

Approved: March 15, 2012
Date

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Les Donovan at 10:31 a.m. on March 6, 2012 , in room 152-S of the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Kansas Legislative Research Department
Christopher Sevedge, Kansas Legislative Research Department
Gordon Self, Office of the Revisor of Statutes
Scott Wells, Office of the Revisor of Statutes
Mary Jane Brueck, Committee Secretary

Conferees appearing before the committee:

Sen. Pat Apple
Luke Bell Vice President of Public Affairs, Kansas Association of Realtors
Larry Baer, League of Kansas Municipalities
Randall Allen, Kansas Association of Counties
Lindsey Douglas, Kansas Department of Transportation
John Federico,

Others attending:

See attached list.

Sen. Les Donovan opened the meeting with the hearing on **SCR 1612 – A proposition to amend section 1 of article 11 of the constitution of the state of Kansas, relating to property taxation.** He asked Chris Courtwright, Legislative Research Department, to explain what this bill will do. He was followed by Sen. Pat Apple who explained this resolution must be approved by the citizens of Kansas before it can become part of the Kansas Constitution. He also explained local units of government may see a slight reduction in assessed valuation. However, the decrease from this resolution will only be temporary as these properties effected will come back on the tax rolls at current values when residents 65 and over vacate these homes. (Attachment 1) Written testimony in favor of passage of this resolution was provided by Ronald and Navella Richey, residents of Topeka KS. (Attachment 2)

Luke Bell Vice President of Public Affairs, Kansas Association of Realtors told the committee his organization is neutral regarding this resolution. He urged the committee to weigh the provisions of the resolution carefully. (Attachment 3)

Chairman Donovan recognized Larry Baer, League of Kansas Municipalities who spoke in opposition to the resolution. He said this resolution would increase taxes on small businesses and other homes, and be an erosion of general taxes. He recommends **SCR 1612** not be passed favorably. (Attachment 4) Sen King pointed out older residents are moving because of increasing property taxes. He suggested this resolution would keep folks stay in the state, and could draw others to our state.

Randall Allen, Kansas Association of Counties told the committee his organization opposes caps on any tax. When one tax is lowered, another tax may be increasing. (Attachment 5) Sen. Donovan closed this hearing.

He then opened the hearing on **Substitute to HB 2455 – Concerning the motor fuel tax**. He recognized Lindsey Douglas, Kansas Department of Transportation. She told the committee the original bill was to charge a tax on electric vehicles. There is presently discussion in the US House and Senate looking at alternate taxes to fund highways. (Attachment 6) Representative Tom Sloan requested the original bill. (Attachment 7) He was not able to be present for this hearing. It was recommended he could be contacted with any questions. John Federico spoke on behalf of General Motors. He said GM was opposed to the bill as it was originally presented, but in neutral on the bill in the current form. He mentioned there are 72 electric vehicles known to be in Kansas. (Attachment 8)

No action was taken today on either bill. Tomorrow, the committee will hear **SB 376 – Concerning taxation; relating to income tax, rates; sales taxation, exemptions, rates and distribution of revenue and imposition of tax on certain services; elimination food sales tax refund; local compensating use tax; duties of secretary of revenue; local property tax reductions.**

Seeing no further questions or comments, Sen. Donovan closed the discussion.

The next meeting will be tomorrow, March 7, 2012.

The meeting was adjourned at 11:00 a.m.