thereof, or any other entity receiving or expending and supported in whole or in part by the public funds appropriated by the state or by public funds of any political or taxing subdivision of the state.

, except that such phrase shall not be construed to include information which is made, maintained or kept by or is in the possession of any county register of deeds as a public record.

(2) "Public agency" shall not include:

(A) Any entity solely by reason of payment from public funds for property, goods or services of such entity; (B) any municipal judge, judge of the district court, judge of the court of appeals or justice of the supreme court; or (C) any officer or employee of the state or political or taxing subdivision of the state if the state or political or taxing subdivision does not provide the officer or employee with an office which is open to the public at least 35 hours a week.

(f) (1) [(g) (1)] "Public record" means any recorded information, regardless of form or characteristics, which is made, maintained or kept by or is in the possession of any public agency including, but not limited to, an agreement in settlement of litigation involving the Kansas public employees retirement system and the investment of moneys of the fund.

(2) "Public record" shall not include records which are owned by a private person or entity and are not related to functions, activities, programs or operations funded by public funds or records which are made, maintained or kept by an individual who is a member of the legislature or of the governing body of any political or taxing subdivision of the state.

(3) "Public record" shall not include records of employers related to the employer's individually identifiable contributions made on behalf of employees for workers compensation, social security, unemployment insurance or retirement. The provisions of this subsection shall not apply to records of employers of lump-sum payments for contributions as described in this subsection paid for any group, division or section of an agency.

(h) "Undercover agent" means an employee of a public agency responsible for criminal law enforcement who is engaged in the detection or investigation of violations of criminal law in a capacity where such employee's identity or employment by the public agency is secret.

**History:** L. 1984, ch. 187, § 3; L. 1992, ch. 321, § 22; L. 1994, ch. 293, § 4; L. 2005, ch. 126, § 7; July 1.

2005- HOUSE TAXATION  
COMMITTEE ACTION INDEX

BILL NUMBER	SUBJECT	DATE OF HEARING/ DISCUSSION	DATE OF FINAL ACTION BY FULL COMMITTEE
✓ HB 2006	Sales tax exemption for CHWC, inc., neighborhood housing organization.	2-17-05	No Action
HB 2022	Award of attorney fees to taxpayer in certain appeals by the county of orders of the board of tax appeals.	2-2-05	No Action
HB 2023	Classes of cities for sales tax purposes; uniformity.	2-3-05 2-9-05 2-18-05 3-3-05 3-22-05	No Action
HB 2028	Apportionment methodology in franchise tax calculations. Effective date: Statute Book.		
✓ HB 2056	Sales tax exemption for cross-lines cooperative council.	2-8-05 2-17-05	No Action
HB 2060	Forfeiture of articles of incorporation of business entities for franchise tax delinquencies.	No Hearing	No Action
HB 2073	Personal judgment against owner for unpaid real property taxes.	No Hearing	No Action
✓ HB 2080	Sales tax exemption for lyme association of greater Kansas City, Inc.	2-8-05	No Action
HB 2100	Repealing sales tax exemption for purchases by municipal golf courses.	2-8-05	No Action
✓ HB 2101	Sales tax calculation for isolated or occasional sale of motor vehicles; sales tax refunds.	2-1-05	No Action
✓ HB 2102	Sales tax exemption for construction of facility conveyed to business qualifying for sales tax exemption.	2-11-05	Be Passed 2-18-05
HB 2132	Authorizing countywide retailers' sales tax for Sedgwick county arena.	No Hearing	No Action
HB 2195	Increasing allowable amount of homestead property tax refund.	2-15-05	No Action
HB 2197	Health care for seniors fund, financed by sales and compensating use taxes on internet, telephone or other electronic transactions.	No Hearing	No Action
✓ HB 2204	Sales tax exemption for membership charges of health and fitness organizations and businesses.	3-4-05	No Action
HB 2207	Determination of income to not include supplemental security income payments for homestead property tax refunds purposes.	3-15-05	No Action
✓ HB 2219	Sales tax exemption for project of West Sedgwick County-Sunrise Rotary Club.	2-16-05	No Action
✓ HB 2220	Sales tax exemption for cleaning and reconditioning storage and transport petroleum drums.	2-16-05	No Action
✓ HB 2221	Sales tax exemption for sales by public libraries and support organizations.	2-16-05	No Action



