

MINUTES OF THE HOUSE TAXATION COMMITTEE.

The meeting was called to order by Chairperson John Edmonds at 9:00 a.m. on February 5, 2003 in Room 519-S of the Capitol.

All members were present except: Representative Ruby Gilbert

Committee staff present: Chris Courtwright, Legislative Research Department
April Holman, Legislative Research Department
Gordon Self, Office of the Revisor
Carol Doel, Committee Secretary

Conferees appearing before the committee:

Representative Becky Hutchins
Representative Rick Rehorn
Representative Judy Morrison
Gary Robbins, Kansas Optometric Association
Bob Williams, Kansas Pharmacists Association
Jane Rhys, Kansas Council on Developmental Disabilities
Jennifer Schwartz, Assistive Technology for Kansans
Debra Harmon Zehr, RN MA, Kansas Association of Homes and Sciences
Josie Torrez, Kansas Association of Centers for Independent Living
David Johnson, Association for Community Mental Health Centers
Rebecca Rosenthal, Kansas Commission for Deaf & Heard of Hearing
Kathy Lobb, Self Advocate Coalition of Kansas
Shannon Jones, SILCK - Big Tent Coalition

Others attending: See attached sheet

Chairman Edmonds asked if anyone wished to address the committee with a bill introduction. Representative Hutchins asked for a bill adding .4% retail sales tax for Jackson County for the purpose of financing economic development and infrastructure projects.

With Chairman Edmonds hearing no objection, the bill will be considered for introduction.

Representative Rehorn also requested the introduction of a bill relating to classification of cities for purposes of levying sales and excise taxes.

Representative Judy Morrison addressed the committee for the purpose of introduction of a bill providing a sales tax exemption for an organization called Dreams Work, which is a daycare center for children with multiple disabilities.

CONTINUATION SHEET

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With no objections, Chairman Edmonds accepted the bill for introduction.

Chairman Edmonds requested that Chris Courtwright of the Legislative Research Department give an overview of **HB 2076**. Mr. Courtwright reported that the bill would remove the current exemption for prescription drugs, also the exemption for Insulin, exemption for prosthetic devices and orthopedic appliances, certain nursing home services, and sales of medical supplies and equipment purchased directly by a nonprofit skilled nursing homes, or nonprofit intermediate nursing care home, as well as all sales of tangible personal property or services, including the renting and leasing of tangible personal property purchased directly on behalf of a community based mental retardation facility or mental health center. In addition, it would remove the exemption from tangible personal property and services purchased by a primary care clinic or health center the primary purpose of which is to provide services to medically under served.

Mr. Courtwright also provided the committee with the fiscal note on **HB 2076**. ([Attachment 1](#))

Shannon Jones, executive director of Statewide Independent Living Council of Kansas (SILCK) as well as representing the Kansas Big Tent Coalition, addressed the committee as an opponent of **HB 2076**. It is their feeling that this bill directly targets Kansas citizens most in need such as seniors, disabled and the working poor. ([Attachment 2](#))

Next to be recognized as an opponent of **HB 2076**, was Gary Robbins, Executive Director of the Kansas Optometric Association. His testimony was directed at the effect on some of the most vulnerable citizens such as elderly Kansans living on fixed incomes and the disabled. ([Attachment 3](#))

Testimony was presented by Bob Williams, Executive Director of the Kansas Pharmacists Association (KPHA). It is their belief that removing the tax exemption from **HB 2076** for prescription drugs, insulin and medical devices will only make a bad situation worse. ([Attachment 4](#))

The Kansas Council on Developmental Disabilities was represented by Jane Rhys, Executive Director. It was their feeling that the removal of the tax exemption would impose additional hardships on those who have already been impacted by budget cuts. ([Attachment 5](#))

Jennifer Schwartz, with KACIL (Kansas Association of Centers for Independent Living) addressed the committee as an opponent of **HB 2076**. KACIL is an organization which assists individuals with devices such as manual and power wheelchairs as well as walkers, hearing aids, etcetera. They feel that the removal of the tax exemption would directly affect the services they would be able to provide. ([Attachment 6](#))

Testimony opposing **HB 2076** was delivered by Debra Zehr, Vice-President of KAHSA (Kansas Association of Homes and Services for the Aging). Their opposition was directed towards the adverse effect on medical supplies and equipment directly purchased by not-for-profit nursing homes. ([Attachment 7](#))

Another representative of KACIL (Kansas Association of Centers for Independent Living), Josie Torrez, came before the committee in opposition of **HB 2076** with the feeling that this bill would tax the most vulnerable of the population first. ([Attachment 8](#))

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David Johnson CEO of Bert Nash Community Mental Health Center appeared before the committee in the role of Public Policy Committee Chair for the Association of Community Mental Health Centers of Kansas, Inc. There opposition to **HB 2076** faced the issue that their organization, CMHC, has already sustained budget cuts and the elimination of the sales tax deduction would cause further reduction in services to needy individuals. (Attachment 9)

Next to provide testimony in opposition to **HB 2076** was Rebecca Rosenthal, Executive Director of the Kansas Commission for the Deaf and Hard of Hearing. Ms. Rosenthal's testimony stated that this bill would have a direct impact on the disabled. (Attachment 10)

Kathy Lobb, Legislative Liaison testified in opposition to **HB 2076** on behalf of the Self-Advocate Coalition of Kansas. Her testimony was also concerned with the recent budget cuts and then the elimination of the tax exemptions which would prove very challenging for people with developmental disabilities to meet their monthly expenses. (Attachment 11)

Shannon Graham, mother of a severely disabled child, gave testimony to the committee also in opposition to **HB 2076**. Mrs. Graham stated that her daughter used a number of assistive devices in her daily living routine and with the cut in the Medicaid budget and the possible addition of sales tax she would have significant additional monthly out-of-pocket expenses which would certainly impact their budget. (Attachment 12)

Chairman Edmonds asked if anyone else wished to address **HB 2076**. With no other persons wishing to address the committee and no further business before the committee the meeting was adjourned at 10:40.