

SESSION OF 2004

**SUPPLEMENTAL NOTE ON  
HOUSE SUBSTITUTE FOR SENATE BILL NO. 147**

As Amended by House Committee of the Whole

**Brief\***

House Sub. for SB 147 would:

- ! increase the limit on interest accrued to \$5, below which the county treasurers of Sedgwick, Johnson, Shawnee, and Douglas counties are not required to collect interest due on delinquent personal property taxes. The bill would also exclude Wyandotte County from among the counties to which the provisions of KSA 79-2017, authorizing a separate method of collecting delinquent personal property taxes, apply.
  
- ! Prohibit, with one exception, consideration of a lessee's use of aircraft in determining the business aircraft property tax exemption status, if the aircraft owner's business or industry is the leasing of aircraft. The exception would be if the owner knows or should have reasonably known that the leased aircraft has been or will be used "in a manner inconsistent with this provision."  
(Added by House Committee of the Whole)

**Background**

Currently, KSA 79-2017 authorizes the county treasurers of Sedgwick, Johnson, Wyandotte, and Shawnee counties to accept payment of delinquent taxes in full without interest due if the interest due is less than \$1. This statute, which currently applies only to these four counties, provides for a method of collecting delinquent personal property taxes different from the method applicable in most counties.

The bill does not affect state revenues or expenditures. However,

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

it has the potential to affect the revenues of counties by an amount that currently cannot be estimated. The original bill would have provided special local sales tax authority for Chase and Shawnee counties. The House Taxation Committee amended the bill to strike its original provisions and instead insert the provisions of HB 2560, as amended by the House Taxation Committee.

The House Taxation Committee also amended the bill to include Douglas County among those to which the separate method of collecting delinquent personal property taxes would apply.

The House Committee of the Whole amended the bill to modify the business aircraft property tax exemption. The amendment was suggested by the League of Kansas Municipalities as an alternative to SB 521 or HB 2551, in an attempt to return this law to its intended status prior to the issuance of a May, 2003 Kansas Supreme Court decision. This decision [*In the Matter of the Application of Central Kansas E.N.T. Associates, P.A., for exemption of Ad Valorem Taxation in Saline County, Kansas*, 275 Kan. 893 (May 30, 2003)] had narrowed a previous interpretation of the business aircraft exemption.

A fiscal note on the amended bill was not available at the time of passage by the Committee.