BILL NUMBER	SUBJECT	DATE OF HEARING/ DISCUSSION	DATE OF FINAL ACTION BY FULL COMMITTEE
HB 2235	Disclosure of taxpayer information related to certain tax credits.	No Hearing	No Action
✓ HB 2236	Sales tax exemption for Marillac Center, Inc.	2-17-05	No Action
HB 2237	Tax revenue assessment report by secretary of revenue to legislature.	No Hearing	No Action
HB 2238	Report by secretary of revenue to legislature on tax incidence impact analysis.	No Hearing	No Action
✓ HB 2244	Sales tax exemption for KSDS, Inc., for the purpose of training and providing guide and assistance dogs for people with disabilities.	2-17-05	No Action
HB 2246	Property tax classification of property used for horse sports and entertainment.	No Hearing	No Action
HB 2259	Three-year phase out and elimination of the franchise tax.	No Hearing	No Action
HB 2260	Determination of whether to file return and conformity with federal law for estate tax purposes.	No Hearing	No Action
HB 2289	Distribution of revenue pursuant to the Kansas and Missouri metropolitan culture district compact.	No Hearing	No Action
✓ HB 2290	Sales tax exemption for Dreams Work, Inc.	2-17-05	No Action
HB 2356	Income tax credit for (K-12) school expenses.	No Hearing	No Action
HB 2373	Remittance credits for sales and use tax collection services provided by certain retailers subject to destination-based sourcing provisions.	No Hearing	No Action
HB 2376	Income tax credit for qualified expenditures for repairs and maintenance of residence of certain taxpayers.	No Hearing	No Action
✓ HB 2423	School districts; authorized to levy a retailers' sales tax.	No Hearing	No Action
✓ HB 2433	Sales tax exemption for convention of Skills USA.	No Hearing	No Action
✓ HB 2434	Sales tax exemption for sales of certain energy efficient electric household appliances.	No Hearing	No Action
HB 2467	Requirements of municipalities related to imposition and modification of development excise taxes.	2-22-05 3-22-5	No Action
HB 2471	Restricting authority of Shawnee county to levy property taxes in certain circumstances.	No Hearing	No Action
HB 2472	Fee increase authority and sales tax exemption for county law libraries.	No Hearing	No Action
HB 2476	Imposition of transient guest tax on department of wildlife and parks in certain circumstances.	3-15-05	No Action
HB 2488	Authority for abatement of or credit against property taxes of property destroyed by disaster.	No Hearing	No Action
HB 2489	Tax levy authority for governing bodies of technical colleges and school districts.	No Hearing	No Action
HB 2490	Classes of cities for sales tax purposes.	3-22-05	No Action
HB 2494	Eliminating property tax exemption for certain residential housing for the elderly.	No Hearing	No Action

**Doug Lawrence  
Capitol Consulting Group  
118 SW 8<sup>th</sup> St  
Topeka, KS 66611  
785-806-6639**

Testimony in SUPPORT of HB 2689  
On Behalf of the Crawford County Commission

HB 2689 is the result of several years of planning and work by the Crawford County Commission.

In its simplest terms, this legislation allows voters in Crawford County to consider a plan for infrastructure improvements and authorize funding for those improvements. In this case, the intended use of these funds is to provide for a number of county road improvements, while reducing pressure on the County's property tax levy.

This bill adds Crawford County to the list of counties authorized to submit a question on the ballot authorizing a countywide sales tax or the purpose of economic development and public infrastructure improvements. **(Section 9 on page 5)**

Current law provides the identical authority to Cowley, Russell and Woodson Counties.

As with the other counties, there is a five year sunset on the sales tax.

While the Crawford County plan is focused on Road and Bridge improvements, the county is considering other projects and opportunities which might appropriately be funded by the sales tax. Those sales tax funded effort would be included in the plan to be presented to the electorate when the question is placed on the ballot.

This legislation simply authorizes the local voters to consider a proposal from the county commission. We ask for your support in providing Crawford County with authority identical to that provided to other counties in Kansas.

1 tion to the electors at an election called and held thereon for each addi-  
2 tional five-year period as provided by law.

3 (8) The board of county commissioners of Sherman county may sub-  
4 mit the question of imposing a countywide retailers' sales tax at the rate  
5 of .25%, .5% or .75% and pledging the revenue therefrom for the purpose  
6 of financing the costs of the county roads 64 and 65 construction and  
7 improvement project. The tax imposed pursuant to this paragraph shall  
8 expire upon payment of all costs authorized pursuant to this paragraph  
9 in the financing of such project.



10 (9) The board of county commissioners of Cowley, *Crawford*, Russell  
11 and Woodson county may submit the question of imposing a countywide  
12 retailers' sales tax at the rate of .5% in the case of *Crawford*, Russell and  
13 Woodson county and at a rate of up to .25%, in the case of Cowley county  
14 and pledging the revenue received therefrom for the purpose of financing  
15 economic development initiatives or public infrastructure projects. The  
16 tax imposed pursuant to this paragraph shall expire after five years from  
17 the date such tax is first collected.

18 (10) The board of county commissioners of Franklin county may sub-  
19 mit the question of imposing a countywide retailers' sales tax at the rate  
20 of .25% and pledging the revenue received therefrom for the purpose of  
21 financing recreational facilities. The tax imposed pursuant to this para-  
22 graph shall expire upon payment of all costs authorized in financing such  
23 facilities.

24 (11) The board of county commissioners of Douglas county may sub-  
25 mit to the question of imposing a countywide retailers' sales tax at the rate  
26 of .25% and pledging the revenue received therefrom for the pur-  
27 poses of preservation, access and management of open space, and for  
28 industrial and business park related economic development.

29 (12) The board of county commissioners of Shawnee county may sub-  
30 mit the question of imposing a countywide retailers' sales tax at the rate  
31 of .25% and pledging the revenue received therefrom to the city of To-  
32 peka for the purpose of financing the costs of rebuilding the Topeka  
33 boulevard bridge and other public infrastructure improvements associ-  
34 ated with such project to the electors at an election called and held  
35 thereon. The tax imposed pursuant to this paragraph shall expire upon  
36 payment of all costs authorized in financing such project.

