

Approved: February 12, 2007

Date

MINUTES OF THE HOUSE GOVERNMENT EFFICIENCY AND TECHNOLOGY COMMITTEE

The meeting was called to order by Chairman Jim Morrison at 3:45 P.M. on February 7, 2007, in Room 526-S of the Capitol.

All members were present except Representatives Wilk, Frownfelter, Ruiz, Siegfried, Holland, and Tapanelli, all of whom were excused.

Committee staff present:

Mary Galligan, Kansas Legislative Research  
Tatiana Lin, Kansas Legislative Research  
Renaee Jefferies, Office of Revisor of Statutes  
Gary Deeter, Committee Assistant

Conferees appearing before the committee:

Karl Peterjohn, Kansas Taxpayers Network  
Joan Wagon, Secretary, Kansas Department of Revenue  
Alan Cobb, State Director, Americans for Prosperity

Others attending:

See attached list.

The Chair announced the appointment of a sub-committee to examine reports from the Kansas Board of Regents in relation to the sharing of Information Technology (IT) resources: Representative McLeland as Chair and Representatives King, Swenson, Loganbill, and McLachlan as members.

The minutes for February 5 and February 6 were approved. (Motion, Representative McLachlan; second, Representative Sloan)

The Chair opened the hearing on **HB 2207** -creating the taxpayer transparency act.

Karl Peterjohn, representing the Kansas Taxpayers Network, discussed the bill in positive terms, saying it would provide clarity and accountability to state government and would enhance the open meetings/open records act to make information more readily accessible to every Kansas citizen (Attachment 1).

Joan Wagon, Secretary, Kansas Department of Revenue (KDOR), expressed support for the bill's intent, saying that the department makes available all information that is not statutorily protected (Attachment 2). She noted her concern with the bill: that details associated with income tax returns (refunds, rebates, credits) and excise taxes are confidential and cannot be disclosed, although aggregate information is available on the agency's website. She stated that the only detailed tax information publicly available occurs when a company approaches the legislature asking for special tax consideration, thereby opening its books to public scrutiny. She recommended deleting the amendatory language in section 3 and its reference to section 2 (a) (2) (D).

## CONTINUATION SHEET

MINUTES OF THE House Government Efficiency and Technology Committee at 3:30 P.M. on February 7, 2007, in Room 526-S of the Capitol.

A member commented that disclosing personal or business information could dissuade businesses from coming to the state. Ms. Wagnon suggested that the Information Network of Kansas (Kansas.gov) could serve as a central point of entry for what the bill intends to create. Responding to a question, Ms. Wagnon said state employee salaries, reimbursements, even phone records are currently public information. She replied that the department's information presently available is voluminous.

Mr. Peterjohn commented that a website like Google can sort through huge amounts of data to respond to an individual's queries.

A member, citing the Appropriations Committee's need to know remodeling costs, said detailed information needs to be more readily accessible. The Chair suggested the need for a Google model for state government.

Alan Cobb, representing Americans for Prosperity, offered support for the bill while noting that the section on confidentiality should be deleted (Attachment 3). Observing that the bill gives taxpayers a tool to understand where and how their money is being spent, he stated that often data are available but not easy to find, citing the costs of construction for the Curtis State Office Building and renovations for the Eisenhower State Office Building, information shown in SGF (State General Fund) expenditures, but not always under All Funds. He commented that the bill is modeled after a federal proposal, which sought to correct earmarking abuses in the appropriations process.

The Chair stated that, when all committees become electronic, the need for tracking information will be paramount. Mr. Cobb cited block grant information as available, but with fragmented accessibility; he said a simple database could link the information. A member expressed a desire to sort information so that a person is not overwhelmed by data. Another member noted the importance of having data readily available for those who want it and accessible on a flexible, comprehensive, text-searchable website.

Referencing Ms. Wagnon's suggestion to delete section 3, Mr. Cobb suggested deleting (D) and (E) on page one as well. Ms. Wagnon commented that most state government information is available and that a comprehensive search engine and thorough indexing would address the intent of the bill.

The hearing was closed on **HB 2207**.

The meeting was adjourned at 4:45 p.m. The next meeting is scheduled for Thursday, February 8, 2007.



**KANSAS TAXPAYERS NETWORK**

**P.O. Box 20050**  
**Wichita, KS 67208**  
February 7, 2007

**web:www.kansastaxpayers.com**

**316-684-0082**  
**Fax 316-684-7527**

**Testimony Supporting HB 2207**  
By Karl Peterjohn, Executive Director

Taxpayers need to know that the billions of dollars being spent by the state are actually being spent in a proper and useful manner. Accountability for these billions is needed with the state's General Fund budget at \$6 billion and its All Funds budget exceeding \$12 billion next year. HB 2207 would be a positive step in helping achieve these informational goals by providing an online presence for state spending that currently does not exist today.

That would provide clarity as well as accountability. This would be helpful since many taxpayers find it tough to figure out the financial situation of the state. State spending is a huge factor affecting life in Kansas. The elected officials who appropriate money as well as the elected officials who administer these budgets must work to make sure that state funds are spent efficiently and effectively.

The state's expenditures need to be fully aired and readily available for the average Kansan to see and review. HB 2207 would provide spending clarity that is currently missing. A couple of years ago there was news coverage and the resulting public discussion about the wasteful state purchases of automobiles that were not needed.

That was a case of wasteful fiscal spending that was found. Were there others? Kansas taxpayers hope not, but I for one, do not know. HB 2207 would be a useful tool in examining the actual spending activities in this state.

