

STATE OF KANSAS

VIRGIL PECK, JR.

REPRESENTATIVE, DISTRICT 12

BOX 277

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TOPEKA, KANSAS 66612

(785) 296-7641



COMMITTEE ASSIGNMENTS:

CHAIRMAN: TRANSPORTATION AND
PUBLIC SAFETY BUDGET

MEMBER: APPROPRIATIONS
GENERAL GOVERNMENT
BUDGET
LEGISLATIVE POST AUDIT

HOUSE OF REPRESENTATIVES

Mr. Chairman and committee members, I appreciate the opportunity to appear before you to provide testimony regarding HB2136.

If you will remember, I asked the committee to introduce HB2136 as an alternate to other tax proposals the Legislature would be discussing this session. When I asked for the bill introduction, I failed to mention one important provision I intended to be a part of HB2136. That provision is a sunset.

HB2136 would allow the current sales tax rate of 6.3% to drop to 5.7% starting July 1, 2013, as is current law. But, rather than four-tenths, (or as the bill reads, 18.421%) going to the State Highway Fund (KDOT), that money would go to the State General Fund. This would provide around \$170 million to help fill the projected budget deficit in FY '14.

Over the past 10-15 years the Legislature has transferred around \$1.5 Billion from KDOT's budget. I believe HB2136 is a more intellectually honest method of working to balance the budget than the way it has been done in the past; when we gave money to KDOT and then took it back. Again I am suggesting this for only two or three years. Therefore, I would urge an amendment to establish a sunset date of no later than June 30, 2016.

I've read editorials, got e-mails, and received phone messages saying the Legislature should not break our promise and/or should not take money from KDOT. HB2136 would not "take" money from KDOT - it would never give it to them.

You will hear that a transportation plan creates jobs - I disagree. A transportation plan preserves not creates jobs. I have insurance policy holders who work for road construction companies. They tell me they are employed during a construction project, laid-off when it is completed, draw unemployment until the next construction job comes along, and then are hired back for the "new" job (jobs created?).

Now about the Legislature breaking promises: You have before you a page from the CCR for 2002 SB39, as well as a page from the House and Senate Journals from 2002 showing who voted how. 2002 SB39 "temporarily" increased the sales tax rate from 4.9% to 5.3%.

Also in front of you is a CCR on 2004 SB384 and pages from the 2004 House and Senate Journals showing the votes on SB384. 2004 SB384 made the "temporary" 5.3% sales tax rate permanent and diverted over \$200 million per year from the State Highway Fund. But I guess that didn't break a promise or take money away from KDOT. In truth, we know that one legislature cannot bind future legislatures; each legislature must do what they deem best for their time in history.

I ask the House Taxation Committee for serious consideration for HB2136. If HB2136 isn't the right bill, let's work together to find the proper solution to balance the budget and do good things for Kansas citizens.

I'll stand for questions.

FISCAL IMPACT - SENATE SUBSTITUTE FOR HOUSE BILL 2360 as Amended by the Senate Committee of the Whole

(\$ in millions)

Sales/Use Tax Increase:

Increase Sales/Use Tax Rate from 5.3% to 6.3% on 7/1/10; Rate falls to 5.7% on 7/1/13; State Highway Fund receives \$19.3 million in FY 2011, and \$21.0 million for FY 2012 and FY 2013. State Highway Fund gets all of excess above 5.3% beginning in FY 2014.

State General Fund Diversion of Sales Tax Revenue for Intermodal

Expand Food Sales Tax Rebate Program to \$35,000 and Increase Refund Amounts to \$45/\$90

Expand Earned Income Tax Credit (EITC) from 17 to 18 Percent of Federal EITC

	State General Fund	State Highway Fund	Total	State General Fund	State General Fund	State General Fund	Total State General Fund	Total State Highway Fund	Grand Total All Funds
FY 2011	\$ 318.659	\$ 20.427	\$ 339.086	\$ (0.023)	\$ (10.900)	\$ (4.100)	\$ 303.636	\$ 20.427	\$ 324.063
FY 2012	367.504	21.000	388.504	(0.083)	(11.445)	(3.900)	352.076	21.000	373.076
FY 2013	381.102	21.000	402.102	(0.208)	(12.017)	(4.000)	364.877	21.000	385.877
FY 2014	29.399	171.967	201.366	(0.387)	(12.618)	0.000	16.394	171.967	188.361
FY 2015	0.000	189.526	189.526	(0.538)	(13.249)	0.000	(13.787)	189.526	175.739
5-yr total	\$ 1,096.664	\$ 423.920	\$ 1,520.584	\$ (1.239)	\$ (60.229)	\$ (12.000)	\$ 1,023.196	\$ 423.920	\$ 1,447.116