37 (13) The board of county commissioners of Jackson county may sub-  
38 mit the question of imposing a countywide retailers' sales tax at a rate of  
39 .4% and pledging the revenue received therefrom as follows: 50% of such  
40 revenues for the purpose of financing for economic development initia-  
41 tives; and 50% of such revenues for the purpose of financing public in-  
42 frastructure projects to the electors at an election called and held thereon.  
43 The tax imposed pursuant to this paragraph shall expire after seven years

- 1 purposes of paragraph (2) of subsection (b) of K.S.A. 12-187, and amend-  
2 ments thereto, may fix such rate at 1.25%; the board of county commis-  
3 sioners of Osage county, for the purposes of paragraph (2) of subsection  
4 (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at 1.25%  
5 or 1.5%; the board of county commissioners of Cherokee, Crawford,  
6 Ford, Saline, Seward or Wyandotte county, for the purposes of paragraph  
7 (2) of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix  
8 such rate at 1.5%, the board of county commissioners of Atchison county,  
9 for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-187, and  
10 amendments thereto, may fix such rate at 1.5% or 1.75% and the board  
11 of county commissioners of Anderson, Barton, Jefferson or Ottawa  
12 county, for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-  
13 187, and amendments thereto, may fix such rate at 2%;
- 14 (b) the board of county commissioners of Jackson county, for the  
15 purposes of paragraph (3) of subsection (b) of K.S.A. 12-187, and amend-  
16 ments thereto, may fix such rate at 2%;
- 17 (c) the boards of county commissioners of Finney and Ford counties,  
18 for the purposes of paragraph (4) of subsection (b) of K.S.A. 12-187, and  
19 amendments thereto, may fix such rate at .25%;
- 20 (d) the board of county commissioners of any county for the purposes  
21 of paragraph (5) of subsection (b) of K.S.A. 12-187, and amendments  
22 thereto, may fix such rate at a percentage which is equal to the sum of  
23 the rate allowed to be imposed by a board of county commissioners on  
24 the effective date of this act plus .25%, .5%, .75% or 1%, as the case  
25 requires;
- 26 (e) the board of county commissioners of Dickinson county, for the  
27 purposes of paragraph (7) of subsection (b) of K.S.A. 12-187, and amend-  
28 ments thereto, may fix such rate at 1.5%, and the board of county com-  
29 missioners of Miami county, for the purposes of paragraph (7) of subsec-  
30 tion (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at  
31 1.25%, 1.5%, 1.75% or 2%;
- 32 (f) the board of county commissioners of Sherman county, for the  
33 purposes of paragraph (8) of subsection (b) of K.S.A. 12-187, and amend-  
34 ments thereto, may fix such rate at 1.5%, 1.75% or 2%;
- 35 (g) the board of county commissioners of *Crawford* or Russell county  
36 for the purposes of paragraph (9) of subsection (b) of K.S.A. 12-187, and  
37 amendments thereto, may fix such rate at 1.5%;
- 38 (h) the board of county commissioners of Franklin county, for the  
39 purposes of paragraph (10) of subsection (b) of K.S.A. 12-187, and  
40 amendments thereto, may fix such rate at 1.75%;
- 41 (i) the board of county commissioners of Douglas county, for the  
42 purposes of paragraph (11) of subsection (b) of K.S.A. 12-187, and  
43 amendments thereto, may fix such rate at 1.25%;



OFFICE OF  
**BOARD OF COUNTY COMMISSIONERS**  
CRAWFORD COUNTY, KANSAS  
P. O. BOX 249  
111 E. FOREST  
GIRARD, KANSAS 66743

**BOB KMIEC**  
FIRST DISTRICT

**TOM MOODY**  
SECOND DISTRICT

**ANTHONY PICHLER**  
THIRD DISTRICT

**R. J. WILSON**  
COUNTY CLERK

**JIM EMERSON**  
COUNTY COUNSELOR

January 31, 2006

Mr. Doug Lawrence  
Capital Consulting Group  
902 Miami St.  
Burlington, KS 66839

Re: House Bill 2689

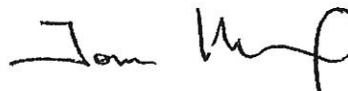
Dear Doug:

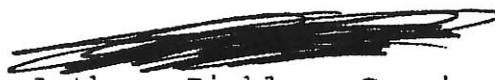
Thank you for your assistance in drafting and introducing House Bill 2689 which will allow the County to place a ½ cent sales tax question on the ballot. We support this legislation and view it as an opportunity for the residents of Crawford County to give us their opinion about how public infrastructure and economic development projects should be financed. Please share this letter with our local legislative delegation and with other Senators and Representatives as appropriate.

Sincerely,

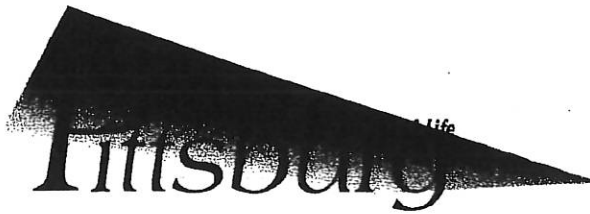
BOARD OF COUNTY COMMISSIONERS  
CRAWFORD COUNTY, KANSAS

  
Bob Kmiec, Chairman

  
Tom Moody, Commissioner

  
Anthony Pichler, Commissioner

BK:TM:AP:mb



DEPARTMENT OF FINANCE AND ADMINISTRATION

201 West 4th Street • P.O. Box 688 • Pittsburg, Kansas 66762-0688  
Tel: 620-231-4100 • Fax: 620-231-7327  
Internet Address: [www.pittks.org](http://www.pittks.org)

February 17, 2006

Representative Julie Menghini  
State Capitol  
Room 132-N  
Topeka, KS 66612

Dear Representative Menghini:

This is to inform you that the City's concerns about House Bill 2689 have been addressed, and we no longer have any objection to the bill moving forward. It does not appear that the authority granted to Crawford County by this bill would interfere with the City's plans for a ballot issue related to public safety facilities.

