

Approved: March 17, 1993
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION.

The meeting was called to order by Chairperson Audrey Langworthy at 11:08 a.m. on March 16, 1993 in Room 519-S of the Capitol.

Members present: Senator Langworthy, Senator Tiahrt, Senator Martin, Senator Bond, Senator Corbin, Senator Hardenburger, Senator Lee, Senator Reynolds, Senator Sallee, Senator Wisdom

Committee staff present: Tom Severn, Legislative Research Department
Bill Edds, Revisor of Statutes
Don Hayward, Revisor of Statutes
Elizabeth Carlson, Committee Secretary

Conferees appearing before the committee: Terry Humphrey, Kansas Manufactured Housing and RV
Mike Nebel, Peterson Industries, Smith Center
Don Christman, Wilcox RV Center, Topeka
Richard Schreck, RV Products, Inc. Wichita
Dave Collins, Adventure, RV, Merriam
John Dillingham, consumer, Topeka
Stephen Powell, consumer, Hays
Dick Dilsaver, Coleman Company, Wichita
Anne Smith, Kansas Association of Counties
Gerry Ray, Johnson County Board of Commissioners

Others attending: See attached list

Senator Langworthy called the committee's attention to the minutes for March 15.

HB 2088--Taxation of recreational vehicles

Proponents

Terry Humphrey, Kansas Manufactured Housing and R.V., spoke in support of **HB 2088**. She read from a prepared statement (Attachment 1) She explained the difference in the taxing system on motorized R.V.'s and towable R.V.'s, and said that Kansas personal property taxes on R.V.'s are approximately the highest in the country. She said the Texas R.V. tax system should be adopted in Kansas. Many Kansans are illegally registered in other states because of the taxes on R.V.'s, and Kansas loses millions of dollars in sales tax revenues. She urged the committee to pass **HB 2088** as the House did with an overwhelming majority. She was asked if the decline in sales of R.V.'s is nation-wide or just in Kansas, and she said it was just in Kansas. Ms. Humphrey also requested an amendment on page 1, line 20 by changing the number "40" to "45" feet.

Mike Nebel, Peterson Industries, Smith Center, said his company builds R.V.'s. (Attachment 2) He said his company spends \$4 to \$5 million annually to vendors in Smith Center and Kansas. It is their opinion that Kansas is losing a vast majority of the recreational vehicle business to surrounding states because of the taxes. His company has been the leader in Kansas in the building of R.V.'s for the past two years, but people are crossing the border to buy R.V.'s in adjoining states and then registering there or in Texas. He said the goal is to get the people in other states plus Kansans, to use the lakes in Kansas. He would like to propose this bill be adopted. It would help pull in people from other states and also help the state revenues.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION, Room 519-S
Statehouse, at 11:05 a.m. on March 16, 1993.

Don Christman, President, Wilcox Homes & RV Center, Inc., Topeka, read from a prepared statement. (Attachment 3) He said R.V. taxes in Kansas are excessive and significantly higher than in surrounding states. The excessive taxes are causing Kansas citizens to violate the law to avoid these taxes by registering out of state or even moving out of Kansas. No one realizes the magnitude of the problem. He said the solution is to adopt a tax system that duplicates the fees Kansas citizens are paying in Texas. He also said his company had to cut down on employees because of the drop in sales. These lost jobs cost the state of Kansas revenue.

Richard Schreck, Recreation Vehicle Products, Inc., Wichita, read from a prepared statement. (Attachment 4) He said their business and its employment in Wichita is dependent on the successful continuation of the R.V. industry. This industry will exceed \$9 billion in retail sales for 1992 and for 1993 the business is projected to be up 10 percent. He said Kansas' share of R.V. retail sales is down substantially.

Dave Collins, Adventure, Inc., Merriam, spoke to the downfall in their business since 1988. (Attachment 5) He said the most common question asked from potential customers is how much will the personal property taxes be. He said he is embarrassed to give an estimated quote and knows he will lose a sale. He said he feels the economic benefits generated with the passage of **HB 2088** will increase sales and the return of lost revenue from out-of-state registrations.

John H. Dillingham, consumer, Topeka, said he had been pulling R.V.'s around the country for years. (Attachment 6) He is thinking of buying a 1992 fifth-wheel trailer, but when he considers the taxes which would be assessed, he is pausing to reconsider. He said he thinks Kansans will continue purchasing and licensing their R.V. equipment in other states as long as the taxes remain as they are. He implored the committee to change the current taxing system.

Stephen Powell, consumer from Hays, told of his experience in buying a 1992 Winnebago Adventurer motor home from a dealer in Kansas. (Attachment 7) He said they want to pay their fair share of property taxes, but he thinks the amount they had to pay was unreasonable. He urged the support of **HB 2088**.

