

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE.

The meeting was called to order by Chairperson David Corbin at 10:45 a.m. on January 22, 2001, in Room 519-S of the Capitol.

All members were present except:

Committee staff present: Chris Courtwright, Legislative Research Department
April Holman, Legislative Research Department
Don Hayward, Revisor of Statutes Office
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Janet Stubbs, Kansas Building Industry Association
Marlee Carpenter, Kansas Retail Council
Doug Wareham, Kansas Grain and Feed Association
Kansas Fertilizer and Chemical Association
Ben F. Barrett, Director, Legislative Research Department

Others attending: See attached list.

Janet Stubbs, Kansas Building Industry Association, requested the introduction of two bills. The first would eliminate the practice by some county appraisers of adding the cost of special assessment debt to the sale price of the vacant lot to establish the value for tax purposes. The second would establish a method for local units of government to follow before implementing an excise tax. (Attachment 1)

Senator Lee moved to recommend the introduction of both bills as requested by Ms. Stubbs, seconded by Senator Praeger. The motion carried.

Marlee Carpenter, Kansas Retail Council, requested the introduction of a bill establishing a state sales tax holiday the first Saturday and Sunday in August for back to school shopping. She explained that only clothing, footwear, computer equipment, and computer software would be exempt from state sales tax, and the items must be under \$500.00 in value to qualify for the exemption.

Senator Donovan moved to recommend the introduction of a bill providing for a state sales tax holiday as proposed by Ms. Carpenter, seconded by Senator Goodwin. The motion carried.

Doug Wareham requested the introduction of two bills. He requested the first proposed bill on behalf of the Kansas Grain and Feed Association. The bill would make permanent the sales tax exemption for on-farm and commercial grain storage facilities. Mr. Wareham noted that the most recent exemption expired December 31, 2000, and the proposed bill would make the exemption retroactive to January 1, 2001. (Attachment 2) Mr. Wareham requested the second proposed bill on behalf of the Kansas Fertilizer and Chemical Association. The bill would establish a sales tax exemption for precision farm machinery and equipment. Mr. Wareham explained that the model language included in his handout comes from the State of Illinois. (Attachment 3)

Senator Jenkins moved to recommend the introduction of both bills proposed by Mr. Wareham, seconded by Senator Taddiken. The motion carried.

Senator Taddiken moved to recommend the introduction of a bill providing a tax credit for investments in certain agricultural cooperatives, seconded by Senator Lee. The motion carried.

Ben F. Barrett, Director, Legislative Research Department, followed with a presentation on the revenue side of the school finance formula. He discussed the underlying principles for the school district's General Fund Budget (GFB)

and the school district's Local Option Budget (LOB). (Attachment 4) At the outset, Mr. Barrett noted that the GFB of school districts is determined by taking the base state aid per pupil number and multiplying it by the weighted enrollment of the district. The LOB is an amount determined under statutory provisions by local school boards, and the amount may be an amount up to 25 percent of the GFB. Following his presentation, Mr. Barrett agreed to furnish more information concerning the amount of spending per pupil per school district as requested by committee members.

Senator Praeger moved that the minutes of the January 17, 2001, meeting be approved, seconded by Senator Goodwin. The motion carried.

The meeting was adjourned at 11:35 a.m.

The next meeting is scheduled for January 23, 2001.

CONTINUATION SHEET