This letter may be entered as written testimony in support of H.B. 2689.

Thank you for your continued support of our efforts.

Sincerely,

**THE CITY OF PITTSBURG**

Allen D. Gill  
City Manager

cc: Representative Bob Grant  
Senator Jim Barone  
County Counselor Jim Emerson

STATE OF KANSAS

**MARK TREASTER**

REPRESENTATIVE, 101ST DISTRICT

COMMITTEE ASSIGNMENTS  
TAXATION  
TRANSPORTATION  
ECONOMIC DEVELOPMENT  
WILDLIFE & PARKS  
RULES AND REGULATIONS



TOPEKA

DOCKING STATE OFFICE BUILDING  
7TH FLOOR  
TOPEKA, KANSAS 66612  
(785) 296-6838  
treaster@house.state.ks.us

HB 2793

HB 2793 would give Reno County the authority to raise their sales tax .25% for the purpose of building a new jail. The Reno County Commissioners continue to work on the plans to build a 208 bed jail. The current facilities have many flaws including: health issues due to sewage backups, safety of inmates and officers due to outdated designs, and operating two separate jail facilities. The jail is projected to cost between \$17 and \$21 million. The .25% sales tax would sunset when the jail is paid for in approximately 11 years. Of course, this sales tax increase would be subject to a vote from Reno County residents which would take place in August or November. Reno County Sheriff Randy Henderson is here to testify today and can better explain the need for this facility. I will stand for questions at the appropriate time.

Respectfully,

A handwritten signature in cursive script that reads "Mark Treaster". The ink is dark and the signature is fluid and legible.

Representative Mark Treaster  
101<sup>st</sup> District



Sheriff: Randy Henderson  
Undersheriff: Dennis E. Stofer

RENO COUNTY  
Sheriff's Department  
210 West First Ave.  
Hutchinson, Kansas 67501-5298  
620-694-2735  
TDD: Kansas Relay Center 1-800-766-3777

Issues in support of property tax increase. Presented to State Representatives in Topeka Ks on March 3<sup>rd</sup>, 2006 by Reno County Sheriff Randy Henderson

Just over a year ago, the Reno County Commission and Hutchinson Ks City Council decided that it was time to look into building a new Justice Center. Treanor Architect from Topeka and Carter Goble from South Carolina were commissioned to conduct a space needs assessment. (\$80,000.00) The conclusion of this assessment determined there was a need for better security in the Courthouse, Law Enforcement Center and the jail. They even made a specific statement in reference to the jail and problems with it. The last line about the jail in the assessment says, "This jail should be replaced as soon as possible before a serious incident occurs that could not only jeopardize life safety, but also result in serious financial consequences for the County if a lawsuit should occur." That's a pretty strong statement.

A 16 person citizen committee was appointed by the City and County Commissions to review the study and to work with the management from the Reno Co Sheriff's Dept, Hutchinson Police Dept, District Attorneys Office, and the Municipal and District Courts to find a solution.



After meeting for over 6 months, the committee recommended a 4 phase  
Judicial Center : (estimated cost)

Phase 1 – Construction of a Jail Facility, \$17m - \$19m

Phase 2 – Construction of a Court Facility, \$9m

Phase 3 – Remodel of Law Enforcement Center, \$2.4m

Phase 4 – Remodel of existing Courthouse for Administration

\$1.9m

Total package of \$30.5 – 32.5m

The committee also made two recommendations for the location of the  
Justice Center.

Option 1 – West of the existing LEC to Cow Creek, between 1<sup>st</sup>/  
2<sup>nd</sup> street. (Appraised value - \$560,000.00)

Option 2 – South of 1<sup>st</sup> street, Old Sears Complex  
(Appraised value - \$1.2 – 1.4 m)

(An estimate cost of land acquisition is in the \$31.5m figure above, but  
we are not sure of the accuracy of that amount that was figured in).

After receiving the recommendation, Reno County Commissioners  
decided that it was not prudent at this time to pursue all of the space  
needs, and narrowed the scope of priorities to the jail and law  
enforcement center. They also requested that a 3<sup>rd</sup> location, just north of  
the current Reno County Courthouse be considered for the jail site.

The original 16 person committee were divided into four specific committees to work on how to finance a new facility, where it should be built, what should the design be and how to sell it to the public.

Recommendations by Site Committee to the County Commission was that the new jail should be built on the SW Corner of 2<sup>nd</sup>/Adams, just north of the current Reno County Courthouse (current site of the Health Dept).

Recommendation by Finance Committee to the County Commission was the jail / lec project should be funded with a .25% sales tax hike.

It was estimated that the project cost would be between \$17 - \$21m (includes parking garage / dispatch) and a projection was made of paying the debt off through sales tax in 11 years.

Why do we need a new jail and better security in the Law Enforcement Center?

1) Inmate security is seriously compromised:

Lack of adequately sized and configured cell housing areas.

Lack of adequate site lines in housing areas for continuous observation of challenging, high risk or mentally disoriented inmates is a very serious deficiency.

High possibility of lawsuits from inmates.

Does not conform to ACA standards of square footage, lack of ventilation allows for growth of mold and possibility of respiratory problems, lighting, contaminated air vents with inability to clean.

Annex not constructed securely to prevent break in / out.

Exercise area is not to standard and lacks proper security.

2) Staff safety and security is seriously compromised due to the lack of adequately sized and configured cell housing areas.

Lack of adequate sight lines in housing areas for continuous observation of challenging, high risk or mentally disoriented inmates is a very serious deficiency.

