

MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE.

The meeting was called to order by Chairperson Gary Hayzlett at 1:30 p.m. on February 11, 2003 in Room 519-S of the Capitol.

All members were present except:

Representative Don Myers, excused
Representative Jim Yonally, excused

Committee staff present:

Bruce Kinzie, Revisor
Hank Avila, Legislative Research Dept.
Mary Galligan, Legislative Research Dept.
Betty Boaz, Committee Secretary

Conferees appearing before the committee:

Ed McKechnie, representing WATCO Companies, Inc.
Chuck Henry, Treasurer with Unified Government, Kansas City
Mickey Billinger, Ellis County Treasurer
Martha Neu Smith, Executive Director, Manufactured Housing Ass'n.
Debbie Ford, Riverside Mobile Home Park, Wichita

Others attending:

See attached list

HB 2191 - Port Authorities; certain powers

Chairman Hayzlett opened hearings on **HB 2191**. Chairman Hayzlett introduced Ed McKechnie who presented testimony in support of this bill. (Attachment 1) According to Mr. McKechnie this bill will allow Port Authorities greater flexibility in seeking financing options to preserve Kansas' railroad infrastructure. Currently, Kansas law only allows borrowing from the state, federal government and from financial institutions and this bill would allow the Port to have the additional options of a private person or entity, such as another railroad. Mr. McKechnie further asked the Committee to amend line 29, by striking the word "and" and inserting the word "or". Also in K.S.A. 12-3415 he asked that the language be inserted as requested by their bond and financial attorneys. Further Mr. McKechnie asked that this bill become effective upon publication in the Kansas Register.

There were no other proponents and no opponents.

Following questions from the Committee, Chairman Hayzlett closed hearings on **HB 2191**.

HB 2157 - Property taxes on mobile and manufactured homes concerning obligations at time of purchase, sale or moving

CONTINUATION SHEET

MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE at on February 11, 2003 in Room 519-S of the Capitol.

Chairman Hayzlett opened the hearings on **HB 2157**. Chuck Henry, Treasurer with Unified Government, Kansas City, testified that property taxes are THE major source of revenue for most counties, cities, school districts and community colleges. (Attachment 2) Delinquency rates are a factor in the setting of the various mill levy rates for each jurisdiction, thus, the taxpayers who do pay support the taxpayers who do not pay. He further testified the buyers of mobile homes are usually first-time owners of property in Kansas and not familiar with Kansas taxation and registration laws. Many do not know their responsibility under K.S.A. 58-4204 or even that they are supposed to receive a title from the seller. If they do and they bring the title in to be transferred, the remainder of the prior year tax, all of the new year tax, and any delinquent taxes are collected in accordance with K.S.A. 79-2109. Mr. Henry said that in Wyandotte County, mobile homes represent a third of the unpaid personal property tax bills and approximately 8 percent of the unpaid personal property tax dollars over the last decade. They believe that this legislation will be an added tool in reducing the percentage that reaches that status by 10 percent.

After questions by members of the Committee, the next proponent was introduced. Mike Billinger, Ellis County Treasurer and member of the Kansas County Treasurers Association Legislative Committee was in support of **HB 2157** because of the need to strengthen collection procedures on manufactured homes. (Attachment 3) Mr. Billinger said it was extremely important that this bill be considered because many manufactured homes leave the county before the taxes are paid, in some cases the homes are sold and moved to new locations. The officials are almost powerless to force payment in the event the home is moved out of county. **HB 2157** would require the manufactured home owner to pay all taxes due regardless if they are current or delinquent in both instances. Mr. Billinger concluded by saying that delinquent taxes on manufactured homes are a problem that Treasurers deal with on an annual basis and **HB 2157** will assist in collecting delinquent and escaped taxes.

There were no other proponents appearing however written testimony was provided in support of **HB 2157** by Ed Harbin, Ellis County Sheriff (Attachment 4) and Judy Moler, General Counsel/Legislative Services Director for the Kansas Association of Counties. (Attachment 5)

Following questions by the Committee the Chairman asked if there were any other proponents. There being none the Chairman called for opponents.

Martha Neu Smith, Executive Director of the Kansas Manufactured Housing Ass'n. began her testimony (Attachment 6) by saying their opposition was only with the policy and logistics being proposed, not whether or not personal property taxes should be paid. Their opposition is that first the bill requires that all taxes be paid in full when either the title is transferred or prior to any movement when statutorily the first half of property tax is due on December 20th and the second half is due on June 20th. Second, the bill requires homeowners to notify the county treasurer and county appraiser when a home is moved. According to Ms. Smith, mobile and manufactured home owners are already required by law to notify the county appraiser of the location of their home. Also there are no exceptions for new homes being transported, or provisions for a park owner who evicts a home or who pays the \$500 penalty for not getting a certificate. She concluded by asking the Committee to not support **HB 2157**.

Following questions by the Committee the Chairman asked for the next opponent who was Debbie Ford, Manager of Riverside Mobile Home Park. (Attachment 7) According to Ms. Ford, in Wichita, in January

CONTINUATION SHEET

MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE at on February 11, 2003 in Room 519-S of the Capitol.

of each year, each community manager receives a packet of information from the County Appraiser's Office. This packet includes the home site number, year, make, model and VIN # of the home and the owner's name (Attachment 8) and the community managers review the list and make appropriate adjustments and then return it to the appraiser's office. She also said the Sedgwick County Appraiser's Office and the Sedgwick County Manufactured Housing Ass'n. developed and implemented a brochure advising homeowners of their responsibility to register their new home with the appraiser's office. (Attachment 9) This brochure is provided by the county and distributed at retailer locations. She concluded with the statement that the relationships created between the manufactured housing industry and the Sedgwick County Appraiser's Office has been key in improving the delinquent tax issue in Sedgwick County.

There were no further opponents to this bill and no questions from the Committee. Chairman Hayzlett closed hearings on **HB 2157**.

Chairman Hayzlett commented that he had planned to work **HB 2190** today but it looks like staff needs to look at the amendments. Also **HB 2157** has some points that need to be cleared up and maybe the two sides can get together and talk to see if they can work something out.

Chairman Hayzlett adjourned the meeting at 2:30 p.m. The next meeting of the House Transportation Committee will be held on Wednesday, February 12, 2003.