

Approved April 11, 2002  
Date

MINUTES OF THE HOUSE COMMITTEE ON TAXATION

The meeting was called to order by Chairman Edmonds at 9:00 a.m. on March 22, 2002 in Room 519-S of the Capitol.

All members were present except: Representative Mays, excused  
Representative T. Powell, excused  
Representative Powers, excused  
Representative Sharp, excused

Committee staff present: Chris Courtwright, Legislative Research Department  
April Holman, Legislative Research Department  
Don Hayward, Revisor  
Winnie Crapson, Secretary

Conferrees appearing before the Committee: Representative Merrick  
Representative Bethell

Others Attending: See attached list.

By unanimous consent bill will be introduced as requested by Representative Holmes to amend K.S.A. 55-102 to allow the Kansas Corporation Commission to regulate by order, rule or regulation the venting of coal methane gas. [HB 3031 - Authorizing venting, flaring or other use of certain natural gas]

The Committee considered HB 2878 - Blue Valley recreation system.

Representative Merrick presented an amendment to address concerns raised at the hearing March 20 (Attachment #1). The amendment would add the following language as Section 2:

“In the event the authority of a recreation commission is revoked pursuant to this subsection, the taxing authority may continue to levy a tax in the manner prescribed by the petition language for the purpose of paying any outstanding obligations of the recreation commission which exist on the date such recreation commission is revoked. The authority to levy a tax for this purpose shall continue only as long as such outstanding obligations exist.”

**Representative Gatewood moved, Representative L. Powell seconded, that the proposed amendment be adopted. Motion was adopted.**

**Representative L. Powell moved, Representative Palmer seconded, that HB 2878 be reported favorable for passage as amended. Motion was adopted.**

The Committee considered HB 2653 - Certificate of title for antique automobiles.

Chairman Edmonds explained **HB 2653**, introduced in this Committee, was referred to the Transportation Committee for hearing and reported bill favorable for passage. On the House floor problems not adequately addressed were identified. It would have been rereferred to Transportation Committee, but because many members serve on both committees, Chairman Hayzlett acquiesced in reference to the Tax Committee.

Representative Bethell reported for the informal task force which studied changes needed (Representatives Bethell, Levinson and Osborne) recommended **Substitute for HB 2653** (Attachment #2). He described problems securing titles for antique vehicles if parts combined into one vehicle and there was no match between engine number, frame number or other identification for which title had been issued. Presently examination by Motor Vehicle and Highway Patrol is required to establish title. He described various identifying numbers used for titles. When identified by frame number, it is sometimes necessary that the vehicle be in a state of disrepair with the body removed for that number to be visible.

If the title has been lost, a title search is done within the state of Kansas. If none is found, the owner would present a bill of sale and application. Under proposed **Substitute HB 2653** there would be a vehicle check by the Highway Patrol or designee and a more intensive inspection if there is any doubt. The Highway Patrol

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checks numbers for stolen items and does a nationwide title. Representative Osborne explained the proposed bill covers inspections when there are problems with numbers not checking and allows the Highway Patrol to designate someone to do these inspections if they do not have the manpower. An increased fee makes it appropriate for it to be done by such a contractor.

**Moved by Representative Osborne, seconded by Representative Owens, that proposed Substitute HB 2653 be accepted. Motion adopted.**

**Moved by Representative Osborne, seconded by Representative Owens, that Substitute HB 2653 be reported favorable for passage. Motion adopted.**

Consideration was opened on HB 2948 - Income tax credit of historic structure rehabilitation expense on which hearing was held on March 21. Representative Hutchins presented proposed amendment to **HB 2948** (Attachment #3) recommended by Subcommittee (Representatives Hutchins, Chair, Osborne and Flora). Although Fiscal Note last year estimated \$300,000 in loss of revenue through tax credits, the subcommittee believed it would be neutral, taking into account increase in income tax on jobs which would be created and sales tax on materials.

**Representative Hutchins moved, Representative Tafaelli seconded, to amend HB 2948 as proposed. Motion was adopted.**

**Representative Hutchins moved, Representative Osborne seconded, to report HB 2948 favorable for passage as amended. Motion was adopted.**

**Consideration was opened on HB 2706 - Taxpayer Fairness Act of 2002.**

Rep Edmonds presented balloon amendment (Attachment #4) to deal with some concerns of the Secretary of Revenue.

**Representative Palmer moved, Representative Gatewood seconded, that the HB 2706 be amended and indicated by balloon. Motion was adopted.**

Representative Edmonds referred to three bills: **HB 2649** - Rule and regulation authority of secretary of revenue; **HB 2650** - Timing of taxpayer appeals; and **HB 2651** - Sales tax direct fund procedures.

Revisor Hayward said Attorney General suggested **HB 2649** be amended by inserting in line 14 "as provided by law" and striking: "and not inconsistent with the provisions of chapters 41 and 79 of the Kansas Statutes Annotated".

**Representative Hutchins moved, Representative Vickery seconded, that HB 2649 with suggested amendment be amended into HB 2706. Motion was adopted.**

**Representative L. Powell moved, Representative Palmer seconded, that contents of HB 2650 be amended into HB 2706. Motion adopted.**

**Representative Hutchins moved, Representative Owens seconded, to adopt amendment to HB 2651 removing the words "refused or" in line 16, page 1, and amend it into HB 2706. Motion was adopted.**

**Representative Huff moved, Representative Gilbert seconded, to report HB 2706 favorable for passage as amended. Motion adopted.**

Representative Vickery presented report of Subcommittee reviewing BOTA. The Subcommittee recommends the matter be addressed by an interim committee.

**Representative Palmer moved, Representative Huff seconded, that the report of the Subcommittee on BOTA be adopted. Motion carried.**

Meeting adjourned at 9:50 a.m. Next meeting scheduled March 26.