High possibility of lawsuits from staff or surviving family.

Lack of ventilation allows for growth of mold and possibility of respiratory problems, lighting, contaminated air vents with inability to clean.

Physical and exposure danger for staff in catwalk area which must be entered several times per day.

No safety areas for jail staff.

3) Bedspace – 162 beds in two facilities (82 main jail, 80 Annex)

Have housed 180 in past

No room for peaking on weekends

No room or areas to separate classification of inmates

No room for expansion

4) No connectivity to courts. Safety concerns for moving

movement of inmates to/from court proceedings. Public safety is concern with movement of inmates among public, in elevators, through common hallways.

Safety of staff in moving inmates. Safety of inmate from attack from vigilantes / family etc.

No flexibility for disciplinary action.

No classification system.

No medical segregation allowing to prevent the spread of contagious diseases throughout the building.

No central control for Main Jail allowing for escape if inmates takes guard hostage and obtain keys.

No private areas for interview of inmates or meetings with attorneys required by law.

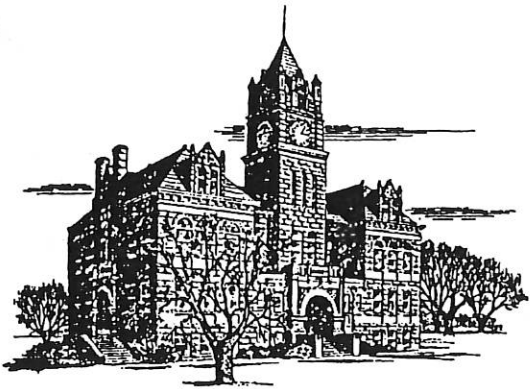
No adequate areas for church services or drug and alcohol treatment.

Impersonal contact with public and poor public image, make serving the public a hostile situation.

Laundry facilities raise potential safety hazards due to space limitations.

Kitchen area not adequate for proper food preparation (14'x14') space preparing 360 meals per day.

Sewer backs up when we receive heavy rains, also backs up when inmates clog system and flood the jail.



MARION COUNTY COURTHOUSE

MARION COUNTY, KANSAS  
**OFFICE OF THE COUNTY CLERK**

P.O. BOX 219  
MARION, KANSAS 66861  
620-382-2185

CAROLA MAGGARD, CLERK  
COUNTY ELECTION OFFICER

COUNTY COMMISSIONERS  
BOB HEIN  
DANIEL HOLUB  
RANDY DALLKE

**TESTIMONY BEFORE THE HOUSE TAX COMMITTEE**

**MARCH 3, 2006**

**HB 2960**

**Marion County is in critical need of a new Law Enforcement Center Facility. It is the opinion of the Board of County Commissioners, that should our electorate approve a sales tax increase, that such a revenue stream represents the best option at this time for the county to fund such a facility.**

**We request your favorable consideration of HB 2960 to give Marion County a one and one half percent (1 ½%) sales tax increase above its current authority, for the purpose of financing a Law Enforcement Center Facility; thus allowing our governing body to submit this option to our electorate.**

**Respectfully submitted,**

A handwritten signature in black ink, appearing to read "Daniel Holub", written over a horizontal line.

**Daniel Holub  
Chairman  
Marion County Commission**

House Taxation  
3-3-06  
Attachment 6



## HARVEY COUNTY, KANSAS

---

### ADMINISTRATION DEPARTMENT

COURTHOUSE  
P.O. BOX 687  
NEWTON, KANSAS 67114-0687

PHONE: 316-284-6806

FAX: 316-284-6856

### TESTIMONY FROM MARGE ROBERSON, CHAIRPERSON OF THE HARVEY COUNTY COMMISSION

Mr. Chairman, members of the House Taxation Committee, thank you for permitting me to testify before your Committee on a bill which would allow the voters of Harvey County to decide whether to increase the County-wide local sales tax by one percent. Presently, Harvey County has a one percent local County-wide sales tax. The County Commission has had a discussion with all of the seven cities in Harvey County concerning a one percent local sales tax increase, including the major city in the County, the City of Newton. The City of Newton had originally proposed a one percent, city only, local sales tax increase. Through discussion and compromise, a consensus was reached with the City of Newton, Harvey County, and the remaining cities in the County to share a County-wide sales tax. This would be a win-win situation for all parties. The City of Newton has been gracious to compromise with the other cities and Harvey County. Without approval of the legislation before you, the City of Newton would probably proceed with a city only one percent sales tax, and the six smaller cities and the rural areas would be left out of the proceeds of the city only sales tax. However, the residents of the six smaller cities and rural areas would still be paying the local sales tax by shopping in Newton. The smaller cities and rural areas generate little sales taxes within their boundaries. The City of Newton can proceed with a one percent city only local sales tax without special legislation.

Throughout the discussions between the County and the seven cities, it is clear that property tax relief is the primary reason for enacting an additional one percent County-wide local sales tax. Given a choice, I believe our citizens and businesses would rather pay sales taxes than pay property taxes. Depending on a city's individual circumstances, a city may wish to use a portion of the increased sales tax monies for infrastructure improvements and/or economic development purposes. In summation, I believe it is important the entire County share in the proceeds of an increased local sales tax. In addition, property tax relief is an important goal for all of the residents and businesses in Harvey County.