REVISED FRONT PAGE/REVISED FISCAL NOTE
SESSION OF 2002

CONFERENCE COMMITTEE REPORT
SENATE BILL NO. 39

As Agreed to May 16, 2002

Brief *

SB 39, as amended, would provide a number of revenue enhancements from which the new revenues would be deposited in the State General Fund (SGF). The bill also would provide for several tax reductions, including an expansion of the business machinery and equipment income tax credit for property taxes paid; an extension of that credit to railroads; a special corporation income tax apportionment formula for investment funds service corporations; and a package of incentives for tire manufacturers and retreaders that includes a provision authorizing that debt service on Kansas Development Finance Authority bonds be paid by utilizing up to 75 percent of employee withholding taxes.

- **Sales Tax.** The state sales and compensating (use) tax rate would be increased from 4.9 to 5.3 percent, effective July 1, 2002. The rates would then be reduced to 5.2 percent on July 1, 2004; and to 5.0 percent on July 1, 2005.
- **Cigarette Tax.** The cigarette tax would be increased from 24 cents per pack to 70 cents per pack, effective July 1, 2002. The cigarette tax would be further increased to 79 cents per pack on January 1, 2003. A "floor" or inventory tax equivalent to the increases also would be imposed. An adjustment would be made to the dealers' discount percentage to assure that all new revenues would be deposited in the SGF.
- **Class C Inheritance Tax Reimposition.** For estates of decedents dying on or after the effective date of this section (publication in the Kansas Register), an inheritance tax would be imposed on interests received by "Class C" beneficiaries (generally, persons other than lineal ascendants or descendants and

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(\$ in millions)

FY	Lee Floor Amendment		Class C Inheritance		SB 553 use value		SB 553 use value		SB 553 use value		Bus M&E Credit to year		Bus M&E Railroads		EITC Increase		USD Loc Eff		St Bldg Funds		Sales Tax Exempt		Total This Package
	Use to 5.3% 7/1/02 to 5.2% 7/1/04 and to 5.0% 7/1/05	and incr \$ to \$36 and \$72 starting in fy 2002	Sen COW HB 2030 Good-year	Reimposition Effective KS Register	Cigs to .70 cent/pack 7/1/02; to .79 cents/pack 1/1/03	SB 501 W & Reed	SB 575 Withdn	Inc Tax	SB 553 School Finance Local Effort	SB 553 cap rate	SB 553 use value	SB 553 use value	SB 553 use value	SB 553 use value	SB 553 use value	SB 553 use value	SB 553 use value	SB 553 use value	SB 553 use value	SB 553 use value	SB 553 use value	SB 553 use value	
2003	\$140,232	\$(5,650)	---	\$15,000	\$81,618	\$(2,000)	\$0,500	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	\$252,140
2004	\$158,365	\$(6,300)	\$(0,949)	\$20,600	\$103,300	\$(4,000)	---	\$(0,540)	\$(0,041)	---	---	---	---	---	---	---	---	---	---	---	---	---	\$294,630
2005	\$126,137	\$(7,000)	\$(0,949)	\$21,218	\$103,300	\$(4,000)	---	\$(0,898)	\$(0,067)	---	---	---	---	---	---	---	---	---	---	---	---	---	\$262,631
2006	\$49,644	\$(7,700)	\$(0,949)	\$21,855	\$103,300	\$(4,000)	---	\$(0,898)	\$(0,067)	\$(10,737)	---	---	---	---	---	---	---	---	---	---	---	---	\$174,263
2007	\$44,376	\$(8,500)	\$(0,949)	\$22,510	\$103,300	\$(4,000)	---	\$(0,898)	\$(0,067)	\$(11,810)	---	---	---	---	---	---	---	---	---	---	---	---	\$168,615
5-Yr Total	\$518,754	\$(35,150)	\$(3,796)	\$101,183	\$494,818	\$(18,000)	\$0,500	\$(3,234)	\$(0,242)	\$(22,547)	---	---	---	---	---	---	---	---	---	---	---	---	\$1,152,279

