

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 9:00 A.M. on March 19, 2008 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Legislative Research Department
Gordon Self, Office of Revisor of Statutes
Ryan Hoffman, Legislative Research Department
Scott Wells, Office of Revisor of Statutes
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:

Others attending:

See attached list.

Representative King requested a bill introduction concerning a Housing Loan Department Program. Representative Holland seconded the motion. The motion carried.

Representative Schroeder requested a bill introduction regarding the disposition of potential litigation funding on the Republican Reservation. Representative Treaster seconded the motion. The motion carried.

The Chairman introduced his parents Eileen and Eugene Kramer. Today is Mrs. Kramer's seventy-six birthday.

Representative Owens introduced good friends and his dentist, Dr. David and Pam Western.

Representative Bowers introduced her daughter, Haley, who is a page in the House today.

Representative Rardin introduced his five pages from his district: Garrett Owen, Bobby Morrie, Drake Smith, Matt Chipman and Anna Torchia.

A memorandum concerning *Historical Information on the Disabled Access Tax Credit*, from Richard Cram, KDOR, was distributed to the Committee (Attachment 1).

HB 2543 - Assessment for property tax purposes of newly constructed residential property.

Chris Courtwright, Legislative Research Department, gave a brief overview of the bill. He said the original bill would have changed taxation in certain residential property in two ways, and he explained those differences. He described activities resulting from an attorney general's opinion, stating that language has been drafted for **Sub for HB 2543**, that addresses those issues. This bill takes a simpler approach and Mr. Courtwright explained the changes.

Rep Worley made a motion to adopt the substitute language as outlined in the **Substitute HB 2543** Representative Wilk seconded the motion. The motion carried.

Rep King made a motion to amend to insert language from the original bill, page 1, lines 22-25, *Newly constructed residential property which has new been occupied shall not be assessed as improved real property until such occupancy or the first day of January of the second years following the year in which construction of the improvements was completed* into **Sub HB 2543**. Representative Carlson seconded the motion. The motion carried.

In response to a committee question, Gordon Self, Office of Revisor of Statutes, addressed possible Constitutional issues with the King amendment, such as the "uniform and equal policy" and definition of "real" property.

Representative Whitham offered an amendment to insert all of sub-section (f), as listed in the original

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bill, into **Substitute HB 2543**. Representative Lukert seconded. The motion carried.

Representative Davis moved an amendment that would clarify the “occupancy” issue. In Section 1, (b) (2) and (b)(3) strike the words *who is the person or persons that is occupying the newly constructed property*, Representative Dillmore seconded.

Representative Dillmore made a substitute motion to strike language in Section 1 (a), *or otherwise occupied for residential or office purposes*, and all of (b). Representative Lukert seconded.

After discussion Representative Dillmore agreed to modify his substitute motion to read *or otherwise occupied for office purposes*. Representative Lukert agreed. Representative Dillmore closed his substitute motion. The motion failed 10-11.

Representative Carlson offered a substitute motion to pass out favorably **Substitute for HB 2543**, as amended, favorable for passage. Representative Worley seconded. The motion carried 12-8.

Representative Brown requested his yes vote be recorded.

HB 2928 - Enacting the Senior Citizen Property Tax Deferral Act

Representative Holland distributed a balloon (Attachment 2). He explained the following changes on page 2:

1. Sec. 4 (a), line 13, Strike ~~July 1, 2008~~ and insert *making the claim for deferral*.
2. Sec. 4 (e), line 26, Strike ~~and~~
3. Sec. 4 (f), line 28, strike ~~market~~, and insert *appraised* and on line 29 insert the following language *as determined by the county or district appraiser; and (g) the property is covered by a property and casualty policy*.
4. Sec. 6, line 32, strike ~~In accordance with appropriation acts, upon~~, and insert paragraph in balloon pertaining to pooled money investment
5. Sec. 6, lines 33 & 34, strike ~~the department shall pay~~, and insert *there shall be paid*

Representative Holland made a motion to adopt the balloon amendment into **HB 2928**. Representative Treaster seconded the motion. The motion carried.

The meeting was adjourned at 10:00 A.M. The next meeting is March 20, 2008.