

Journal of the Senate

TWELFTH DAY

SENATE CHAMBER, TOPEKA, KANSAS
Wednesday, January 29, 2003—2:30 p.m.

The Senate was called to order by President Dave Kerr.
The roll was called with forty senators present.
Invocation by Chaplain Fred S. Hollomon:

Heavenly Father,

Last week our Governor gave her State of the State message.

Last night our President gave his State of the Union message.

What about the State of our Districts?

I'm not the one to report on the state of any government entity, but as I look out over Topeka and see the spires of our church buildings pointing toward heaven and You, O God, I am impressed to ask You to bless the "spires of life" which can determine what the state of our districts can be.

One spire is to aspire
To do the best we can
To make the state of Kansas
The best state in the land.

A second spire is inspire
The people we represent
To make sure their community
Is rated excellent.

A third spire is perspire,
For a lot of perspiration
Is required for us to reach
Our highest expectations.

The last spire is to expire,
But before our journey ends
May the first three make our districts
The best they've ever been!

I ask this in Jesus' Name,

AMEN

INTRODUCTION OF BILLS AND CONCURRENT RESOLUTIONS

The following bills and resolution were introduced and read by title:

SB 89, An act concerning schools; relating to employment contracts; amending K.S.A. 72-5411 and 72-5452 and repealing the existing sections, by Committee on Ways and Means.

SB 90, An act concerning retirement and pensions; relating to the Kansas public employees retirement system and systems thereunder; unfunded obligations for certain benefits, by Committee on Ways and Means.

SB 91. An act concerning law enforcement; relating to the law enforcement training center; qualifications and officer training requirements; amending K.S.A. 74-5605 and repealing the existing section, by Committee on Ways and Means.

SB 92. An act concerning alcoholic beverages; relating to the sale thereof; amending K.S.A. 41-712 and 41-2704 and repealing the existing sections, by Committee on Federal and State Affairs.

SB 93. An act concerning crimes, criminal procedure and punishment; relating to diversion agreements; traffic cases; costs and fees; amending K.S.A. 22-2906, 22-2908 and 22-2909 and repealing the existing sections, by Committee on Federal and State Affairs.

SB 94. An act concerning taxation; relating to inheritance or succession tax; abolishing tax liability therefor and refunding any tax paid; repealing K.S.A. 2002 Supp. 79-15,127, by Senators Schmidt, Adkins, Jackson, Schodorf, Taddiken, Teichman and Vratil.

SB 95. An act concerning elections; relating to names of political parties; amending K.S.A. 25-304 and K.S.A. 2002 Supp. 25-302a and repealing the existing sections; also repealing K.S.A. 25-116 and 25-117, by Committee on Elections and Local Government.

SB 96. An act concerning campaign finance; relating to an exemption from filing certain reports; amending K.S.A. 25-4144 and repealing the existing section, by Committee on Elections and Local Government.

SB 97. An act concerning campaign finance; relating to appointment of a candidate treasurer; amending K.S.A. 25-4144 and repealing the existing section, by Committee on Elections and Local Government.

SB 98. An act concerning the task force on long-term care services; relating to the membership; amending K.S.A. 65-6206 and repealing the existing section, by Committee on Public Health and Welfare.

SB 99. An act concerning property taxation; relating to valuation of income-producing property; disclosure of income and expense information thereof; prescribing certain penalties, by Legislative Post Audit Committee.

SB 100. An act concerning child care; relating to hourly child care facilities; amending K.S.A. 65-503 and 65-507 and repealing the existing sections, by Committee on Public Health and Welfare.

SENATE CONCURRENT RESOLUTION No. 1603—

By Legislative Post Audit Committee

A CONCURRENT RESOLUTION urging the United States Congress to enact legislation that would allow the Internal Revenue Service to share tax information of corporations with Kansas and the other states.

WHEREAS, In fiscal year 2002, net corporate income tax receipts in Kansas were about \$100 million less than estimated; and

WHEREAS, Net corporate income tax receipts in Kansas dropped nearly \$120 million between fiscal years 2001 and 2002; and

WHEREAS, This 56% drop in corporate income tax receipts exacerbates an already difficult financial situation for the State of Kansas and this significant downward trend is prevalent throughout the United States; and

WHEREAS, As the magnitude of these revenue shortfalls becomes evident, legislative and state officials need to know why corporate income tax receipts are so much lower than expected in order to make appropriate decisions regarding their fiscal responsibilities; and

WHEREAS, Although there are a myriad of reasons for such decreased revenues, it is apparent that between 1998 and 2000, large corporations filing returns in Kansas apportioned 27% less of their income to Kansas resulting in \$470 million less income reported in Kansas during that time period; and

WHEREAS, Without auditing each corporation it is not possible to know whether this decrease is resultant of changing business decisions or under-reporting or sheltering of income to Kansas; and

