

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Les Donovan at 10:30 a.m. on February 4, 2009, in Room 535-N of the Capitol.

All members were present.

Committee staff present:

Gordon Self, Office of the Revisor of Statutes
Scott Wells, Office of the Revisor of Statutes
Corey Carnahan, Kansas Legislative Research Department
Chris Courtwright, Kansas Legislative Research Department
Virginia Fett, Secretary

Conferees appearing before the committee:

Others attending:

Chairman Donovan opened the meeting and announced final action on two bills: **SB 97** - Prescribing penalties for violations of liquor enforcement tax act by retailers, and **SB 100** - Sales tax exemption for fees for guided and non-guided hunts and fishing expeditions and sale of game birds for hunting.

The first bill before the committee is **SB97**. Chairman Donovan asked Chris Courtwright from the Legislative Research Office to give a brief description of the bill. Chris said the bill was requested by the Department of Revenue to clarify that the Department of Revenue has the same authority under the Liquor Enforcement Tax Act as they have in the Liquor Drink Tax Act. They had a amendment to clarify that this would also apply to farm wineries, micro-breweries, and distributors. Chairman Donovan asked Chris to distribute copies of the amendment to the committee. This will allow the department to legally do business the way they are actually transpiring.

Sarah Byrne, Assistant Attorney General for the ABC. The department feels they have the authority to do this under KSA-41-407 which makes it illegal for any licensee to evade or attempt to evade any tax on liquor. This has never been challenged. The Department felt it was wise to clarify this so, if any licensee does challenge the action the Department takes on their licence, the Department has the statute authority to uphold their action and not have to go through an evedentuary process.

The motion to allow the amendment on the bill was made by Sen. Lynn; and seconded by Sen. Holland. The motion carried. Chairman Donovan asked what the wishes of the committee on the bill. Sen. Lynn moved that the committee recommend approval of the bill as amended. Tom Holland seconded the motion. Vote was taken by show of hands. Three voted aye, and three voted no. Chairman Donovan voted aye, passing the bill as amended to the Senate floor for consideration.

Next bill is **SB 100** - Sales tax exemption for fees for guided and non-guided hunts and fishing expeditions and sale of game birds for hunting. Chris again explained the bill. Sen. D. Schmidt made comments regarding the actual need for the bill. Sen. Holland also spoke about the fiscal note connected with this bill. Sen. Lynn said communications with the people involved with this business feel the passage of this bill would be beneficial. Chairman Donovan asked what the committee wished to do with this bill. Sen. Lynn moved the bill be moved favorably for passage. Sen. Marshall seconded the motion. The motion passed, 5 to 1. Sen. Holland requested his name be recorded as voting no.

Next week we will look at **SCR 1607** - Constitutional amendment to define underground storage natural gas owners as public utilities and subject them to property taxation. Also will discuss **SCR 1602** - Constitutional amendment authorizing legislature to provide for the classification and taxation of watercraft.

Chairman Donovan asked for approval of the minutes from the January 29, 2009 meeting. Sen. Schmidt moved the minutes be approved. Sen. Lynn seconded the motion. The motion passed.

The next meeting is scheduled for Wednesday, February 11, at 10:30 a.m.

The meeting was adjourned at 10:55 a.m.