

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 9:00 A.M. on March 14, 2008 in Room 519-S of the Capitol.

All members were present except Representative McCray-Miller - Excused

Committee staff present:

Chris Courtwright, Legislative Research Department
Gordon Self, Office of Revisor of Statutes
Ryan Hoffman, Legislative Research Department
Scott Wells, Office of Revisor of Statutes
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:

Representative Steve Lukert
Representative David Crum
Warren Plager, Brown County Commissioner
Richard Boeckman, Barton County Counselor/Administrator
William H. Johnson, Butler County Administrator
Dave Christy, Jefferson County Commissioner
Jeff Herrig, Undersheriff, Jefferson County

Others attending:

See attached list.

Representative Kinzer requested a bill introduction for a Kansas child tax credit. Representative Siegfried seconded. The motion carried.

The Chairman advised the Committee that if, after hearing the four bills on today's agenda, there is no opposition, it is his intent to combine the bills into one and pass it out favorably. No one expressed opposition.

HB 2823 - Sales tax authority for Brown County

Scott Wells said that **HB 2823** would allow the Brown County Commission to submit to voters the question of imposing an additional 0.25 percent countywide sales tax for the purpose of financing the construction or remodeling of a courthouse jail, law enforcement facility, or other county administrative facility. If approved by voters, the tax would expire upon payment of all costs associated with the financing of the proposed project.

The Chairman opened the hearing on **HB 2823**.

Representative Steve Lukert advised the Committee that the authority is for a voter approved 1 cent sales tax for the construction of a new county correctional facility in Hiawatha, Kansas. He said the amount of increase stated in the bill is 1.25, as listed on page 8, line 26. He introduced Warren Plager, Brown County Commissioner in attendance and Lamar Shoemaker, Brown County Sheriff (Attachment1). He said the jail is outdated and "worn out."

At the Chairman's request Warren Plager, Brown County Commissioner, explained that the sheer distance that sheriffs need to travel makes a regional correctional facility difficult if not impossible. The Committee recommended several options for the county commissioners to consider.

To address the discrepancy, Chris Courtwright, said the bill needs the following technical amendments:

1. On page 8, line 38, insert *Brown*, after Barton
 2. A separate sub-section would be added, that would state that Brown County could go up to 1 cent
 3. Add a sunset clause upon expiration of the bond, or fifteen years, whichever comes first
 4. Make an amendment to K.S.A.192 regarding the county sales tax apportionment formula.
- He said that if it is the Committee request to move all the bills into one bill, he recommended they use

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HB 2932 as the vehicle.

The Chairman closed the public hearing.

HB 2930 - Authorizing retailers' sales tax authority for Barton County

Scott Wells said that **HB 2930** would allow the Barton County Commission to submit to voters the question of imposing an additional 0.5 percent countywide sales tax for the purpose of financing the costs of roadway and bridge construction and improvement and infrastructure development. The tax rate authorization would be in addition to the 1.0 percent statutory cap. If approved by voters, the tax would expire ten years from the date the tax is first collected.

Richard Boeckman, Barton County Counselor/Administrator, rose in support of **HB 2930**. He explained the Barton County tax sales distribution, and said this legislation would result in revenue derived from the sales tax being shared between the county and the incorporated cities within the county based on the statutory formula. The long-term goal is to maintain and strategically enhance transportation, utility and communications infrastructure to meet the needs of existing businesses and contribute to community's goals of attracting new businesses (Attachment 2).

Chris Courtwright recommended that the following language, *up to*, be inserted, on line 10, before .5%.

The Chairman closed the public hearing.

HB 2932 - Sales tax authority for Butler County

Scott Wells said **HB 2932** would allow the Butler County Commission to submit to voters the question of imposing a countywide sales tax for the purpose of financing the costs of public safety capital projects and/or bridge and roadway construction projects. The sales tax could be imposed at a rate of 0.25 percent, 0.5 percent, 0.75 percent, or 1.0 percent. If approved by voters, the tax would expire upon payment of all costs associated with the financing of the proposed project.

The Chairman opened the public hearing.

Representative Crum rose in support of **HB 2932**. Passage of this bill would provide the Butler County Commissioners another option in meeting the needs of their constituents. He introduced William H. Johnson, Butler County Administrator (Attachment 3).

William H. Johnson, Butler County Administrator, described the two countywide projects, Emergency Communications, and the Butler road project. Each project will require a public vote and each tax will have a sunset clause (Attachment 4).

The Chairman closed the public hearing.

HB 2941 - Sales tax authority for Jefferson County for employer contributions for certain KP & F retirement system members.

Scott Wells said that **HB 2941** would allow the Jefferson County Commission to submit to voters the question of imposing a 0.25 percent countywide sales tax for the purpose of financing the costs of the county's obligation as participating employer to make employer contributions and other required contributions to the Kansas Public Employees Retirement System for eligible employees of the county who are members of the Kansas Police and Firemen's Retirement System. If approved by voters, the tax would expire upon payment of all costs associated with the financing of the proposed project.

Dave Christy, Jefferson County Commissioner, spoke in favor of **HB 2941**. He justified an increase in tax in order to have a better ability to attract prospective employees; retain employees and promote longevity; and prevent job burnout.

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Jeff Herrig, Undersheriff, Jefferson County spoke of the need for additional funds to offer additional benefits in order to remain competitive in attracting professional candidates (Attachment 5).

The Chairman closed the public hearing.

Representative Crum made a motion to pass out **HB 2932**, with amendments, favorable for passage.

Representative Siegfroid made a substitute motion, to amend the contents of **HB 2823**, **HB 2930**, **HB 2941**, with amendments, as previously discussed, into **HB 2932**. Representative Treaster seconded the motion. The motion carried.

Representative Crum made the motion that they advance **HB 2932**, as amended, favorable for passage. Representative Menghini seconded the motion. The motion carried.

The meeting adjourned at 10:15 a.m. The next meeting is March 18, 2008.