

Approved May 11, 2002
Date

MINUTES OF THE HOUSE COMMITTEE ON TAXATION

The meeting was called to order by Chairman Edmonds at 9:02 a.m. on March 20, 2002 in Room 519-S of the Capitol.

All members were present except: Representative T. Powell, excused
Representative Powers, 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 Merrick
Bob Vancrum, Blue Valley U.S.D. 229
Bill Flohrs, Blue Valley Recreation
Laurie McCammon, Blue Valley School District
Laura Kelly, Kansas Recreation and Park Association
Melissa Wangemann, Counsel, Kansas Secretary of State
Karl Peterjohn, Kansas Taxpayers Network
Bill Yanek, Kansas Association of Realtors
Hal Hudson, National Federation of Independent Business
Don Moler, Kansas League of Municipalities
Randy Allen, Kansas Association of Counties
Lonnie Addis, Labette County Commissioner
Robert Courtney, Kansas County Commissioners Association
Vern McKernzie, Harvey County Commissioner
Richard Maginot, Soldier Township
David Monical, Washburn University
Mahlon Tuttle, Kansas Legislative Policy Group
Mike Taylor, City of Wichita
Ashley Sherard, Johnson County
Michael D. Popoon, Sedgwick County

Others Attending: See attached list.

By unanimous consent bill will be introduced as requested by Representative Larkin concerning resident trusts. [HB 3030 - Resident trust definitions for income tax purposes]

Hearing was opened on
HB 2878 - Blue Valley recreation system.

Representative Merrick testified in support of the bill which represents a compromise reached with the Superintendent of Schools, the President of the School Board and other interested individuals in an attempt to restore the Recreation Commission as it was in 1994 as requested during hearings before this Committee in 2001. He said the Kansas Recreation and Park Association still had some concerns about the bill.

Representative Merrick proposed an amendment to add the following language in Section 2 on page 5: "No levy shall be authorized under this paragraph to pay off any outstanding obligations."

Bob Vancrum presented testimony in support of **HB 2878** on behalf of the Blue Valley School District (Attachment #1), and commended the efforts of Representative Merrick leading to this compromise which reorganize the existing Blue Valley Recreation Commission the same as all other recreation commissions in Kansas, recognizing that it has acquired real estate.

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William J. Flohrs, Chairman, presented testimony in support of **HB 2878** (Attachment #2) on behalf of the Blue Valley Recreation Commission, which supports equality of all recreation commissions across the state.

Laurie McCammon presented testimony in support of **HB 2878** as a member of the Blue Valley Community Coalition (Attachment #3). She included a history of the development of Blue Valley Recreation Commission and its programs. She thanked Representative Merrick for his work in effecting this compromise.

Laura Kelly, Executive Director, presented testimony of the Kansas Recreation and Park Association (Attachment #4). Parts of the bill the Association supports were noted, moving towards greater uniformity to all Recreation Commissions in Kansas. She outlined the provisions the Association opposes relating to continued taxing for recreation purposes after dissolution of the Commission and the disposition of property.

Hearing on **HB 2878** was closed.

Hearing was opened on
HB 3025 - Political subdivisions property tax limit.

Melissa Wangemann, Legal Counsel and Deputy Assistant Secretary of State, provided information on mail ballot elections and noted provisions of **HB 3025** that should be modified to remedy conflicts with current Kansas law on mail ballot elections (Attachment #5).

Karl Peterjohn presented testimony on behalf of Kansas Taxpayers Network in support of **HB 3025** which he said reflects the Network's traditional position to support property tax limits and empower voters to decide property taxes the way sales tax increases occur in Kansas (Attachment #6).

Testimony on behalf of Kansas Association of Realtors in support of the bill was presented by Bill Yanek (Attachment #7), noting that the Association believes tax lids are part of the checks and balances necessary in government, providing the parameters within which local governments can operate.