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be applicable to the statement of foreign qualification of any foreign limited liability partnership which fails to file its annual report or pay the franchise tax within 90 days of the time prescribed in this section for filing and paying the same. Whenever the statement of foreign qualification of a foreign limited liability partnership is forfeited for failure to file an annual report or to pay the required franchise tax, the statement of foreign qualification of the foreign limited liability partnership may be reinstated by filing a certificate of reinstatement, in the manner and form to be prescribed by the secretary of state and paying to the secretary of state all fees and taxes, including any penalties thereon, due to the state. The fee for filing a certificate of reinstatement shall be the same as that prescribed by K.S.A. 17-7506, and amendments thereto, for filing a certificate of extension, restoration, renewal or revival of a corporation's articles of incorporation.

Sec. 50. On and after July 1, 2002, K.S.A. 2001 Supp. 56a-1203 is hereby amended to read as follows: 56a-1203. No limited liability partnership or foreign limited liability partnership shall be required to file its first annual report under this act, or pay any annual franchise tax required to accompany such report, unless such partnership has filed its statement of qualification or foreign qualification at least six months prior to the last day of its tax period. If any such partnership files with the secretary of state a notice of change in its tax period and the next annual report filed by such partnership subsequent to such notice is based on a tax period of less than 12 months, the annual tax liability shall be determined by multiplying the annual franchise tax liability for such year by a fraction, the numerator of which is the number of months or any portion thereof covered by the annual report and the denominator of which is 12, except that the tax shall not be less than \$20 \$40.

Sec. 51. On and after July 1, 2002, K.S.A. 17-4634, 17-7507, 79-3310 and 79-3312 and K.S.A. 2001 Supp. 17-2036, 17-7503, 17-7504, 17-7505, 17-76,139, 56-1a606, 56-1a607, 56a-1201, 56a-1202, 56a-1203, 79-3311, 79-3603, 79-3603, as amended by section 1 of 2002 Senate Bill No. 372, 79-3620, 79-3635, 79-3703 and 79-3710 are hereby repealed.

Sec. 52. K.S.A. 12-187, 12-189, 12-189e, 79-2401a, 79-2803a, 79-3226, 79-3271 and 79-3279 and K.S.A. 2001 Supp. 79-201w, 79-1476, 79-3295, 79-32,100a, 79-32,205, 79-32,206 and 79-32,211 are hereby repealed.

Sec. 53. This act shall take effect and be in force from and after its publication in the Kansas register.;

In the title, in line 14, by striking all after "to"; by striking all in lines 15 through 17 and by inserting the following: "taxation; amending K.S.A. 12-187, 12-189, 17-4634, 17-7507, 79-2401a, 79-2803a, 79-3226, 79-3271, 79-3279, 79-3310 and 79-3312 and K.S.A. 2001 Supp. 17-2036, 17-7503, 17-7504, 17-7505, 17-76,139, 56-1a606, 56-1a607, 56a-1201, 56a-1202, 56a-1203, 79-201w, 79-1476, 79-3295, 79-32,100a, 79-32,205, 79-32,206, 79-32,211, 79-3311, 79-3603, 79-3620, 79-3635, 79-3703 and 79-3710 and repealing the existing sections; also repealing K.S.A. 12-189e and K.S.A. 2001 Supp. 79-3603, as amended by section 1 of 2002 Senate Bill No. 372.;"

And your committee on conference recommends the adoption of this report.

JOHN T. EDMONDS
DAVID HUFF
Conferees on part of House

DAVID R. CORBIN
LYNN JENKINS
JANIS K. LEE
Conferees on part of Senate

On motion of Rep. Edmonds, the conference committee report on SB 39 was adopted.

On roll call, the vote was: Yeas 63; Nays 59; Present but not voting: 0; Absent or not voting: 3.

Yeas: Aday, Aurand, Ballard, Ballou, Beggs, Benlon, Bethell, Boston, Campbell, Compton, Cox, Dahl, DiVita, Dreher, Edmonds, Findley, Freeborn, Glasscock, Gordon, Hayzlett, Henry, Hermes, Holmes, Horst, Huff, Humerickhouse, Hutchins, Johnson, Krehbiel, Lane, Light, Lightner, Lloyd, Loyd, Mason, Mays, McKinney, Merrick, Jim Morrison, Judy Mor-

rison, Myers, Neufeld, Newton, O'Neal, Owens, Patterson, J. Peterson, Pottorff, Powers, Schwartz, Showalter, Shultz, Sloan, Stone, Storm, Tafanelli, Tanner, Tomlinson, Vickrey, Weber, Welshimer, Wilk, J. Williams.

