

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Vice-Chairman Derek Schmidt at 10:48 A.M. on March 13, 2007 in Room 519-S of the Capitol.

All members were present except:
Barbara Allen- excused

Committee staff present:
Chris Courtwright, Kansas Legislative Research Department
Martha Dorsey, Kansas Legislative Research Department
Gordon Self, Office of Revisor of Statutes
Judy Swanson, Committee Assistant

Conferees appearing before the committee:

Others attending:
See attached list.

HB 2044--Distributions from the business machinery and equipment tax reduction assistance fund and the telecommunications and railroad machinery and equipment tax reduction assistance fund was discussed.

Senator Schmidt presented a balloon amendment to **HB 2044** and explained it to the Committee. Contrary to the understanding of the House, this bill was more than a technical bill to solve the intra-county distribution of the slider provision funds. He explained how county tax abatements would affect the M&E tax distribution.

Senator Bruce moved to adopt the balloon amendments to **HB 2044**. Senator Lee seconded the motion, and the motion carried.

Senator Donovan moved to report **HB 2044**, as amended, favorably for passage and discretion be given to the Revisor to make it a substitute bill if needed. Senator Goodwin seconded the motion, and the motion carried.

SB 327, renewable fuels; income tax credits, was discussed.

Senator Bruce presented a balloon amendment on **SB 327**, and explained the amendment. It would change the definition of biodiesel to conform with code, delay implementation of the bill by one year, and make standards the same among all retailers, regardless of size. The fiscal note is \$1.6 million the first year. Senator Lee pointed out the increase of the cost of corn does help growers, but it is not good for livestock producers.

Senator Bruce moved to adopt the balloon amendment to **SB 327**. Senator Donovan seconded the motion, and the motion carried.

Senator Bruce said he will prepare an additional balloon amendment to **SB 327** for consideration at a future Committee meeting.

SB 331, Income tax credits and grant program for renovation, preservation or operation of certain historic sites, was discussed.

Senator Schmidt presented a balloon amendment to **SB 331**, and said the amendment will reduce the fiscal note considerably. Revisor Self explained the existing credit would roll back to 25%, and give a 35% credit to 501(c)3 entities; it would create new credits for any contributions that relate to the establishment or maintenance of an endowment; it would no longer allow a carry-forward credit; additional requirements would be added for claiming grants; and a grant fund would be created. A one-cent increase in the mortgage registration fee would be used to fund this program. The fiscal note is approximately \$850,000, and the one-cent tax would raise approximately \$1 million. Senator Jordan said the most neglected jewels in Kansas are historical sites, and this bill would certainly help to find funding and get the state on the right path.

CONTINUATION SHEET

MINUTES OF THE Senate Assessment and Taxation Committee at 10:48 A.M. on March 13, 2007 in Room 519-S of the Capitol.

Senator Jordan moved to adopt the balloon amendment to **SB 331**, and make the bill a substitute bill. Senator Pine seconded the motion, and the motion carried.

Senator Jordan moved to report Substitute **SB 331** favorably for passage. Senator Pine seconded the motion, and the motion carried.

SB 215, income tax credit for contributions to community colleges for capital improvements, was discussed.

Senator Lee moved to amend **SB 215** by deleting the current language and inserting in lieu thereof the language of **SB 26** and **SB 28**. Senator Donovan seconded the motion, and the motion carried.

Senator Lee moved to report **SB 215**, as amended, favorably for passage, and make it a substitute bill. Senator Schmidt seconded the motion, and the motion carried.

Being no further business, the meeting adjourned at 11:33 a.m. The next meeting will be March 14.