## HOUSE BILL No. 2601

By Representatives Peck, Beamer, Brown, Carlson, Dahl, DeCastro, George, Goico, Grange, M. Holmes, E. Johnson, Kelley, Kelsey, Kiegerl, Knox, Mast, Mays, McCreary, F. Miller, Oharah, Otto and Watkins

1-12

Proposed Amendments to  
House Bill No. 2601  
Amendments for Conformity with  
Streamlined Sales and Use Tax Agreement

House Taxation  
3-3-06  
Attachment 8

12 AN ACT concerning sales taxation; relating to sales tax exemption for  
13 certain sales of clothing, personal computers and school supplies;  
14 amending K.S.A. 2005 Supp. 79-3606 and repealing the existing  
15 section.

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

18 Section 1. K.S.A. 2005 Supp. 79-3606 is hereby amended to read as  
19 follows: 79-3606. The following shall be exempt from the tax imposed by  
20 this act:

21 (a) All sales of motor-vehicle fuel or other articles upon which a sales  
22 or excise tax has been paid, not subject to refund, under the laws of this  
23 state except cigarettes as defined by K.S.A. 79-3301 and amendments  
24 thereto, cereal malt beverages and malt products as defined by K.S.A. 79-  
25 3817 and amendments thereto, including wort, liquid malt, malt syrup  
26 and malt extract, which is not subject to taxation under the provisions of  
27 K.S.A. 79-41a02 and amendments thereto, motor vehicles taxed pursuant  
28 to K.S.A. 79-5117, and amendments thereto, tires taxed pursuant to  
29 K.S.A. 65-3424d, and amendments thereto, drycleaning and laundry serv-  
30 ices taxed pursuant to K.S.A. 65-34,150, and amendments thereto, and  
31 gross receipts from regulated sports contests taxed pursuant to the Kansas  
32 professional regulated sports act, and amendments thereto;

33 (b) all sales of tangible personal property or service, including the  
34 renting and leasing of tangible personal property, purchased directly by  
35 the state of Kansas, a political subdivision thereof, other than a school or  
36 educational institution, or purchased by a public or private nonprofit hos-  
37 pital or public hospital authority or nonprofit blood, tissue or organ bank  
38 and used exclusively for state, political subdivision, hospital or public hos-  
39 pital authority or nonprofit blood, tissue or organ bank purposes, except  
40 when: (1) Such state, hospital or public hospital authority is engaged or  
41 proposes to engage in any business specifically taxable under the provi-  
42 sions of this act and such items of tangible personal property or service  
43 are used or proposed to be used in such business, or (2) such political



1 sales of materials and services purchased by any class II or III railroad as  
 2 classified by the federal surface transportation board for the construction,  
 3 renovation, repair or replacement of class II or III railroad track and  
 4 facilities used directly in interstate commerce. In the event any such track  
 5 or facility for which materials and services were purchased sales tax ex-  
 6 empt is not operational for five years succeeding the allowance of such  
 7 exemption, the total amount of sales tax which would have been payable  
 8 except for the operation of this subsection shall be recouped in accord-  
 9 ance with rules and regulations adopted for such purpose by the secretary  
 10 of revenue;

11 (ccc) on and after January 1, 1999, and before January 1, 2001, all  
 12 sales of materials and services purchased for the original construction,  
 13 reconstruction, repair or replacement of grain storage facilities, including  
 14 railroad sidings providing access thereto;

15 (fff) all sales of material handling equipment, racking systems and  
 16 other related machinery and equipment that is used for the handling,  
 17 movement or storage of tangible personal property in a warehouse or  
 18 distribution facility in this state; all sales of installation, repair and main-  
 19 tenance services performed on such machinery and equipment; and all  
 20 sales of repair and replacement parts for such machinery and equipment.  
 21 For purposes of this subsection, a warehouse or distribution facility means  
 22 a single, fixed location that consists of buildings or structures in a contig-  
 23 uous area where storage or distribution operations are conducted that are  
 24 separate and apart from the business' retail operations, if any, and which  
 25 do not otherwise qualify for exemption as occurring at a manufacturing  
 26 or processing plant or facility. Material handling and storage equipment  
 27 shall include aeration, dust control, cleaning, handling and other such  
 28 equipment that is used in a public grain warehouse or other commercial  
 29 grain storage facility, whether used for grain handling, grain storage, grain  
 30 refining or processing, or other grain treatment operation;

31 (ggg) all sales of tangible personal property and services purchased  
 32 by or on behalf of the Kansas Academy of Science which is exempt from  
 33 federal income taxation pursuant to section 501(c)(3) of the federal in-  
 34 ternal revenue code of 1986, and used solely by such academy for the  
 35 preparation, publication and dissemination of education materials; ~~and~~

36 (hhh) all sales of tangible personal property and services purchased  
 37 by or on behalf of all domestic violence shelters that are member agencies  
 38 of the Kansas coalition against sexual and domestic violence; ~~and~~