Nays: Barnes, Burroughs, Cook, Crow, DeCastro, Dillmore, Faber, Feuerborn, Flaharty, Flora, Garner, Gatewood, Gilbert, Goering, Grant, Henderson, Howell, Huebert, Huy, Kauffman, Kirk, Klein, Kuether, Landwehr, Larkin, Levinson, Loganbill, M. Long, P. Long, Mayans, McClure, McCreary, McLeland, Miller, Minor, Nichols, Novascone, Osborne, Ostmeyer, Palmer, Pauls, E. Peterson, Phelps, L. Powell, T. Powell, Pyle, Reardon, Rehorn, Ruff, Sharp, Shriver, Spangler, Thimesch, R. Toelkes, Toplikar, Wells, D. Williams, Wilson, Winn.

Present but not voting: None.

Absent or not voting: O'Brien, Ray, Swenson.

EXPLANATIONS OF VOTE

MR. SPEAKER: I vote no on **SB 39**. We have had two primary options to solve this budget shortfall. Raise taxes or cut spending. We have a spending problem, not a taxing problem. It's time we think about Kansas taxpayers and allow them to have an ending balance in their bank account. We are at war and the agricultural economy has been in a recession for five years. We can no longer deficit spend and then punish taxpayers for legislative fiscal irresponsibility. We are confirming what many have said before, it is impossible for the legislature to restrain spending.—RALPH OSTMEYER

MR. SPEAKER: I vote no on **SB 39** the largest tax increase in Kansas history just as the following should have: "I, Mary Compton, Don Dahl, Jene Vickrey, Bob Tomlinson, Ted Powers, John Ballou, Bill Mason, Melvin Neufeld, a candidate for the Kansas Legislature, pledge to the taxpayers of my House District and to all the people of Kansas, that I will oppose and vote against any and all efforts to increase taxes in Kansas." Except today.—R.J. WILSON

MR. SPEAKER: I vote no on these outrageous tax increases. The House should have held firm in efforts to truly reduce the waste, inefficiency and mismanagement in the budget. The Governor got us off on the wrong foot when he proposed a terrible budget bill that even he said he would not sign. Then the legislature compounded this appalling mistake by not eliminating the unnecessary and wasteful spending.

These activities of the Republicans have resulted in the passage of the most regressive tax increase in the history of this legislature. Taxes on purchases by working families to finance corporate pork and government waste. I vote NO on **SB 39**.—NILE DILLMORE, BRODERICK HENDERSON

MR. SPEAKER: This Legislature has struggled greatly over the past 106 days to address the fiscal crisis. We have been told repeatedly in recent weeks that the only solution to this Republican crisis is to increase taxes that hurt working families most while also making some cuts to vital state programs. Somehow, in the midst of this "solution" Republicans have still found millions of dollars to dole out in corporate welfare to venture capitalists. Have we really done the best that we could possibly do for the people of Kansas? I vote NO on **SB 39**.—TOM BURROUGHS, NANCY A. KIRK, BILL REARDON

MR. SPEAKER: Four short years ago, our state enjoyed a record budget surplus. Instead of using part of that windfall to prepare for an economic downturn, Republicans chose instead to distribute the bounty among large corporations and wealthy individuals. The average Kansan, however, would be hard pressed to notice their share of the 1998 tax relief.

Unfortunately, now that the bill for their unwise fiscal planning has come due, Governor Graves and Republicans in the Legislature have decided that the cost should be placed firmly on the backs of those Kansans least able to pay—working families and those living on fixed incomes. I vote NO on **SB 39**.—DOUG SPANGLER, ANNIE KUETHER

MR. SPEAKER: I vote no on this regressive tax package which fails to fund schools and fix the real problems of State government. My constituents wanted the legislature to fix K-12 education funding and improve opportunities for our children. What they got was a shell game of Enron accounting and budget tactics that will sink state government. When the historians dig up the archives of mismanagement I will not have the stain on my hands. I

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And your committee on conference recommends the adoption of this report.

JOHN EDMONDS
DAVID HUFF
Conferees on part of House

DAVID R. CORBIN
LYNN JENKINS
JANIS LEE
Conferees on part of Senate

Senator Corbin moved the Senate adopt the Conference Committee Report on **SB 39**.

