

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Barbara Allen at 11:05 A.M. on March 2, 2005 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Kansas Legislative Research
Martha Dorsey, Kansas Legislative Research
Gordon Self, Revisor of Statutes Office
Nancy Kirkwood, Secretary

Conferees appearing before the committee:

Representative Huff
Brad Reiff, Kansas Housing Resources Corp
John Scott, Interfaith Housing Service - Hutchinson
Allan Quigley, Johnson County Housing Coalition
Carol Smith, United Community Services
Robert Broadway, 21st Century Homestead, Community Housing Development Organization (CHDO)
Representative Otto
Representative Flaherty
Ron Hein, Kansas Hearing Aid Association
Eileen King, Riley County Treasurer

Others attending:

See attached list.

Hearing on:

HB 2082 - Property tax exemption for property owned by community housing development organizations

Representative Huff appeared before the Committee in support of **HB 2082**, and presented testimony. The bill would provide a property tax exemption for certain property, both real and personal, actually and regularly used for housing of elderly, disabled, or low-income persons, provided such property is solely owned and operated by not-for-profit community housing development organizations recognized by the Kansas Housing Resources Corporation (Attachment 1).

Testimony in support of **HB 2082**, was given by Bradley Reiff, Community Housing Development Organizations (CHDO). Mr. Reiff explained CHDO is a community-based non-profit corporation, having the capacity to develop housing (Attachment 2).

John Scott, Interfaith Housing Services, Inc. (IHC), was recognized by the Chair and presented testimony as a proponent of **HB 2082**. Mr. Scott stated passing **HB 2082** will open up new opportunities for the development of truly affordable and accessible housing across Kansas, and make it possible to develop housing in harder to develop areas. This bill would also help lower rents for IHC clients, and improve the quality of life for people of moderate to low incomes. (Attachment 3).

Chairperson Allen recognized Allan Quigley, Executive Director of the Johnson County Housing Coalition, to speak to the Committee. Mr. Quigley appeared as a proponent of **HB 2082**, testifying this legislation helps to ensure that properties meet the US Department of Housing and Urban Development (HUD) standards, and that the exemption doesn't create a loophole through which for-profit companies benefit from the exemptions at the expense of the local community (Attachment 4).

Carol Smith appeared before the Committee in support of **HB 2082**. Ms. Smith is the Associate Director of United Community Services of Johnson County (UCS), a nonprofit human service research organization and planning partner of United Way in Johnson County. Ms. Smith stated UCS is in support of **HB 2082**, which

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proposes a property tax exemption for CHDO (Attachment 5).

Testifying in support of **HB 2082**, was Robert Broadway, Executive Director, 21st Century Homestead, Inc. and CHDO, which serves Cherokee, Chautauqua, Labette, Montgomery, Elk Wilson, Neosho and Crawford counties in southeastern Kansas (Attachment 6).

Chairperson Allen asked staff, at Senator Lee's request, to present the Committee, the Kansas Supreme Court decision that stated CHDOs did not qualify as community organizations providing humanitarian services as required by the statute.

There being no others wishing to testify as a proponent or an opponent, the Chair closed the hearing on **HB 2082**.

HB 2187 - Taxation of motor vehicles; certain military exemption

Representative Otto submitted written testimony in support of **HB 2187** (Attachment 7).

Written testimony in support of **HB 2187** was submitted by Eileen King, Riley County Treasurer and representative of the Kansas County Treasurers Association (KCTA) (Attachment 8).

There being no others wishing to testify on **HB 2187**, the Chair closed the hearing.

Chairperson Allen asked for the Committee's interest in passing **HB 2187** out of Committee. Senator Donovan made a motion to pass HB 2187 out favorably. Senator Apple seconded the motion. The motion carried.

HB 2040 - relating to exemptions; repair of hearing aids

Representative Flaherty submitted written testimony in support of **HB 2040**. She intended to speak to the Committee, but due to conflicts in the House, presented written testimony only (Attachment 9).

Ron Hein, legislative counsel for the Kansas Hearing Aid Association (KHAA), presented testimony in support of **HB 2040**. Mr. Hein stated in the 2004 session, the law was changed to exempt all sales of hearing aids eliminating the need to see a physician first to obtain a prescription. Pursuant to current law, the cost of the parts used in a repair are exempt from sales tax, but the repair services would be taxable (Attachment 10).

There being no others wishing to testify on **HB 2040**, the hearing was closed.

Approval of minutes

Chairperson Allen asked for a motion to approve the minutes of January 31, February 1, 14, and 16. Senator Donovan made a motion for approval. Senator Bruce seconded the motion, and the motion carried.