

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 9:00 A.M. on February 28, 2007 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Legislative Research Department  
Gordon Self, Office of Revisor of Statutes  
Richard Cram, Department of Revenue  
Kathy Beavers, Office Assistant

Conferees appearing before the committee:

Representative Richard Carlson  
Representative Stan Frownfelter  
Rodney Allen - Chairman of Waubensee County Commissioners  
David Christy - Jefferson County Commissioner  
George Lippincott - Volunteer Coordinator for Economic Affairs for AARP Kansas

Others attending:

See attached list.

**HB 2519 - Authorizing statewide retailers' sales tax for Wabaunsee county.**

Chairman Wilk opened the hearing on **HB 2519**.

Representative Carlson testified on behalf of Waubensee County and **HB 2519** (Attachment 1). Passage of **HB 2519** would allow Waubensee County to impose a .5 percent county wide sales tax for the exclusive use on the county's roads and bridges. The bill has a fifteen year sunset and requires voter approval.

Rodney Allen, Chairman of Waubensee County Commissioners, testified that, if passed, **HB 2519** would authorize Waubensee County to enact a .5 percent sales tax specifically dedicated to maintenance and construction of county roads and bridges for the exclusive use of the county (Attachment 2). Currently Waubensee County has a 1 percent sales tax that is shared with cities in Waubensee County. Waubensee County recently ended a .25 percent sales tax that went to building improvements at the courthouse.

David Christy, Jefferson County Commissioner, testified that Jefferson County would like to piggyback on to **HB 2519** and requests that a 1 percent sales tax increase, with a six year sunset, be approved (Attachment 3). He explained that in order to keep up and improve the roads in Jefferson County the commissioners had three choices to fund the road projects. The three options are: 1) to raise the mill levy; 2) to sell bonds, or 3) to implement a temporary sales tax increase. The commissioners feel that the third option, to implement a temporary sales tax increase, is the best option for the county. This increase will have to be approved by Jefferson county constituents, which can be accomplished by mail ballot.

Chairman Wilk closed the hearing on **HB 2519**.

**HB 2430 - Homestead property tax refunds; maximum amount of refund, social security benefits not included in income, limitations on entitlement, renters, filing requirements and income verification, refunds applied against delinquent property taxes and sunset of act.**

Chris Courtwright reviewed the Homestead Act as it is now and how it would effect citizens if the legislation is enacted. He reviewed the payout in 2005 versus the pay out if the bill is enacted. Representative Siegfried requested Chris Courtwright obtain information on how many household would be affected if enacted. Martha Dorsey handed out copies of the interim report to enable the members to better understand the Homestead Act (Attachment 4).

Representative Frownfelter testified that the effect on senior citizens in his district on disability income changes when they become 65 years of age and their disability income, which is not taxable, becomes

## CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on February 28, 2007 in Room 519-S of the Capitol.

social security income and is taxable. The taxable income may affect their eligibility for the Homestead refund (No written testimony).

George Lippincott, Volunteer Coordinator for Economic Affairs for AARP Kansas, stated that 360,000 AARP members support **HB 2430** and they believe the bill will restore the value of the Kansas Homestead Exemption Program (Attachment 5). He summarized that since the beginning of the decade, property tax levies have increased in selected jurisdictions in Kansas, while individual income levels for lower income citizens have not kept pace. He also emphasized that the proposed changes in the Homestead Exemption Program in **HB 2430** do not represent a new or increased entitlement.

The Chairman closed the public hearing on **HB 2430**.

After discussion, Chairman Wilk requested Gordon Self draft a substitute bill on **HB 2430** to be reviewed at a later meeting.

Representative Tim Owens provided an update on Sub-Committee activities on Board of Tax Appeals (BOTA).

The meeting was adjourned at 10:20 a.m. The next meeting is March 1, 2007.