

## MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 A.M. on April 28, 2006 in Room 514-S of the Capitol.

All members were present.

### Committee staff present:

J. G. Scott, Legislative Research Department  
Becky Krahl, Legislative Research Department  
Matt Spurgin, Legislative Research Department  
Mike Corrigan, Revisor of Statutes  
Nikki Feuerborn, Administrative Assistant  
Shirley Jepson, Committee Secretary

### Conferees appearing before the committee:

Representative Lance Kinzer  
Alan Cobb, Americans for Prosperity  
Karl Peterjohn, Kansas Taxpayers Network  
Natalie Bright, Wichita Independent Business Assoc.  
Gary Brunk, Kansas Action for Children  
Shannon Jones, Big Tent Coalition and State-wide Independent Living Council  
George Lippincott, AARP of Kansas  
Jim Edwards, Kansas Association of School Boards  
Mark Desetti, Kansas-National Educational Association  
Carla James, Kansas Action Network  
Amy Hyten, Topeka Independent Resource Living Center

### Others attending:

See attached list.

- Attachment 1 Testimony by Alan Cobb, Americans for Prosperity
- Attachment 2 Testimony by Karl Peterjohn, Kansas Taxpayers Network
- Attachment 3 Testimony by Natalie Bright, Wichita Independent Business Association
- Attachment 4 Testimony by Gary Brunk, Kansas Action for Children
- Attachment 5 Testimony by Shannon Jones, Statewide Independent Living Council of Kansas
- Attachment 6 Testimony by George Lippincott, AARP
- Attachment 7 Testimony by Jim Edwards, Kansas Association of School Boards
- Attachment 8 Testimony by Mark Desetti, Kansas national Education Association
- Attachment 9 Testimony by Carla James, Kansas Action Network
- Attachment 10 Testimony by Amy Hyten, Topeka Independent Living Resources
- Attachment 11 Written testimony from Terri Roberts, Kansas State Nurses Association
- Attachment 12 Written testimony from Wes Ashton, Overland Park Chamber of Commerce
- Attachment 13 Written testimony from Jon Hauxwell, Tobacco Free Kansas Coalition
- Attachment 14 Written testimony from Kansas Economic Progress Council

### **Hearing on HCR 5043 - Constitutional amendment to require two-thirds majority vote of members of legislature to create a new tax or increase the rate of an existing tax.**

Matt Spurgin, Legislative Research Department, explained that **HCR 5043** would amend section 13 of article 2 of the constitution of the state of Kansas by requiring a two-thirds majority vote of the Legislature for the passage of any tax increase by the state of Kansas.

Chairman Neufeld recognized Representative Kinzer, who appeared as a proponent of the resolution. Representative Kinzer explained that the intent of the resolution is to not allow the Legislature to increase taxes as a way of advancing economic growth in the State unless there is a large consensus within the Legislature to move in this direction. Representative Kinzer stated that the resolution does not prohibit local entities from raising local taxes giving flexibility to these

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entities. Representative Kinzer noted that fees and increase in property appraisals are not addressed by this resolution.

Alan Cobb, Americans for Prosperity, presented testimony in support of **HCR 5043** ([Attachment 1](#)). Responding to questions from the Committee, Mr. Cobb stated that **HCR 5043** pertains to taxation while the Taxpayers' Bill of Rights (TABOR) pertains to spending. Mr. Cobb indicated that the tax structure of the State produces more money than needed noting that a higher percent of income in Kansas goes for taxes than in most states. Mr. Cobb noted that the resolution would require a two-third vote of each chamber of the Legislature to increase taxes. Mr. Cobb stated that there is nothing in the resolution that addresses property tax appraisal noting that this issue would need to be addressed in other ways.

- The Committee requested information on how taxes are raised in other states.

Karl Peterjohn, Executive Director, Kansas Taxpayers Network, presented testimony in support of **HCR 5043** ([Attachment 2](#)). Mr. Peterjohn stated that Kansas is a high taxed state with low per capita income. Mr. Peterjohn noted that the key difference between TABOR and **HCR 5043**, is that the resolution does not have provisions for putting tax increases before the voters. Last year, the growth rate in the state of Kansas was one-half that of the national average, although the State continues to see growth in revenues. The Committee expressed concern for the reason senior citizens are leaving the State as well as college graduates.

Natalie Bright, Wichita Independent Business Association (WIBA), in conjunction with Cliff Sones, presented testimony in support of **HCR 5043** ([Attachment 3](#)). Ms. Bright indicated that they are an association of small business owners. These businesses were surveyed and the results of this survey is included in their testimony. Ms. Bright stated that most small businesses do not qualify for tax abatements provided by the State. Ms. Bright noted that a major issue affecting the small businesses within the State is the Kansas tax burden.

Gary Brunk, Kansas Action for Children, presented testimony in opposition to **HCR 5043** ([Attachment 4](#)). Mr. Brunk noted that the resolution would give a minority the power to block the will of the majority because of the two-third required vote by both chambers of the Legislature.

Shannon Jones, Big Tent Coalition and State-wide Independent Living Council, presented testimony in opposition to **HCR 5043** ([Attachment 5](#)). Ms. Jones stated that the organization represents over 6,000 Kansans. Responding to a statement in Ms. Jones' testimony indicating that social services would have large reductions if state revenues decline, the Committee felt that the Legislature has worked to fund social services in the past and will continue to do so in the future.

George Lippincott, Volunteer Coordinator for Economic Security for the American Association of Retired Persons (AARP), presented testimony in opposition to **HCR 5043** ([Attachment 6](#)). Mr. Lippincott stated that property taxes are a major concern for AARP members and felt the legislation would undermine the quality of schools, weaken the transportation infrastructure and quality of life. Mr. Lippincott noted that there are 350,000 AARP members in Kansas.

Jim Edwards, Kansas Association of School Boards (KASB), presented testimony in opposition to **HCR 5043** ([Attachment 7](#)). Mr. Edwards stated that the resolution does not address tax reductions or decreases.

Mark Desetti, Kansas-National Educational Association (KNEA), presented testimony in opposition to **HCR 5043** ([Attachment 8](#)). Mr. Desetti felt that the resolution removes the majority rule and would increase the financial burden on citizens at the local level.

Carla James, Kansas Action Network, presented testimony in opposition to **HCR 5043** ([Attachment 9](#)). Ms. James indicated that **HCR 5043** would have negative implications for Kansans.

Amy Hyten, Topeka Independent Living Resource Center, Inc., presented testimony in opposition to **HCR 5043** ([Attachment 10](#)). Ms. Hyten stated that the resolution would impose unnecessary barriers on the ability of the Legislature to raise the funds needed for the services and functions of government.

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Written testimony in opposition to **HCR 5043** was received from the following:

Terri Roberts, Kansas State Nurses Association (Attachment 11)

Wes Ashton, Overland Park chamber of Commerce (Attachment 12)

Jon Hauxwell, President, Tobacco Free Kansas Coalition, Inc. (Attachment 13)

Kansas Economic Progress Council (Attachment 14)

**The hearing on HCR 5043 was closed.**

The meeting was adjourned at 11:00 a.m. The next meeting of the Committee will be "on call of the Chairman".

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Melvin Neufeld, Chairman