On roll call, the vote was: Yeas 23, Nays 15, Present and Passing 0, Absent or Not Voting 2.

Yeas: Adkins, Allen, Barnett, Brungardt, Corbin, Donovan, Downey, Emler, Jackson, Jenkins, Jordan, Kerr, Lee, Morris, Oleen, Praeger, Salmans, Schmidt, Schodorf, Taddiken, Teichman, Umbarger, Vratil.

Nays: Barone, Brownlee, Clark, Feleciano, Gilstrap, Gooch, Haley, Harrington, Hensley, Huelskamp, Lyon, O'Connor, Pugh, Tyson, Wagle.

Absent or Not Voting: Goodwin, Steineger.

The Conference Committee report was adopted.

EXPLANATION OF VOTE

MR. PRESIDENT: I vote no on **SB 39**.

There are several things which happen in this Capitol that I do not appreciate.

I don't appreciate the bubble gum approach to tax policy this bill represents, I don't appreciate the unwillingness of my colleagues in this chamber and the other to compromise

on tax policy, and I don't appreciate raising taxes willy-nilly, putting together packages as if you were throwing out the garbage.

Most of all, I don't appreciate the attack on working Kansas families this bill represents, nor do I appreciate the attacks leveled at those of us who find this bill completely and utterly unacceptable nor the blatantly false, grossly exaggerated claims that this bill solves the budget disaster facing Kansas.

My constituents know the difference between fair and unfair, and they are not fooled by the lies about next year's budget. They know this tax package is unfair to working Kansas families. Mr. President, I am proud to stand here and vote my conscience and to stand on my principles—I am proud to stand up for Kansas families by voting no on this unfair, unbalanced, and unacceptable tax bill.—JIM BARONE

Senators Feleciano and Gilstrap requests the record to show they concur with the "Explanation of Vote" offered by Senator Barone on **SB 39**.

Mr. President: I vote no on **SB 39** because we are attempting to tap a well which is already dry. Our unemployment benefit payments are up by more than 50% compared to a year ago. Our corporate income tax collections are one third of what they should be. Kansans are struggling and the Kansas Senate has taken the lead in piling on the pain. This is shameful. There is no more blood in the turnip. It is time to stop taking more and more money from the people.—KARIN BROWNLEE

Senators Haley, Harrington, O'Connor and Tyson requests the record to show they concur with the "Explanation of Vote" offered by Senator Brownlee on **SB 39**.

MR. PRESIDENT: I vote NO on **SB 39**.

Some will say I am blind to reality, that I don't understand the gravity of our state's budget shortfall. Others will say I don't support public education or the many other priorities within our state's budget. Still others will say I didn't face the tough choice of raising taxes to solve the shortfall and meet our needs.

None of this is true.

In reality, by passing this bill the Legislature didn't balance our state's budget, but simply made it harder for working families to balance theirs. The Legislature didn't provide more money for our children's education, but instead gave away money to millionaire investors. Even worse, the Legislature didn't choose fair and balanced tax increases, but chose unfair and regressive taxes that hit hardest on low and middle income Kansans.

My biggest concern with this bill is that it doesn't come close to resolving the budget shortfall. Nor does it provide adequate funding in the future for K-12 and higher education, public safety, or services for aging and disabled Kansans.—ANTHONY HENSLEY

Mr. President: After years of out-of-control spending by Kansas state government, the difficult decision came due in 2002: hold the line on government spending or ask you to pay more. And after the longest session in the history of Kansas, this Legislature made the typical political choice: send you the bill, a big tax bill. This one will cost Kansans \$1.4 BILLION in the next five years. Higher taxes on everything you buy, new death taxes, doubling of franchise fees, another 2 cents more for every gallon of gasoline and diesel. More out of your pocket, more into government's pockets. More state buildings, new parking garages, new state jets, more state buildings, more welfare spending. This new pot of your money will not only further fuel the fire of state government growth, it will further extend and deepen our economic recession. I therefore must vote "No" on this huge tax increase.—TIM HUELSKAMP, ROBERT TYSON, ED PUGH

Senators Pugh and Tyson requests the record to show they concur with the "Explanation of Vote" offered by Senator Huelskamp on **SB 39**.

