

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Barbara Allen at 10:40 A.M. on January 31, 2005 in Room 519-S of the Capitol.

All members were present. Senator Schmidt - excused  
Senator Jordan - 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:

Paul Welcome, Johnson County Appraiser  
Kenneth Daniel, Midway Wholesale, Topeka  
Marlee Carpenter, Kansas Chamber of Commerce (KCCI)  
Natalie Bright, Wichita Independent Business Association (WIBA)  
Tony Folsom, Deputy Director, Kansas Department of Revenue (KDOR)  
Bill Waters, Attorney, Kansas Department of Revenue (KDOR)

Others attending:

See attached list.

**SB 126 - Amendment of tax rolls by county appraiser in certain circumstances and payment of tax under protest**

Chairperson Allen called the Committee's attention to the hearing of **SB 126**.

Paul Welcome, Johnson County Appraiser, appeared before the Committee in support of **SB 126** (Attachment 1) and explained the flow-chart (Attachment 2). Mr. Welcome presented an amendment to **SB 126** (Attachment 3).

Written testimony in support was submitted by the Kansas County Appraiser's Association (Attachment 4).

Tony Folsom, KDOR, presented a handout explaining **SB 126**, asking the Committee to consider the amendment (Attachment 5).

**SB 127 - Component parts of certain personal property**

The Chair welcomed Paul Welcome back to Committee. Mr. Welcome appeared as a proponent of **SB 127**, and presented testimony to that effect (Attachment 6).

Chairperson Allen requested that Mr. Welcome furnish the Committee the Allen, Gibbs & Houlik, L. D., court decision to which he referred during his testimony.

Tony Folsom, KDOR, presented to members of the Committee a response to Department of Revenue, Division of Policy and Research, as to the fiscal impact of **SB 127** (Attachment 7). Mr. Folsom stated PVD does agree with the testimony of Johnson County, and supports the adoption of **SB 127**. The Department believes **SB 127** restores legislative intent, clarifying for taxpayers and county appraisers what an "item" is.

Mark Beck, Director PVD, stated **SB 127** would amend K.S.A. 79-201w, the statute that provides a property tax exemption for all commercial and industrial machinery, equipment, materials and supplies with an original retail cost when new of \$400 or less. Mr. Beck stated PVD supports **SB 127**, and believes passage of the bill will restore legislative intent, and clarify the issue for both taxpayers and county appraisers (Attachment 8).

There being no others wishing to testify as a proponent, the Chair moved to the opponents on **SB 127**.

CONTINUATION SHEET

MINUTES OF THE Senate Assessment and Taxation Committee at 10:40 A.M. on January 31, 2005 in Room 519-S of the Capitol.

Kenneth Daniel, Jr., appeared as an opponent to **SB 127**, and submitted testimony to the Committee (Attachment 9).

Testimony in opposition to **SB 127** was presented by Marlee Carpenter, KCCI. Ms. Carpenter stated the bill would reverse a Kansas Court of Appeals case that clarifies the definition of an item for property tax purposes (Attachment 10).

Natalie Bright appeared before the Committee on behalf of the members of WIBA, and presented testimony in opposition to **SB 127** (Attachment 11).

Chairperson Allen asked for any others wishing to testify on **SB 127**. There being none, the Chair closed the hearing on **SB 127**.

The Legislative Research Department furnished the Committee a comparison chart of State and Local Retail Sales Taxes, requested by the Committee at the January 27<sup>th</sup> meeting (Attachment 12).

**Approval of minutes**

Minutes for the January 13<sup>th</sup> meeting were presented for approval. Senator Donovan made a motion to approve the minutes as written, seconded by Senator Jordan, and the motion carried

The meeting adjourned at 11:30 a.m. The next meeting is scheduled for February 1, 2005.