

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Stephen Morris at 10:30 a.m. on March 12, 2003, in Room 123-S of the Capitol.

All members were present except: Senator David Adkins - excused
Senator Paul Feleciano, Jr. - excused

Committee staff present:

Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Chief Fiscal Analyst, Kansas Legislative Research Department
Martha Dorsey, Kansas Legislative Research Department
Melissa Calderwood, Kansas Legislative Research Department
Debra Hollon, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Assistant Revisor of Statutes
Judy Bromich, Administrative Analyst
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Jeremy Anderson, Director of Governmental Affairs, Office of the Governor
Jim Conant, Director, Resource Management, Kansas Department of Revenue
Sheila Walker, Director of Vehicles, Kansas Department of Revenue
Walter Darling, Chief Finance Officer, Kansas Highway Patrol

Others attending: See attached list

Copies of the Kansas Legislative Research Department Budget Analysis Report for FY 2003 and FY 2004 were distributed to the committee.

Subcommittee reports on:

Kansas Department on Commerce and Housing (Attachment 1)

Subcommittee Chairman Kerr reported that the Subcommittee concurs with the recommendation of the Governor for FY 2003.

Subcommittee Chairman Kerr reported that the Subcommittee concurs with the recommendation of the Governor with adjustments and notations for FY 2004.

Senator Downey moved, with a second by Senator Kerr, to amend the subcommittee report in FY 2004 regarding Item No. 3, line 3, following the wording State General Fund, "for vocational and technical schools." Motion carried on a voice vote.

Senator Kerr moved, with a second by Senator Jackson, to adopt the subcommittee budget report on the Kansas Department of Commerce and Housing for the FY 2003 and FY 2004 budget as amended. Motion carried on a voice vote.

Kansas, Inc. (Attachment 2)

Subcommittee Chairman Kerr reported that the Subcommittee concurs with the recommendation of the Governor with adjustment for FY 2003.

CONTINUATION SHEET

Subcommittee Chairman Kerr reported that the Subcommittee concurs with the recommendation of the Governor with adjustments and notations for FY 2004.

Senator Kerr moved, with a second by Senator Jackson, to adopt the subcommittee budget report on the Kansas Inc. for the FY 2003 and FY 2004 budget. Motion carried on a voice vote.

Copies were distributed of the Scope Statement for the Information Network of Kansas: Reviewing Its Revenues, Expenditures, and Administrative Structure (Attachment 3).

Kansas Technology Enterprise Corporation (Attachment 4)

Subcommittee Chairman Kerr reported that the Subcommittee concurs with the recommendation of the Governor with adjustment for FY 2003.

Subcommittee Chairman Kerr reported that the Subcommittee concurs with the recommendation of the Governor with adjustments and notations for FY 2004.

Senator Kerr moved, with a second by Senator Jackson, to adopt the subcommittee budget report on the Kansas Technology Enterprise Corporation for the FY 2003 and FY 2004 budget. Motion carried on a voice vote.

Staff distributed copies of an update on the Economic Development Initiatives Fund (Attachment 5).

Kansas Board of Tax Appeals (Attachment 6)

Subcommittee Chairwoman Schodorf reported that the Subcommittee concurs with the recommendation of the Governor with changes and notations for FY 2003.

Subcommittee Chairwoman Schodorf reported that the Subcommittee concurs with the recommendation of the Governor with notations for FY 2004.

Senator Schodorf moved, with a second by Senator Jackson, to adopt the subcommittee budget report on the Kansas Board of Tax Appeals for the FY 2003 and FY 2004 budget. Motion carried on a voice vote.

Kansas Department of Revenue (Attachment 7)

Subcommittee Chairman Morris reported that the Subcommittee concurs with the recommendation of the Governor with recommended adjustments for FY 2003.

Subcommittee Chairman Morris reported that the Subcommittee concurs with the recommendation of the Governor with adjustments and comments for FY 2004.

Senator Downey moved, with a second by Senator Schodorf, to amend the subcommittee report in FY 2004 regarding Item No. 8, to include an item to have this Committee send a letter to the Congressional delegation expressing concerns about the recently passed Congressional tax legislation and pending legislation that reduces Kansas income tax collections because of linkage. Motion carried on a voice vote.

Senator Schodorf moved, with a second by Senator Downey, to adopt the subcommittee budget report on the Kansas Department of Revenue for the FY 2003 and FY 2004 budget as amended. Motion carried on a voice vote.

Chairman Morris opened the public hearings on:

HB 2192--Increasing fees for drivers' licenses and identification cards

HB 2193--Increasing fees for certificates of title

Staff briefed the committee on the bills.

CONTINUATION SHEET

Jeremy Anderson, Director of Government Affairs, Office of the Governor, testified in support of **HB 2192** and **HB 2193** (Attachment 8). Mr. Anderson explained that both of the bills are necessary parts of the Governor's FY 2004 budget recommendation. Details regarding both bills are found in the written testimony.

Jim Conant, Director of Resource Management, Kansas Department of Revenue, testified in support of **HB 2192** and **HB 2193** (Attachment 9). Mr. Conant mentioned that these bills implement certain fee increases in support of the Governor's budget proposal for funding the Kansas Department of Revenue operations.

Sheila Walker, Director of Vehicles, Kansas Department of Revenue, testified in support of **HB 2192** (Attachment 10) and **HB 2193** (Attachment 11). Ms. Walker explained that **HB 2192** increases the fees to obtain a driver's license or identification card and creates a "photo fee fund" in which photo fees are to be deposited with the Kansas Department of Revenue. She mentioned that **HB 2193** increases the title fee \$2 (from \$8 to \$10) and lifts the sunset on the Kansas Department of Revenue's VIPS/CAMA fee fund as well as the Kansas Highway Patrol's vehicle fee fund.

Mr. Walter Darling, Chief Finance Officer for the Kansas Highway Patrol, testified in support of **HB 2193** (Attachment 12). Mr. Darling mentioned that **HB 2193** makes one change to the financing for the Highway Patrol Fleet Program. He explained that it eliminates the sunset attached to the title fee financing for the program and thus allows the program to continue as established by the 1993 Legislature.

Committee questions and discussion followed. There being no further conferees to come before the meeting, the Chairman closed the public hearings on **HB 2192** and **HB 2193**.

Senator Schodorf moved, with a second by Senator Barone, to recommend **SB 2192** favorable for passage. Motion carried on a roll call vote.

Senator Schodorf moved, with a second by Senator Barone, to recommend favorable **SB 2193** for passage. Motion carried on a roll call vote.

The meeting adjourned at 12:00 noon. The next meeting is scheduled for March 13, 2003.