

Approved: March 29, 2012  
(Date)

## MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Richard Carlson at 3:40 pm on Thursday, March 15, 2012, in Room 783 of the Docking State Office Building.

All members were present.

### Committee staff present:

Gordon Self, Office of the Revisor of Statutes  
Scott Wells, Office of the Revisor of Statutes  
Chuck Reimer, Office of the Revisor of Statutes  
Chris Courtwright, Kansas Legislative Research Department  
Chris Sevedge, Kansas Legislative Research Department  
Allen Jeffus, Office Assistant  
Phyllis Fast, Committee Assistant

### Conferees appearing before the Committee:

Larry Baer, Kansas League of Municipalities  
Mary Christopher, Topeka Bar Association  
Representative Anthony Brown, from the 38th District  
Kent Eckles, Kansas Chamber  
Jarrod Kieffer, Wichita Attorney  
Randall Allen, Kansas Association of Counties  
Brad Smoot, Attorney

Others attending: See attached list.

Chairman Carlson opened a hearing on:

### **HB 2763 - Enacting the Kansas economic freedom act of 2014.**

Larry Baer, Kansas League of Municipalities, testified in opposition to **HB 2763** because of local governments' loss of ability to tax at the local level. (Attachment 1) He stood for questions.

Mary Christopher, Topeka attorney representing the Topeka Bar Association, testified in opposition to **HB 2763** by explaining the dilemma of professional services being taxed. (Attachment 2) She stood for questions.

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Written only testimony in opposition to **HB 2763** was presented by: Christy Caldwell, Topeka Chamber of commerce (Attachment 3); Scott Heidner, American Council of Engineering Companies (Attachment 4); Brenda Spender, Friends of Historic Preservation (Attachment 5); Joe Molina, Kansas Bar Association (Attachment 6); Bernie Koch, Kansas Economic Progress Council (Attachment 7); Jennifer Bruning, Overland Park Chamber of Commerce (Attachment 8); Randall Allen, Kansas Association of Counties (Attachment 9); Martha Neu Smith, Kansas Manufactured Housing Association (Attachment 10); Liz Post, League of Women Voters of Kansas (Attachment 11); Chris Wilson, Kansas Council for Affordable & Rural Housing (Attachment 12); Stephen Krantz, Sutherland (Attachment 13); Aron Cromwell, Lawrence Mayor (Attachment 14); Callie Denton, Kansas Association for Justice (Attachment 15); James Hall, American Council of Life Insurers (Attachment 16); Trudy Racine, Kansas Children's Service League (Attachment 17); and Kent Eckles, Kansas Chamber (Attachment 18).

After all questions were answered, Chairman closed the hearing on **HB 2763**.

Chairman Carlson sought additional testimony and discussion on:

**HB 2501 - Property taxation; defining real and personal property.**

Kent Eckles, Kansas Chamber, provided a balloon amendment in hopes of providing uniform definitions for both real and personal property concerning taxation. (Attachment 19) He also requested a two-year moratorium on counties being able to re-classify personal property as real property until both definitions are clarified. He stood for questions.

Jarrett Keifer, Attorney (associated with Montgomery County court case), explained portions of the court case.

Randall Allen, Kansas Association of Counties, reiterated his position earlier stated in the February 1 hearing, explaining how the definitions could affect property taxes on manufacturing facilities such as refineries, nitrogen plants, grain-handling facilities, gas-processing, etc. (Attachment 20)

Brad Smoot, Attorney (associated with Montgomery County court case) explained portions of the court case. (Attachment 21)

Chairman Carlson suggested all parties associated with proposing the definitions of real and personal property with respect to proper taxation work together to negotiate a compromise.

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Chairman Carlson sought discussion and action on:

**HB 2560 - Reduction of income tax rates for individuals and determination of income, income tax credits, sales tax rate of 6.3%, severance tax exemptions, homestead property tax refunds and food sales tax refunds.**

*(Representative Kelley made a motion to pass **HB 2560** out favorable. Representative Calloway seconded the motion.)*

Representative Anthony Brown, from the 38th District, provided testimony (Attachment 22) to support his request for an amendment to **HB 2560** (Attachment 23).

*(Representative Kelley made a motion to amend **HB 2560**. Representative Donohoe seconded the motion.)* (Attachment 24)

*(Representative Kelley closed on the amendment to **HB 2560**. Motion failed.)*

*(Representative Schwab made a motion to sunset the state income tax on January 1, 2019. Representative Weber seconded the motion. Motion carried)*

*(Representative Dillmore made a motion to table the discussion on **HB 2560**. Representative Frownfelter seconded the motion. Motion failed.)*

*Representative Frownfelter made a motion to eliminate all references to the severance tax in **HB 2560**. Representative Hedke seconded the motion. Motion failed.)*

*(Representative Weber made a motion to remove the elimination of mortgage deductions in **HB 2560**. Representative Goico seconded the motion. Motion carried.)*

*(Representative Kelley closed on her motion to pass **HB 2560** as amended. Motion carried)*

The next meeting of the Committee is not scheduled.

The meeting was adjourned at 5:40 pm.

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