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MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Barbara Allen at 10:30 A.M. on February 15, 2006 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
Judy Swanson, Secretary

Conferees appearing before the committee:

Senator Susan Wagle
Mary Ellen Conlee, Wichita Area Technical College
Diane Gjerstad, USD#259, Wichita

Others attending:

See attached list.

Hearing on **SB 535**, no sales taxation of manufacturer rebates to purchasers of new motor vehicles modified to accommodate handicapped persons was opened.

Senator Susan Wagle testified she introduced the bill on behalf of a constituent who was required to pay sales tax on the rebate received when buying a new van for his disabled wife. (Attachment 1) Senator Donovan pointed out the cost of the special equipment in the van is already tax exempt. Senator Wagle said the fiscal note for this bill could not be correct. Richard Cram, KDOR, will work with others in getting a more accurate fiscal note. Chairman Allen requested Senator Wagle to provide information to the committee on how many vans with special equipment would be affected under this bill.

Hearing on **SB 535** was closed.

Hearing was opened on **SB 311**, tax levy authority for governing bodies of technical colleges and school districts.

Mary Ellen Conlee, representing the Wichita Area Technical College, testified this bill would permit a shift of the local property tax mechanism for providing a Kansas Board of Regents approved ABE curriculum from USD 259 to the WATC Board of Directors. (Attachment 2)

Diane Gjerstad, Wichita Public Schools, testified in support of **SB 311**. (Attachment 3) Discussion followed.

In response to Senator Lee, it was noted this bill would increase the mill levy in Sedgwick County, outside of the City of Wichita, and there is no limit on the ABE mill levy. Ms. Conlee said there is no other technical college in Kansas that could raise the mill levy to support its programs, and she does not feel it would be a tax increase to the residents outside of the Wichita school district. Ms. Conlee said she would not oppose a protest provision.

Mark Desetti, KNEA, said it was unclear to him whether, after passing **SB 311** into law, USD 259 would be prohibited from passing a bond issue. Gordon Self, Revisor, said that was not the bill's intent, and the bill needed several technical amendments. Chairman Allen requested proposed amendments prior to the committee working the bill. Senator Lee requested staff get more information about this bill, including if it would give technical schools the authority to propose bond issues.

Hearing on **SB 311** was closed.

Julie Hein, representing Kansas Pharmacy Coalition and Kansas Pharmacy Association, proposed amendments to **SB 404**, sales tax exemption for purchase of personal property by certain organization used for the collection, storage and distribution of food products. (Attachment 4) She said the amendment

CONTINUATION SHEET

MINUTES OF THE Senate Assessment and Taxation Committee at 10:30 A.M. on February 15, 2006 in Room 519-S of the Capitol.

was needed because of the new definition of drugs under the streamlined sales tax law.

Discussion was held on **SB 404**, sales tax exemption for purchase of personal property by certain organization used for the collection, storage and distribution of food products.

Senator Donovan made a motion to amend **SB 404** on page 20, line 36, by adding the words “and services” after the word “property”. Senator Pine seconded the motion, and the motion passed.

Senator Donovan made a motion to amend **SB 404** by including the appropriate dietary supplemental language, and requested the Revisor to make any additional technical adjustments to the bill that are needed. Senator Jordan seconded the motion, and the motion passed.

SB 489, sales tax exemption for Special Olympics Kansas, Inc, was discussed.

Senator Donovan made a motion to amend **SB 489** on page 9, line 21, by adding the words “and services” after the word “property”. Senator Jordan seconded the motion, and the motion passed.

Senator Donovan moved to amend the text of **SB 489**, as amended, into **SB 404**. Senator Jordan seconded the motion, and the motion passed.

Senator Donovan moved to report **SB 404** as amended favorable for passage. Senator Bruce seconded the motion, and the motion passed.

Richard Cram, KDOR, said the fiscal note for **SB 438**, computation of amount of personal property tax on motor vehicles, was incorrect. He will prepare a correct fiscal note.

Being no further business, the Committee adjourned at 11:55 a.m.