

Approved: February 13, 2012
Date

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 2, 2012, in Room 152-S in the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Kansas Legislative Research Department
Christopher Sevedge, Kansas Legislative Research Department
Gordon Self, Office of the Revisor of Statutes
Scott Wells, Office of the Revisor of Statutes
Mary Jane Brueck, Committee Secretary

Conferees appearing before the committee:

Robin Jennison, Secretary, Kansas Department of Wildlife and Parks
Representative Sharon Schwartz
Melissa A. Wangemann, Kansas Association of Counties
Kent Craft, Kansas Bass Chapter Federation

Others attending:

See attached list.

Sen. Les Donovan opened the meeting at 10:30. Sen. Apple had a bill to be introduced. It is a correction to a bill submitted last year. The bill will be accepted without objection.

The committee received copies of Dennis Lauver's Kansas Tax Policy Observations. Mr. Lauver was a member of the Senate Tax Policy Study Group. ([Attachment 1](#))

The hearing was opened on **HCR 5017 – Constitutional amendment authorizing the legislature to provide for classification and taxation of watercraft**. Robin Jennison, Secretary, Kansas Department of Wildlife and Parks was first to speak. He told the committee that the department supports the provisions in this resolution.. He said this legislation could result in more revenue to the State through increased registrations and federal aid which would be used to better the lakes and parks. He thought this resolution could also stimulate the State economy through more water craft sales. ([Attachment 2](#))

Representative Sharon Schwartz also spoke in support of this resolution. She pointed out that Kansas is losing revenue under the current tax policy as owners choose to move their boats to surrounding states for storage, where the tax policy is more equitable. She said the passage of this resolution will resolve that issue as well as bring revenue back to the State of Kansas. ([Attachment 3](#))

Melissa A. Wangemann, Kansas Association of Counties told the committee the association has taken a neutral position toward these kinds of bills in the past, but now are in support of **HCR 5017**. Counties anticipate the possibility of assessing taxes or fees on boats in similar fashion as motor vehicle taxes are

imposed and collected. (Attachment 4)

Kent Craft, represented the Kansas Bass Chapter Federation. He too was in favor of **HCR 5017**. He gave the committee the perspective of a boat owner, noting the amount of a specific bass boat and the Kansas taxes that would be assessed on it versus those of some boarding states. (Attachment 5)

Discussion was held. Sen. Bruce clarified that no taxes are applied to watercraft in Colorado and Nebraska. In Missouri and Oklahoma taxes on a particular boat would be no more than \$150.00, but in Kansas the taxes would be closer to \$1,800.00. Sen. Pyle asked if there would be separate taxes on engines, trailers, and motors. It could be separate or as a package, it is up to the legislature. Sen. Donovan told the committee this resolution gives the legislature the ability to come up with a new system of taxing watercraft. Sen. Lynn spoke about aircraft being included the last time this was discussed. It was said that this should be voted on by the people in the General Election. *Sen. Apple moved **HCR 5017** be passed out of committee favorably. Sen. King seconded the motion; motion carried. **HCR 5017** will be sent to the floor.*

Sen. Donovan had a conceptual motion for a bill. If cars are manufactured in Kansas, and if the State needs automobiles, and if the Kansas cars fit the criteria, before buying out of state, the price must be at least 10% less than that of the automobiles available in Kansas. The motion was seconded and carried to draft such a bill. Sen. Holland asked if this bill will be considered a tax bill. The Senate President will decide what committee will hear the bill. Sen. Holland said this idea would be good for use with other products.

Seeing no further questions or comments, Sen. Donovan closed the discussion.

The next meeting will be Tuesday, February 7 to hear two exemption bills.

The meeting was adjourned at 11:15 a.m.