

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Pete Brungardt at 10:30 a.m. on March 13, 2008 in Room 526-S of the Capitol.

All members were present.

Committee staff present:

Kathie Sparks, Kansas Legislative Research Department
Dennis Hodgins, Kansas Legislative Research Department
Melissa Doeblin, Revisor of Statutes Office
Theresa Kiernan, Revisor of Statutes Office
Connie Burns, Committee Assistant

Conferees appearing before the committee:

Dorothea Riley, KUTAK ROCK LLP
Mike Taylor, Unified Government Wyandotte County
Larry Baer, League of Kansas Municipalities
Don Moler, League of Kansas Municipalities
Matt Shatto, City of Lenexa
Mike Taylor, Unified Government Wyandotte County
Philip Bradley, Kansas Licensed Beverage Association

Others attending:

See attached list.

Senator Reitz requested a bill introduction concerning criminal procedure; relating to the consolidation of community corrections and court services in certain judicial districts.

Senator Reitz moved that this request should be introduced as a committee bill. Senator Vratil seconded the motion. The motion carried.

SB 647 - Special assessments in transportation development districts

Chairman Brungardt opened the hearing on **SB 647**

Dorothea Riley, KUTAK ROCK LLP, appeared in favor of the bill. (Attachment 1) The bill will accomplish:

1. Permit the transportation development district sales tax ("TDD Sales Tax") to be used to offset assessments against property in a transportation development district
2. To permit the use of TDD Sales Tax to pay the cost of projects authorized under the transportation development district act, without the necessity of issuing bonds.

Mike Taylor, Public Relations Director, Unified Government Wyandotte County, Kansas City, Kansas, spoke in favor of the bill. (Attachment 2) The bill will help taxpayers by allowing their local governments efficient and effective options in implementing Transportation Development Districts (TDD) and will allow the use of special assessments to finance the TDD until retailers coming into the new development are actually up and running and generating sales tax pledged to pay off the improvements.

Larry Baer, Assistant General Counsel, League of Kansas Municipalities, appeared in favor of the bill. (Attachment 3) The bill would allow cities the flexibility to annually adjust the special assessment amount to take into account actual TDD sales tax collections and add flexibility and practicality (stop collecting when adequate funds are on hand to service the deptmart) to the TDD Act. The league supports the bill and encourages the support of the bill and that it be passed out favorably.

Erik Sartorius, The City of Overland Park, provided written testimony in favor of the bill. (Attachment 4)

Ashley Sherard, Vice-President, Lenexa Chamber of Commerce, provided written testimony in support of the bill. (Attachment 5)

Chairman Brungardt closed the hearing on **SB 647**

CONTINUATION SHEET

MINUTES OF THE Senate Federal and State Affairs Committee at 10:30 a.m. on March 13, 2008 in Room 526-S of the Capitol.

SB 675 - Cities; fee authorized for credit card use

Chairman Brungardt opened the hearing on **SB 675**

Don Moler, Executive Director, League of Kansas Municipalities, appeared in support of the bill. (Attachment 6) The need for the bill became apparent after a number of legal inquiries that cities received regarding the use of credit cards to collect fees, taxes, and utility bills. The State of Kansas has authorized the State government and county governments to pass on a surcharge when someone wants to use a credit card for purposes of paying taxes and other fees in KSA 79-2973. Cities are asking for the same consideration that has already been granted to the State, counties, community colleges, and local school boards. In addition, this bill will help to clarify the law so that it may be consistently applied.

Matt Shatto, Assistant City Administrator, The City of Lenexa, spoke in favor of the bill. (Attachment 7) The bill was introduced in an effort to allow cities the same flexibility granted to counties and the State to pass service fees for credit and debit card payments through to the consumer. Each year the City pays approximately \$33,000 in service fees for accepting credit and debit card payments. The City supports this legislation which will allow fees to be charged directly to the consumer, eliminating the need for general taxpayers to subsidize utilization of electronic payment options.

Mike Taylor, Public Relations Director, Unified Government Wyandotte County, Kansas City, Kansas, spoke in support of the bill. (Attachment 8) The bill allows cities the same flexibility as the state, counties, community colleges and schools to pass service fees for credit card and debit card payments on to the consumer instead of having taxpayers at large pick up the tab.

Erik Sartorius, The City of Overland Park, provided written testimony in favor of the bill. (Attachment 9)

Philip Bradley, Kansas Licensed Beverage Association, stated that private businesses are not allowed to pass on the fees due to the contract with credit card companies, but that businesses could raise their prices to include the cost.

Chairman Brungardt closed the hearing on **SB 675**

Final Action:

SB 647 - Special assessments in transportation development districts

Senator Vratil moved to pass SB 647 out favorably. Senator Reitz seconded the motion. The motion carried.

SB 675 - Cities; fee authorized for credit card use

Senator Barnett moved to adopt the amendment conceptually to modify the amount and notify the consumer of the transaction if paid by credit card. Senator Reitz seconded the motion. The motion carried.

Senator Barnett moved to pass SB 675 out favorably as amended. Senator Brownlee seconded the motion.

The committee discussed the amended language and will wait for the printed version.

The motion to pass the bill as amended and the second was withdrawn.

The meeting was adjourned at 11:15 am. The next scheduled meeting is March 18, 2008.