I vote for **SB 39** in order to fund schools, universities and programs for our state's most vulnerable citizens. Without these new revenues, schools would lose nearly \$300 per pupil. That is not acceptable. We have made budget cuts. We have used one-time monies and now we must finish the unpleasant but necessary task of balancing this budget by passing a tax package.—DAVE KERR

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 363**, submits the following report:

REVISED
SESSION OF 2004

CONFERENCE COMMITTEE REPORT BRIEF ON
SENATE BILL NO. 384

As Agreed to April 1, 2004

Brief*

SB 384 would provide a funding mechanism for the Comprehensive Transportation Program (CTP). The bill provides for issuance of revenue bonds and changes in the sales tax rate and disposition of resulting revenue.

Bonding. The bill would:

- ! authorize the Kansas Development Finance Authority (KDFA), subject to approval of the Secretary of Transportation and the State Finance Council, to issue revenue bonds in an amount not to exceed \$150,000,000, plus amounts to pay the costs of the bonds, including credit enhancements, and provide reserves required for the bonds, to finance the CTP. Revenue from those bonds would be credited to the State Highway Fund (SHF);
- ! authorize issuance of additional bonds, subject to approval of the State Finance Council, to offset any shortfall in anticipated federal receipts for state fiscal years 2005 - 2009 in an amount that is the lesser of the federal shortfall or \$60,000,000. Any such issuance would be subject to review and recommendation to the Finance Council by the Legislative Budget Committee; and
- ! require the revenue bonds and interest to be payable from money appropriated from the State General Fund.

Sale Tax Rate and disposition of revenue provisions. The bill also would extend indefinitely the current 5.3 percent state sales and compensating use tax rate which is scheduled by law to be reduced to 5.0 percent on July 1, 2006. An increased portion of the

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sales and use tax rate also would be earmarked for deposit in the SHF. Under current law, 5/106 (one quarter cent) is deposited in the SHF. The bill would expand the earmarking to 19/265 (0.38 cents) in FY 2007; and 13/106 (0.65 cents) in FY 2008 and thereafter. Finally, the bill would repeal a statute that provides for a transfer to the SHF 12 percent of sales and use taxes which are deposited initially in the SGF.

Conference Committee Action

The Conference Committee agreed to delete all provisions of SB 384 and to amend the bill to include provisions of HB 2918, as amended by the House Committee of the Whole, with one change. That change reduces from \$90 million to \$60 million the maximum amount of supplemental bonding authority available to compensate for a shortfall in federal funds.

Background

Conferees who testified in support of one or more of the funding plans for the CTP included representatives of Economic Lifelines of Kansas; KDOT; Kansas Aggregate Producers' Association and Kansas Ready Mixed Concrete Association; Kansas Society of Professional Engineers; Kansas Consulting Engineers; The Heavy Constructors Association; and Kansas Contractors Association.

Fiscal implications. The total change in revenues relative to current law based on the tax rate extension and the additional diversion of receipts to the State Highway Fund would be as follows, based on the November, 2003 consensus estimate:

	(\$ in millions)		
	Total New Revenue	SGF	SHF
FY 2007	\$111.419	\$58.748	\$52.671
FY 2008	\$125.802	(\$41.934)	\$167.735
FY 2009	\$130.204	(\$43.401)	\$173.605
FY 2010	\$134.762	(\$44.920)	\$179.682
FY 2011	\$139.479	(\$46.492)	\$185.971
5-Year Total	\$641.666	(\$117.999)	\$759.664

Based on the November, 2003 consensus estimate, the repeal of the transfer would be expected to have the following impact:

(\$ in millions)

	<u>SGF</u>	<u>SHF</u>
FY 2005	\$200.179	(\$200.179)
FY 2006	\$207.508	(\$207.508)
FY 2007	\$206.192	(\$206.192)
FY 2008	\$209.082	(\$209.082)
FY 2009	\$216.400	(\$216.400)
FY 2010	\$223.974	(\$223.974)
FY 2011	\$231.813	(\$231.813)
Thru FY 2011	\$1,495.149	(\$1,495.149)

On motion of Rep. Hayzlett, the conference committee report on **SB 384** was adopted.
On roll call, the vote was: Yeas 121; Nays 4; Present but not voting: 0; Absent or not voting: 0.