39 (iii) on and after July 1, 2006, ~~except as provided in section 2,~~ all sales  
 40 of ~~any article of~~ clothing ~~having a taxable value of \$300 or less,~~ all school  
 41 supplies ~~not to exceed \$100 per purchase,~~ all computer software with a  
 42 taxable value of \$300 or less and all personal computers or computer  
 43 peripheral devices ~~not to exceed \$2,000,~~ during a four-day period begin-

or clothing accessories or equipment

, school art supplies and school instructional materials

prewritten

school

supplies

1 ning at 12:01 a.m. on the last Wednesday in July and ending at midnight  
 2 on the Saturday following in which all such described days are in July.  
 3 The provisions of this subsection apply to sales of items for personal use  
 4 only. ~~As used in this subsection, (1) "clothing" means any article of wear-~~  
 5 ~~ing apparel, including footwear, intended to be worn on or about the~~  
 6 ~~human body. The term shall include, but not be limited to, cloth and other~~  
 7 ~~material used to make school uniforms or other school clothing. Items~~  
 8 ~~normally sold in pairs shall not be separated to qualify for the exemption.~~  
 9 ~~The term shall not include watches, watchbands, jewelry, handbags, hand-~~  
 10 ~~kerchiefs, umbrellas, scarves, headbands, or belt buckles; (2) "personal~~  
 11 ~~computers" means a laptop, desktop or tower computer system which~~  
 12 ~~consists of a central processing unit, random access memory, a storage~~  
 13 ~~drive, a display monitor and a keyboard and devices designed for use in~~  
 14 ~~conjunction with a personal computer, such as a disk drive, memory mod-~~  
 15 ~~ule, compact disk drive, daughterboard, digitalizer, microphone, modem,~~  
 16 ~~motherboard, mouse, multimedia speaker, printer, scanner, single user~~  
 17 ~~hardware, single user operating system, soundcard or video card, and (3)~~  
 18 ~~"school supplies" means any item normally used by students in a standard~~  
 19 ~~classroom for educational purposes, including, but not limited to, text-~~  
 20 ~~books, notebooks, paper, writing instruments, crayons, art supplies, rul-~~  
 21 ~~ers, bookbags, backpacks, handheld calculators, chalk, maps and globes.~~  
 22 ~~The term shall not include watches, radios, CD players, headphones,~~  
 23 ~~sporting equipment, portable or desktop telephones, copiers or other office~~  
 24 ~~equipment, furniture or fixtures.~~

Only items priced below the price threshold established in this subsection shall be exempt from taxation pursuant to this subsection. There shall be no exemption pursuant to this subsection for only a portion of the price of an individual item. The provisions of section 2, and amendments thereto, shall apply to the exemption contained in this subsection.

25 New Sec. 2. ~~The governing body of any city or county may adopt an~~  
 26 ~~ordinance or resolution to exempt from any local sales tax all sales of~~  
 27 ~~clothing, school supplies and computers and computer software as pro-~~  
 28 ~~vided pursuant to the provisions of subsection (iii) of K.S.A. 79-3606, and~~  
 29 ~~amendments thereto. Any such city or county may rescind the ordinance~~  
 30 ~~or resolution. At least 45 days prior to the beginning of the period spec-~~  
 31 ~~ified in subsection (iii) of K.S.A. 79-3606, and amendments thereto, a city~~  
 32 ~~or county shall notify the director of taxation of the adoption or rescinding~~  
 33 ~~of any such ordinance or resolution.~~

See insert A

34 Sec. 3. K.S.A. 2005 Supp. 79-3606 is hereby repealed.  
 35 Sec. 4. This act shall take effect and be in force from and after its  
 36 publication in the statute book.

INSERT A

New Sec. 2. (a) As used in this section and subsection (iii) of K.S.A. 79-3606, and amendments thereto:

(1) "Clothing" means all human wearing apparel suitable for general use. Clothing includes, but is not limited to: Aprons, household and shop; athletic supporters; baby receiving blankets; bathing suits and caps; beach capes and coats; belts and suspenders; boots; coats and jackets; costumes; diapers, children and adult, including disposable diapers; ear muffs; footlets; formal wear; garters and garter belts; girdles; gloves and mittens for general use; hats and caps; hosiery; insoles for shoes; lab coats; neckties; overshoes; pantyhose; rainwear; rubber pants; sandals; scarves; shoes and shoe laces; slippers; sneakers; socks and stockings; steel toed shoes; underwear; uniforms, athletic and non-athletic; and wedding apparel. Clothing shall not include: belts buckles sold separately; costume masks sold separately; patches and emblems sold separately; sewing equipment and supplies including, but not limited to, knitting needles, patterns, pins, scissors, sewing machines, sewing needles, tape measures, and thimbles; and sewing materials that become part of clothing including, but not limited to, buttons, fabric, lace, thread, yarn, and zippers;

(2) "clothing accessories or equipment" means incidental items worn on the person or in conjunction with clothing. Clothing accessories or equipment includes, but is not limited to: Briefcases; cosmetics; hair notions, including, but not limited to, barrettes, hair bows, and hair nets; handbags; handkerchiefs; jewelry; sun glasses, non-prescription; umbrellas; wallets; watches and wigs and hair pieces;

(3) “eligible property” means an item of a type, such as clothing, that qualifies for a sales tax exemption as provided in subsection (iii) of K.S.A. 79-3606, and amendments thereto;

(4) “layaway sale” means a transaction in which property is set aside for future delivery to a customer who makes a deposit, agrees to pay the balance of the purchase price over a period of time and, at the end of the payment period, receives the property. An order is accepted for layaway by the seller, when the seller removes the property from normal inventory or clearly identifies the property as sold to the purchaser;

(5) “rain check” means the seller allows a customer to purchase an item at a certain price at a later time because the particular item was out of stock;

(6) “school art supply” means an item commonly used by a student in a course of study for artwork. The following is an all-inclusive list: Clay and glazes; paints, acrylic, tempera and oil; paintbrushes for artwork; sketch and drawing pads; and watercolors;

(7) “school computer supply” means an item commonly used by a student in a course of study in which a computer is used. The following is an all-inclusive list: Computer storage media, diskettes, compact disks; handheld electronic schedulers, except devices that are cellular phones; personal digital assistants, except devices that are cellular phones; computer printers; and printer supplies for computers, printer paper and printer ink;