WHEREAS, The Multi-State Tax Commission, an agency of state governments established by interstate compact law in 1967, has reported examples of corporations that ap-

portion only small parts of their income to all of the states in which they do business resulting in large amounts of corporate income not being reported to any state; and

WHEREAS, Federal regulations prohibit the Internal Revenue Service from sharing information between the states about how much of a corporation's total corporate income is apportioned to each state; and

WHEREAS, Consequently such incomplete reporting and lack of accountability creates an environment wherein no one knows whether all corporate income is being accounted for tax purposes: Now, therefore,

Be it resolved by the Senate of the State of Kansas, the House of Representatives concurring therein: That we urge the United States Congress to enact legislation that would allow the Internal Revenue Service to share tax information with Kansas and the other states regarding how much of a corporation's total corporate income is apportioned to each state; and

Be it further resolved: That the Secretary of State be directed to send enrolled copies of this resolution to the President of the United States, the Majority Leader of the United States Senate, the Speaker of the United States House of Representatives, the director of the Internal Revenue Service and each member of the Kansas Congressional Delegation.

REFERENCE OF BILLS AND CONCURRENT RESOLUTIONS

The following bills were referred to Committees as indicated:

Assessment and Taxation: **SB 78, SB 85.**

Commerce: **SB 88.**

Education: **SB 82, SB 83, SB 84; HB 2004.**

Elections and Local Government: **SB 76, SB 77, SB 79.**

Financial Institutions & Insurance: **SB 75.**

Judiciary: **SB 86, SB 87.**

Utilities: **SB 80.**

Ways and Means: **SB 81.**

REPORTS OF STANDING COMMITTEES

Committee on **Judiciary** recommends **SB 17, SB 19** be passed.

Also **SB 9** be amended on page 1, in line 36, after "to" by inserting "and coterminous with"; and the bill be passed as amended.

Committee on **Ways and Means** recommends **SB 52** be passed and, because the committee is of the opinion that the bill is of a noncontroversial nature, be placed on the consent calendar.

Also **SB 47** be amended on page 7, in line 24, by striking "statute book" and inserting "Kansas register"; and the bill be passed as amended.

COMMITTEE OF THE WHOLE

On motion of Senator Oleen, the Senate resolved itself into Committee of the Whole for consideration of bills on the calendar under the heading of General Orders with Senator Jordan in the chair.

On motion of Senator Jordan the following report was adopted:

Recommended **SB 8** be passed.

SB 34 be amended by adoption of the committee amendments, and the bill be passed as amended.

SB 2 be amended by adoption of the committee amendments, be further amended by motion of Senator Brungardt as amended by Senate Committee, on page 2, in line 13, following "K.S.A.", by inserting "2002 Supp.";

On page 5, in line 14, following "and", by inserting "K.S.A. 2002 Supp.";

In the title, in line 11, preceding "76-3304", by inserting "K.S.A. 2002 Supp.", and **SB 2** be passed as further amended.

SB 16 be amended by adoption of the committee amendments, be further amended by motion of Senator Huelskamp as amended by Senate Committee, on page 2, in line 6, preceding the comma, by inserting "or a taxpayer identification number if the applicant does not have a social security number"; in line 9, preceding the comma, by inserting "or a

taxpayer identification number”; in line 12, preceding “if” by inserting “or a taxpayer identification number”; in line 18, preceding “and” by inserting “, taxpayer identification number”;

On page 5, in line 23, preceding the comma, by inserting “or a taxpayer identification number if the applicant does not have a social security number”; in line 26, preceding the comma, by inserting “or a taxpayer identification number”; in line 29, preceding “if” by inserting “or a taxpayer identification number”; in line 34, preceding “and” by inserting “, taxpayer identification number”, and **SB 16** be passed as further amended.

Sub SB 30 be passed over and retain a place on the calendar.

On motion of Senator Oleen the Senate adjourned until 2:30 p.m., Thursday, January 30, 2003.

HELEN MORELAND, CAROL PARRETT, BRENDA KLING, *Journal Clerks*.

PAT SAVILLE, *Secretary of the Senate*.



KANSAS DAY OBSERVANCE

In observance of Kansas Day, Captain William Clark, who with Meriwether Lewis led an expedition to explore the western half of the United States at the turn of the 19th century, was a guest of the Senate to share his explorations and adventures and to answer questions.

Introduced by Senator Oleen, Captain Clark was portrayed by Dr. William Worley, who researches local and regional history at the University of Missouri in Kansas City.

The program was provided by the Kansas Humanities Council. Dr. Worley is a member of the Kansas Humanities Council's History Alive Program.

On behalf of the Senate, Senator Oleen and Senator Hensley presented Dr. Worley with an Ad Astra mug.