Yeas: Aurand, Ballard, Barbieri-Lightner, Beggs, Bethell, Boyer, Brunk, Burgess, Burroughs, Campbell, Carlin, Carter, Compton, Cox, Craft, Crow, Dahl, Davis, DeCastro, Decker, Dillmore, Dreher, Faber, Faust-Goudeau, Feuerborn, Flaharty, Flora, Freeborn, Gatewood, Gilbert, Goering, Goico, Gordon, Grant, Hayzlett, Henderson, Henry, Hill, Holland, Holmes, Horst, Howell, Huebert, Huff, Humerickhouse, Huntington, Hutchins, Huy, Jack, D. Johnson, E. Johnson, Kirk, Klein, Krehbiel, Kuether, Landwehr, Lane, Larkin, Light, Loganbill, M. Long, Long-Mast, Loyd, Mason, Mays, McCreary, McKinney, McLeland, Merrick, F. Miller, J. Miller, Minor, Jim Morrison, Judy Morrison, Myers, Neighbor, Neufeld, Newton, Novascone, O'Malley, O'Neal, Osborne, Ostmeyer, Owens, Patterson, Pauls, Phelps, Pottorff, Powell, Powers, Reardon, Rehorn, Reitz, Ruff, Sawyer, Schwab, Schwartz, Scoggins-Waite, B. Sharp, S. Sharp, Showalter, Shriver, Shultz, Siegfried, Sloan, Storm, Svaty, Swenson, Tafanelli, Thimesch, Thull, Toelkes, Vickrey, Ward, Wilk, D. Williams, J. Williams, Wilson, Winn, Yoder, Yonally.

Nays: Ballou, Edmonds, Kassebaum, Kauffman.

Present but not voting: None.

Absent or not voting: None.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 461**, submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with House Committee of the Whole amendments, as follows:

On page 9, in line 25, by striking "compensation and"; in line 26, after "damages" by inserting "and compensation";

On page 10, in line 15, before the semicolon by inserting ". Relocation payments shall not be required until title to the real property vests in the condemning authority"; in line 36, after the period by inserting "Payment of such relocation advances shall not be required until title to the real property vests in the condemning authority.";

On page 11, in line 3, after the period, by inserting "Relocation payments shall not be required until title to the real property vests in the condemning authority."; in line 24, after the period, by inserting "Payment of such relocation advances shall not be required until title to the real property vests in the condemning authority.";

On page 1, in the title, in line 18, by striking "58-2502" and inserting "58-3502";

And your committee on conference recommends the adoption of this report.

JENE VICKREY
RALPH OSTMEYER
JOE SHRIVER
Conferees on part of House

JOHN VRATIL
EDWARD W. PUCH
GRETA GOODWIN
Conferees on part of Senate

On motion of Rep. Vickrey, the conference committee report on **SB 461** was adopted.
Call of the House was demanded.

On roll call, the vote was: Yeas 112; Nays 13; Present but not voting: 0; Absent or not voting: 0.

Yeas: Aurand, Ballard, Barbieri-Lightner, Beggs, Bethell, Boyer, Brunk, Burgess, Carlin, Carter, Compton, Cox, Craft, Dahl, Davis, DeCastro, Decker, Dillmore, Dreher, Faber, Faust-Goudeau, Flaharty, Flora, Freeborn, Gilbert, Goering, Goico, Gordon, Grant, Hayzlett, Henderson, Henry, Hill, Holland, Holmes, Horst, Howell, Huebert, Huff, Humerickhouse, Huntington, Hutchins, Huy, Jack, D. Johnson, E. Johnson, Kassebaum, Kauffman, Kirk, Krehbiel, Kuether, Landwehr, Lane, Larkin, Light, Loganbill, M. Long,

(c) (1) The state treasurer shall credit $\frac{5}{100}$ of the revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 4.9%, and deposited as provided in subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(2) The state treasurer shall credit $\frac{5}{100}$ of the revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 5.3%, and deposited as provided in subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(3) On July 1, 2006, the state treasurer shall credit $\frac{1}{20}$ ~~$\frac{1}{20}$~~ $\frac{19}{100}$ of the revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of ~~5%~~ 5.3%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(4) On July 1, 2007, the state treasurer shall credit $\frac{19}{100}$ of the revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 5.3%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(d) The state treasurer shall credit all revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, as certified by the director, from taxpayers doing business within that portion of a redevelopment district occupied by a redevelopment project that was determined by the secretary of commerce ~~and housing~~ to be of statewide as well as local importance or will create a major tourism area for the state as defined in K.S.A. 12-1770a, and amendments thereto, to the city bond finance fund created by subsection (d) of K.S.A. 79-3620, and amendments thereto. The provisions of this subsection shall expire when the total of all amounts credited hereunder and under subsection (d) of K.S.A. 79-3620, and amendments thereto, is sufficient to retire the special obligation bonds issued for the purpose of financing all or a portion of the costs of such redevelopment project.