Today there are communication and documentation enhancements that now exist that could not even be envisioned a generation ago. The ability of people to access and use information is increasing at an incredible pace. The number of people who can use this new technology and information is growing. HB 2207 would help the people of Kansas take advantage of this technology and put it to use.

This bill is an enhancement of the open meetings/open records act to make this information more accessible for every Kansan with an interest in the activities of their government. This is an important step forward that follows similar efforts in other states as well as in Washington. Kansas needs to keep pace with this information technology revolution that is going on all around us.

That is why the Kansas Taxpayers Network urges this committee to report HB 2207 favorable for passage.

*Attachment 1*  
*GET 2-7-07*



Kathleen Sebelius, Governor  
Joan Wagnon, Secretary

www.ksrevenue.org

Testimony to the House Committee on Governmental Efficiency and Technology

Joan Wagnon

February 7, 2007

**Department Concerns with House Bill 2207**

Representative Morrison, Chair, and Members of the Committee:

House Bill 2207 proposes to create the Taxpayer Transparency Act, which appears intended to require the Department of Revenue to provide to the Department of Administration for posting on a website information on certain "tax refunds, rebates or credits," including the name and address of the recipient, type of transaction, expending agency, etc. Section 2(a)(2)(D) appears to exclude information on income tax refunds, rebates and credits, but references the wrong statutes, K.S.A. 79-1701, 79-1702 and 79-1705, which concern certain property tax refunds. Thus, it is not clear which types of tax information are intended to be disclosed.

Although Subsection 2(e) provides that nothing in the act "shall require the disclosure of information which is considered confidential by state or federal law," Section 3 seems intended to amend the confidentiality statute concerning excise tax information, K.S.A. 2006 Supp. 75-5133, to allow the Department of Revenue to disclose for website publication individual taxpayer excise tax information on tax refunds, rebates or credits. The proposed amending language at page 4, lines 35 through 37 of the bill references subsections (b) and (d) of section 1 of the bill, when it appears that "section 2" was intended. Assuming that error is corrected, this remains very bad policy and will cause an uproar in the business community. Taxpayers rely on the Department to keep their specific taxpayer information confidential. It is one of the foundations of our tax system. Our largest excise tax is the sales tax. Other excise taxes include cigarette, tobacco products, cereal malt beverage, liquor gallonage, liquor enforcement, liquor drink, severance taxes, and others. Individual taxpayer information concerning these excise taxes, or any other taxes, should not be disclosed. The attempt to amend K.S.A. 2006 Supp. 75-5133 in Section 3 should be deleted from this bill.

The Department of Revenue currently publishes in downloadable form on our website [www.ksrevenue.org](http://www.ksrevenue.org) under the "statistics" window, the Annual Report and the Tax Expenditure Report, both of which include refund and credit statistics on various tax types. This is public data and does not include any individual taxpayer information. The Department of Revenue would be pleased to provide these reports and work with the Department of Administration to make these reports, or other tax reports containing

OFFICE OF THE SECRETARY  
Docking State Office Building, 915 SW Harrison St., Topeka, KS 66612-1588  
Voice 785-296-3041 Fax 785-296-7928 <http://www.ksrevenue.org/>

Attachment 2  
GE+T 2-7-07

public information that we produce, accessible through website links.



# AMERICANS FOR PROSPERITY K A N S A S

February 7, 2007

Chairman Morrison and members of the committee,

I am Alan Cobb, Kansas State Director of Americans for Prosperity, a free market grassroots public policy group with more than 6,500 members in Kansas.

We are here in full support of HB 2207.

Taxpayers deserve to know how their money is being spent. Traditional budget publications are not only very difficult for ordinary taxpayers to understand; they are also often inaccessible and contain incomplete information. Creating a modern, searchable, on-line database will leverage technology that most Kansans already use and understand to make information about state spending widely accessible.

This bill is similar to recently passed federal legislation, under which a comprehensive database of federal spending is being built. If technology can make the federal budget understandable for ordinary taxpayers, surely it can do the same thing for our state budget.

Giving taxpayers this tool to understand where and how their money is being spent will make state government more accountable and reduce waste, fraud, and abuse. An opaque spending process creates the perception, or possible reality, of legislators or bureaucrats use the state budget to fund unnecessary, wasteful, or even corrupt programs, confident that most Kansans will never know about it.

This database will help eliminate any perception of impropriety by ensuring that all awards of state funds are subject to public scrutiny. It will also, even when there is no perceived wrongdoing, allow taxpayers to hold the government to higher standards, reviewing exactly how money is being spent and proposing more effective or efficient uses of state dollars. By making the details of spending available to the public, the state can leverage the expertise and ideas of engaged citizens who can, at their own convenience, evaluate the data and provide feedback to legislators and grassroots groups, such as ours, that work on fiscal issues.

Transparent government is good government. Good government has nothing to hide from the taxpayers that fund it and is open to input from those taxpayers on how to constantly improve as stewards of their hard-earned tax dollars.

Every public company in America is required to regularly publish volumes of information about how shareholder dollars are spent. Taxpayers should receive no lower standard of disclosure regarding how their tax dollars are spent. Indeed because taxation is mandatory, the standards for disclosure should be higher, because information is critical to citizen engagement on policy change. A shareholder who thinks a company has inadequate disclosure can always sell his or her shares; a taxpayer has no such recourse.

2348 SW Topeka, Suite 201 Topeka, Kansas 66611  
785-354-4237 785-354-4239 FAX  
www.afpks.org

*Attachment 3  
6E+7 2-7-07*