



TESTIMONY OF THE KANSAS ASSOCIATION OF COUNTIES
TO THE SENATE ASSESSMENT & TAXATION COMMITTEE
ON HCR 5017
FEBRUARY 2, 2012

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to testify in support of HCR 5017, a proposed constitutional amendment that changes the way that watercraft is taxed in Kansas. At various times over the past several years our Association has weighed-in on this issue, and generally we have taken a neutral position on this proposal. We believe the policy arguments for taxing boats in Kansas is best left to the legislature.

The new Vehicle Information Processing System (VIPS) developed by the Kansas Department of Revenue creates a new, additional reason to examine this constitutional amendment. We counties anticipate the possibility of assessing taxes or fees on boats in similar fashion to how motor vehicle taxes are imposed and collected. Extending VIPS to include watercraft would create efficiencies and uniformity in taxation and we all agree those are goals worth pursuing.

HCR 5017 would potentially eliminate: 1) the need for watercraft owners to file an annual rendition form with the county appraiser; 2) the need for the Appraiser's office to track all boats, match them with registrations provided by the Department of Wildlife and Parks, value them, and place them on the tax roll; and 3) the need for the County Treasurer to mail tax bills for boats.

Our concern with this legislation has always been that any substitute method of taxation be *revenue neutral*, so as to encourage compliance with the law while at the same time ensuring that revenues are still collected from boats and watercraft in an amount, at minimum, equal to what is currently generated. Otherwise, we would be further narrowing the tax base and shifting the tax burden to other types of property.

Thank you for the opportunity to provide comments on HCR 5017.

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