This subsection shall not apply to a project designated as a special bond project as defined in subsection (z) of K.S.A. 12-1770a, and amendments thereto.

Sec. 6. K.S.A. 79-34,148 and K.S.A. 2003 Supp. 79-34,147, 79-3603, 79-3603c, 79-3620, 79-3620c, 79-3703, 79-3710 and 79-3710a are hereby repealed.

Sec. 7. This act shall take effect and be in force from and after its publication in the statute book.”;

In the title, by striking all in lines 12 through 14 and inserting:

“AN ACT relating to the comprehensive transportation program; concerning the financing thereof; amending K.S.A. 2003 Supp. 79-3603, 79-3620, 79-3703 and 79-3710 and repealing the existing sections; also repealing K.S.A. 79-34,148 and K.S.A. 2003 Supp. 79-34,147, 79-3603c, 79-3620c and 79-3710a.”;

And your committee on conference recommends the adoption of this report.

GARY HAYZLETT
JOHN FABER
MARGARET E. LONG
Conferees on part of House

LESLIE D. DONOVAN
NICK JORDAN
GRETA GOODWIN
Conferees on part of Senate

Senator Donovan moved the Senate adopt the Conference Committee Report on SB 384.

On roll call, the vote was: Yeas 35, Nays 5, Present and Passing 0, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Goodwin, Haley, Helgerson, Hensley, Jackson, Jordan, Journey, Kerr, Lee, Morris, O'Connor, Oleen, Salmans, Schmidt, Schodorf, Taddiken, Teichman, Tyson, Umbarger, Vratil, Wagle.

Nays: Gilstrap, Huelskamp, Lyon, Pugh, Steineger.
The Conference Committee report was adopted.

EXPLANATION OF VOTE

MR. PRESIDENT: While I support **SB 384**, this bill guarantees that the state will have to raise several hundred million of dollars in taxes to pay for this program in future years.—
HENRY HELGERSON

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 461**, submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with House Committee of the Whole amendments, as follows:

On page 9, in line 25, by striking "compensation and"; in line 26, after "damages" by inserting "and compensation";

On page 10, in line 15, before the semicolon by inserting ". Relocation payments shall not be required until title to the real property vests in the condemning authority"; in line 36, after the period by inserting "Payment of such relocation advances shall not be required until title to the real property vests in the condemning authority.";

On page 11, in line 3, after the period, by inserting "Relocation payments shall not be required until title to the real property vests in the condemning authority."; in line 24, after the period, by inserting "Payment of such relocation advances shall not be required until title to the real property vests in the condemning authority.";

On page 1, in the title, in line 18, by striking "58-2502" and inserting "58-3502";

And your committee on conference recommends the adoption of this report.

JENE VICKREY
RALPH OSTMEYER
JOE SHRIVER
Conferees on part of House

JOHN VRATIL
EDWARD W. PUGH
GRETA GOODWIN
Conferees on part of Senate

Senator Vratil moved the Senate adopt the Conference Committee Report on **SB 461**.
On roll call, the vote was: Yeas 39, Nays 0, Present and Passing 1, Absent or Not Voting 0.

Yeas: Adkins, Allen, Barnett, Barone, Betts, Brownlee, Brungardt, Buhler, Bunten, Clark, Corbin, Donovan, Downey, Emler, Gilstrap, Goodwin, Haley, Helgerson, Hensley, Huelskamp, Jackson, Jordan, Journey, Kerr, Lee, Lyon, Morris, O'Connor, Oleen, Pugh, Salmans, Schmidt, Schodorf, Steineger, Taddiken, Teichman, Tyson, Umbarger, Vratil.

Present and Passing: Wagle.

The Conference Committee report was adopted.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2201**, submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill, as printed with Senate Committee of the Whole amendments, as follows:

On page 1, by striking all in lines 31 through 43;

By striking all on pages 2 though 39;

On page 40, by striking all in lines 1 through 17 and inserting:

"Section 1. K.S.A. 2003 Supp. 60-1111 is hereby amended to read as follows: 60-1111.

(a) *Bond by contractor.* Except as provided in subsection (c) *this section*, whenever any public official, under the laws of the state, enters into contract in any sum exceeding \$40,000