

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Vice Chairman David Huff at 9:00 A.M. on March 3, 2006 in Room 519-S of the Capitol.

All members were present except:

Representative Kenny Wilk- excused  
Representative Nile Dillmore- excused  
Representative Mario Goico- excused  
Representative Lana Gordon- excused  
Representative Nancy Kirk- excused

Committee staff present:

Chris Courtwright, Legislative Research Department  
Martha Dorsey, Legislative Research Department  
Gordon Self, Revisor of Statutes  
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:

Representative Mark Treaster  
Sheriff Randy Henderson, Reno County  
Doug Lawrence, Representing Crawford County  
Daniel Holub, Marion County Commission  
Brad Smoot, First American Property Information  
Marge Roberson, Harvey County Commission District II  
John L. Carder, City Administrator, The City of Hesston

Others attending:

See attached list.

The Vice Chairman asked for bill introductions.

Brad Smoot, on behalf of First American Property Information, requested a bill introduction of a short amendment to the Kansas Open Records Act. Without objection the bill was introduced (Attachment 1).

Representative O' Malley, on behalf of Senator Allen, requested a bill introduction concerning a sales tax exemption for the non-profit TLC. Without objection, the bill was introduced.

A copy of the 2005 Committee Action Index, with the bills related to sales tax exemptions checked, was distributed (Attachment 1). Vice Chair Huff said that it was Chairman Wilk's intent to review and possibly take action Monday on any of the bills that the Committee wanted to work. He suggested that they take the memo home, review and come prepared for discussion on Monday (Attachment 2).

The Vice Chairman asked Chris Courtwright to brief the committee on **HB 2689, HB 2793, and HB 2960**. He said that they are all local sales tax authority expansion bills.

**HB 2689 - Provisions of the bill would give Crawford county authority to impose a countywide sales tax for the purpose of economic development and public infrastructure improvements. There is a five year sunset on the sales tax.**

The Vice Chairman opened the public hearing on **HB 2689**.

Doug Lawrence, Representative of Crawford County, testified that the county plan is primarily focused on road and bridge improvement, however it has the flexibility for additional infrastructure projects. This legislation simply authorizes the local voters to consider a proposal from the county commission (Attachment 3).

There being no opposition to the bill, Vice Chairman Huff closed the public hearing on **HB 2689**.

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**HB 2793 - The bill would give Reno County the authority to raise their sales tax .25% for the purpose of building a new jail and would sunset in eleven years.**

The Vice Chairman opened the public hearing on **HB 2793**.

Representative Mark Treaster, said there was a difference in the percent of sales tax in the bill and what he believed was the original intent of their requests, which was .25% instead of .50%. He introduced Sheriff Randy Henderson, from Reno County to explain the need for the increased sales tax (Attachment 4).

Sheriff Randy Henderson, explained that the current two facilities do not meet the security needs of the community. The Reno County Commission and Hutchinson Kansas City Council have decided it is time to address those concerns for inmate security and staff safety and security by building a new Justice Center (Attachment 5).

There being no opposition to the bill, Vice Chairman Huff closed the public hearing on **HB 2793**.

**HB 2960 - Would grant Marion County a .5% sales tax increase above its current authority, for the purpose of financing a Law Enforcement Center Facility; thus allowing their governing body to submit this option to their electorate.**

Daniel Holub, Marion County Commission said that Marion County is in critical need of a new Law Enforcement Center Facility. On behalf of Marion County, Mr. Holub requested a 1.5% increase in sales tax authority. **HB 2960** would give them the opportunity to present the option of a sales tax increase for the purpose of financing a new facility, to their electorate (Attachment 6).

There being no opposition to the bill, Vice Chairman Huff closed the public hearing on **HB 2960**.

The Vice Chair hearing no objections to work the three bills they just heard, opened discussion on the bills for possible action.

Representative Thull moved that **HB 2793, HB 2960** be amended into **HB 2689** as a substitute bill, to include additional language of "up to" .50% for Reno County and an increase of 1.5% for Marion County. The Committee would grant the revisor the authority to amend the appropriate versions of KSA 12-187 and 12-189, in the substitute bill.. Representative Menghini seconded the motion. The motion passed.

Representative Thull offered an amendment to **HB 2689**, that would permit Harvey County to impose a .1% sales tax, for the purpose of property tax relief, infrastructure and economic development. Representative Owen seconded the motion.

The Vice Chairman deferred to Marge Roberson, Chairperson of the Harvey County Commission, explained the process the seven cities in Harvey County to reach consensus on an acceptable solution to a tax increase for the county that would be used primarily for property tax relief in the rural areas (Attachment 7).

John L. Carder, City Administrator, The city of Hesston, said that Harvey County is a very unique county, wherein all parties have consistently, throughout history, put the needs of the entire area before any one particular city. They have reached consensus on this proposed countywide sales tax increase and believe that this is a win-win situation for all parties (No written testimony).

Representative Thull closed on his amendment to include the request from Harvey County . The motion passed.

Representative Owens recommended that they move **Substitute HB 2689** out favorable for passage, as amended. Representative Menghini seconded the motion. The motion carried.

A memo on Proposed Amendments to **HB 2601** - Amendments for Conformity with Streamlined

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Sales and Tax Agreement was distributed (Attachment 8).

The meeting adjourned at 10:05 A. M. The next meeting is March 6, 2006 at 10:00 A.M.