Hal Hudson presented testimony on behalf of the National Federation of Independent Businesses in support of **HB 3025** (Attachment #8). He said a major goal of NFIB is to ease the burden and complexity of taxes on small business owners and they support giving local taxpayers a greater voice in the process.

Written testimony was provided by Leslie Kaufman on behalf of the Kansas Farm Bureau expressing conceptual support of **HB 3025** (Attachment #9) agreeing that a limit is good policy but noting the manner in which the bill implements the process raises some concerns.

Testimony of the League of Kansas Municipalities in opposition to **HB 3025** was presented by Don Moler, Executive Director (Attachment #10). Mr. Moler noted the *2002 League Statement of Municipal Policy* included the position statement that because local spending and taxing decisions are best left to locally elected officials, they oppose any state-imposed tax or spending lids.

Randy Allen, Executive Director, presented testimony of the Kansas Association of Counties in opposition to **HB 3025** (Attachment #11), listing reasons for strenuous objections and urging the Legislature to respect the intelligence and diligence of county commissioners. He noted if citizens feel the need for new local leadership they can elect new leaders through the most effective means of accountability-the ballot box.

Lonie Addis, Labette County Commissioner, presented testimony in opposition to **HB 3025** (Attachment #12). He said County Commissioners use an open and conscientious approach in budgeting and by the powers vested in them by the electorate do everything possible to keep taxes to a minimum and try to fund the operations of county government.

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Testimony of the Kansas County Commissioners Association in opposition to **HB 3025** was presented by Bob Courtney, President (Attachment #13). Mr. Courtney expressed surprise that a bill would be introduced that would try to restrict the ability of county governments to handle the loss of State demand transfer and unfunded mandates and listed various increased expenses to counties

Testimony of the Lyon County Commission to **HB 3025** was presented by Vernon McKinzie, Chairman (Attachment #14). He described the recent history of the mill levy in Lyon County and said he believed it demonstrated their fiscal responsibility and ability to control the budget mill levy on a local basis without a lid. He described their struggles to meet unfunded mandates from the state. He believes locally elected officials are best qualified to know what services are necessary and desired by their constituents and should not have local tax rates dictated by the legislature.

Richard Maginot, Township Business Administrator of Soldier Township, presented testimony in opposition to **HB 3025** (Attachment #15). He said during the budget process provisions are in place to hold public hearings where citizens voice their opinions regarding taxes and spending and that the cost of special elections would be borne by the local municipality, further straining already tight budgets.

David Monical, Executive Director of Governmental and University Relations, asked that the reference to Washburn University be stricken in line 15 and presented testimony setting forth reasons Washburn University should be exempted from the provisions of **HB 3025** (Attachment #16).

Mahlon Tuttle, President, presented testimony in opposition to **HB 3025** on behalf of the Kansas Legislative Policy Group, an organization of 36 western Kansas counties (Attachment #17). He said tax lids tend to punish those governing bodies that are trying to be conservative in their spending and reward those who spend money more freely and that the best tax lids are the ballot box

Michael Pepoon, Director of Government Relations, presented testimony on behalf of Sedgwick County in opposition to **HB 3025** (Attachment #18). He listed examples of tax cut proposals that merely shift the expense of state government to counties and said elected county officials should have the same opportunity to raise taxes or impose tax cuts as part of the democratic process.

Written testimony on behalf of the City of Wichita in opposition to **HB 3025** was presented by Mike Taylor, Government Relations Director (Attachment #19), stating the City of Wichita believes its citizens and the City Council they elect are capable and responsible enough to determine local taxing and spending policies without mandated limitations and restrictions imposed by the legislature.

Written testimony on behalf of the Johnson County Commission in opposition to **HB 3025** was presented by Ashley Sherard, Government Relations Manager (Attachment #20), stating elected officials at all levels of government serve a mutual constituency and locally elected officials must be committed to ensuring the quality, integrity and responsiveness of community services without overburdening taxpayers.

Hearing on **HB 3025** was continued to March 21.

The meeting adjourned at 10:35 a.m. Next meeting is March 21.