(8) “school instructional material” means written material commonly used by a student in a course of study as a reference and to learn the subject being taught. The following is an all-inclusive list: Reference books; reference maps and globes; textbooks; and workbooks; and

(9) “school supply” means an item commonly used by a student in a course of study. The following is an all-inclusive list: Binders; book bags; calculators; cellophane tape; blackboard chalk;

compasses; composition books; crayons; erasers; folders, expandable, pocket, plastic and manila; glue, paste and paste sticks; highlighters; index cards; index card boxes; legal pads; lunch boxes; markers; notebooks; paper; loose leaf ruled notebook paper, copy paper, graph paper, tracing paper, manila paper, colored paper, poster board, and construction paper; pencil boxes and other school supply boxes; pencil sharpeners; pencils; pens; protractors; rulers; scissors; and writing tablets.

(b) The secretary shall provide notice of the exemption period to retailers at least 60 days prior to the first day of the calendar quarter in which the exemption period established in subsection (iii) of K.S.A. 79-3606, and amendments thereto, commences.

(c) The following procedures are to be used in administering the exemption as provided in subsection (iii) of K.S.A. 79-3606, and amendments thereto:

(1) A sale of eligible property under a layaway sale qualifies for the exemption if:

(A) Final payment on a layaway order is made by, and the property is given to, the purchaser during the exemption period; or

(B) the purchaser selects the property and the retailer accepts the order for the item during the exemption period, for immediate delivery upon full payment, even if delivery is made after the exemption period;

(2) there shall be no change during the period of exemption for the handling of a bundled sale as treated for sales tax purposes at times other than the exemption period;

(3) a discount by the seller reduces the sales price of the property and the discounted sales price determines whether the sales price is within the price threshold provided in subsection (iii) of K.S.A. 79-3606, and amendments thereto. A coupon that reduces the sales price is treated as a discount if the seller is not reimbursed for the coupon amount by a third-party. If a discount applies

to the total amount paid by a purchaser rather than to the sales price of a particular item and the purchaser has purchased both eligible property and taxable property, the seller should allocate the discount based on the total sales prices of the taxable property compared to the total sales prices of all property sold in that same transaction;

(4) articles that are normally sold as a single unit must continue to be sold in that manner. Such articles cannot be priced separately and sold as individual items in order to obtain the exemption;

(5) a rain check allows a customer to purchase an item at a certain price at a later time because the particular item was out of stock. Eligible property that customers purchase during the exemption period with use of a rain check will qualify for the exemption regardless of when the rain check was issued. Issuance of a rain check during the exemption period shall not qualify eligible property for the exemption if the property is actually purchased after the exemption period;

(6) the procedure for an exchange in regards to an exemption is as follows:

(A) If a customer purchases an item of eligible property during the exemption period, but later exchanges the item for a similar eligible item, even if a different size, different color or other feature, no additional tax is due even if the exchange is made after the exemption period;

(B) if a customer purchases an item of eligible property during the exemption period, but after the exemption period has ended, the customer returns the item and receives credit on the purchase of a different item, the appropriate sales tax is due on the sale of the newly purchased item;  
and

(C) if a customer purchases an item of eligible property before the exemption period, but during the exemption period the customer returns the item and receives credit on the purchase of a

different item of eligible property, no sales tax is due on the sale of the new item if the new item is purchased during the exemption period;

(7) delivery charges, including shipping, handling and service charges, are part of the sales price of eligible property. For the purpose of determining the price threshold, if all the property in a shipment qualifies as eligible property and the sales price for each item in the shipment is within the price threshold, then the seller does not have to allocate the delivery, handling or service charge to determine if the price threshold is exceeded. The shipment will be considered a sale of eligible products. If the shipment includes eligible property and taxable property, including an eligible item with a sales price in excess of the price threshold, the seller should allocate the delivery charge by using:

(A) A percentage based on the total sales prices of the taxable property compared to the total sales prices of all property in the shipment; or

(B) a percentage based on the total weight of the taxable property compared to the total weight of all property in the shipment; and

(C) the seller must tax the percentage of the delivery charge allocated to the taxable property but does not have to tax the percentage allocated to the eligible property;

(8) for the purpose of an exemption, eligible property qualifies for the exemption if:

(A) The item is both delivered to and paid for by the customer during the exemption period ; or

(B) the customer orders and pays for the item and the seller accepts the order during the exemption period for immediate shipment, even if delivery is made after the exemption period. The seller accepts an order when the seller has taken action to fill the order for immediate shipment.

Actions to fill an order include placement of an in date stamp on a mail order or assignment of an order number to a telephone order. An order is for immediate shipment when the customer does not request delayed shipment. An order is for immediate shipment notwithstanding that the shipment may be delayed because of a backlog of orders or because stock is currently unavailable to, or on back order by, the seller;

(9) for a 60-day period immediately after the exemption period, when a customer returns a item that would qualify for the exemption, no credit for or refund of sales tax shall be given unless the customer provides a receipt or invoice that shows tax was paid, or the seller has sufficient documentation to show that tax was paid on the specific item. This 60-day period is set solely for the purpose of designating a time period during which the customer must provide documentation that shows that sales tax was paid on returned merchandise. The 60-day period is not intended to change a seller's policy on the time period during which the seller will accept returns; and

(10) the time zone of the seller's location determines the authorized time period for a sales tax holiday when the purchaser is located in one time zone and a seller is located in another.