

Approved May 11, 2002
Date

MINUTES OF THE HOUSE COMMITTEE ON TAXATION

The meeting was called to order by Chairman Edmonds at 9:00 a.m. on March 21, 2002 in Room 519-S of the Capitol.

All members were present except: Representative Sharp, excused
 Representative Wilson, excused

Committee staff present: Chris Courtwright, Legislative Research Department
 April Holman, Legislative Research Department
 Don Hayward, Revisor
 Winnie Crapson, Secretary

Conferrees appearing before the Committee:
 Representative Williams
 Eric Sartorius, City of Overland Park
 Christy Davis, Kansas State Historical Society
 Shawn Hennessee, Greater Kansas City Chamber of Commerce
 Ed O'Malley, Overland Park Chamber of Commerce

Others Attending: See attached list.

Representative L. Powell moved, Representative Larkin seconded, to approve Minutes for February 7, February 12, February 13, February 26, and February 27. Motion was adopted.

**Hearing, continued from March 20, was opened on
HB 3025 - political subdivisions property tax limit.**

Eric Sartorius presented testimony on behalf of the City of Overland Park in opposition to **HB 3025** (Attachment #1). He said Overland Park growth last year added the equivalent of the City of Abilene. Limiting budget growth could put the city in the position of not being able to meet the health and welfare needs of all its citizens.

Hearing on HB 3025 was closed.

Hearing was opened on HB 2948 - Income tax credit of historic structure rehabilitation expense.

Christy Davis presented testimony in support of the bill on behalf of the Kansas State Historical Society (Attachment #2). She presented proposed balloon amendment (Attachment #3) and reported that it was supported by the Kansas Equity Fund and the Kansas Bankers Association, entities that can invest in projects with the federal rehabilitation tax credit program. In response to questions Ms. Davis explained that a residential project being remodeled qualifies if on the state and national historic preservation lists.

Representative Hutchins provided copies of an article from the State Government News March 2002 concerning historic preservation in Missouri (Attachment #4).

The Chairman noted that the Fiscal Note last year was \$300,000 actually spending was only \$11,000.

Hearing on HB 2948 was closed.

CONTINUATION SHEET

Hearing was opened on**HB 2783 - KS and MO metropolitan culture district compact; distribution of revenue between party states.**

Representative Dan Williams provided testimony in support (Attachment #5). He said the legislature as protectors of the taxpayers should enact a law that if there is a bi-state tax the money should be spent relatively equally. In answer to questions he said it would probably not have a fiscal impact on the state of Kansas except for the fact it is Kansas tax money going to Missouri. He agreed that it would have to be voted on by the counties involved. During discussion of proposals being floated for Bi-state II, it was explained that projects would have to be specifically designated on the ballot for their approval.

Shawn Hennessee presented comments in opposition to **HB 2783** on behalf of the Greater Kansas City Chamber of Commerce (Attachment #6). He said they believe this revision undermines the original intent of bi-state. The actual ballot language as it will be distributed to the voters has not been determined, but it give specific information and if the voters support it, that should be respected. In response to questions he said the tax is self-extinguishing. When the project approved for funding is completed and the specific funds spent, the tax ends automatically when the next quarter is reached.

Ed O'Malley presented testimony on behalf of the Overland Park Chamber of Commerce in opposition to **HB 2783** (Attachment #7) because they believe because residents of the Kansas counties have the opportunity to vote they can best decide the value of a potential project, program or effort, whether it is entirely in Kansas, Missouri, or split between the two states. They believe they are fully capable of deciding whether or not any future bi-state tax efforts should be enacted.

Hearing on **HB 2783** was closed.

The Committee considered action on **HB 3003** - Out-district tuition for community colleges and Washburn University continued through 2003-04 academic year.

Representative Cook moved, Representative Huff seconded, to recommend HB 3003 favorable for passage. Motion was adopted.

Meeting adjourned at 10:30 a.m. Next is scheduled March 22.