A statement from Darrel McGee, R & D Camperland, Wichita, was passed to the committee. (Attachment 8)

Dick Dilsaver, Coleman, Wichita, said present tax laws discourage Kansans from buying R.V.'s in Kansas. (Attachment 9) It hurts when the R.V.'s are purchased and registered in Texas because of the tax laws. Outdoor recreation is a growing field and he sees **HB 2088** as helping all Kansans who work in or are served by the recreational vehicle industry in Kansas.

Opponents

Anne Smith, Kansas Association of Counties, appeared in opposition to **HB 2088**. (Attachment 10) She said because of the loss in revenue the Kansas Association of Counties opposes this bill. She questioned if people who are registering their R.V.'s in Texas would come back to Kansas if the law was changed. She said it is a major policy change. She also said taxes in Kansas may be high but Kansas also has a great number of services which are not available in other states and the sales tax in Texas is a great deal higher.

Gerry Ray, Johnson County Board of Commissioners, also appeared in opposition to **HB 2088**. (Attachment 11) She also felt those people registered in Texas, or other states, would not come back to Kansas to register legally. She questions if the revenue would be increased if the taxes were lowered.

The hearing was closed on **HB 2088**.

Senator Tiahrt moved the approval of the minutes for March 15, 1993. The motion was seconded by Senator Martin. The motion carried.

Senator Sallee moved to pass **HB 2414** favorably. The motion was seconded by Senator Bond. The motion carried.

The meeting was adjourned at 12:05 p.m.

The next meeting is scheduled for March 17, 1993.

GUEST LIST
SENATE ASSESSMENT AND TAXATION COMMITTEE

DATE: March 16, 1993

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
BILL HAWLEY	DODGE CITY	HAWLEY BROS RV
Michael W. Lebel	Smith Center	Peterson Ind Ind Exec
Sue Bond	Orland Park	
John Dillingham	2825 SW Tutbury Tron Rd	
Carole Hillman	Topeka " " "	
Dick Deaver	Wichita	The Coleman Co.
Theresa Humphreys	Topeka	KMHA RV Rental
Karrell McLee	Wichita	Red Camperland Inc.
DON CHRISTMAN	TOPEKA	Wilcox RV
Steven D. Powell	Hays	Consumer
Dave Collins	Merriam, Ks	Adventures, Inc.
Mary J Powell	Hays, Ks	Consumer
Richard Schreck	Wichita, KS	R.V. P. INC
Ed Collins	Shawnee KS	Adventures Inc
Anne Smith	Topeka	KS Assoc of Counties
BEV BRADLEY	TOPEKA	KS Assoc of Counties
Ann Rannick	Lawrence	Inter-saller
Steve Neske	Topeka	KDOR
Pam Smith	TOPEKA	KMCA
Paula Furrer	"	KTKA TV 48
Rick Scheibe	Topeka	KDOR

GUEST LIST (continued)

DATE: March 16, 1993

[illegible]

KANSAS MANUFACTURED HOUSING ASSOCIATION

TESTIMONY BEFORE THE
SENATE
ASSESSMENT AND TAXATION COMMITTEE

TO: Senator Audrey Langworthy, Chairperson and
Members of the Assessment and Taxation Committee

FROM: Terry Humphrey, Executive Director

RE: HB 2088

DATE: March 16, 1993

Mr. Chairman and members of the Committee, I am Terry Humphrey, Executive Director of the Kansas R.V. Council which represents Kansas R.V. manufacturers, suppliers and retailers.

The Kansas R.V. Council supports HB 2088 because it creates a new taxing program for both motorized and towable R.V.'s that replaces the current personal property tax system. Presently, motorized R.V.'s and towable R.V.'s fall under different taxing systems. Towable R.V.'s are taxed under Ad Valorem property tax and motorized R.V.'s under Tax and Tag.

In Kansas personal property taxes on R.V.'s are excessive and approximately the highest in the country. This excessive tax is damaging the Kansas R.V. Industry and causing our citizens to violate the law by registering their R.V.s out of state or leave the state entirely.

With the passage of the Classification Amendment the Kansas Legislature now has the authority and opportunity to change the current personal property tax system for R.V.'s. Therefore, the R.V. Council recommends that Kansas become competitive with surrounding states particularly Texas. The Texas R.V. tax system which has a base fee of \$35 per vehicle and an additional .60 cents per hundred weight, calculated on shipping weight, should be adopted in Kansas.

There are several advantages to the "Texas R.V. Tax Plan" that I would like to highlight for you.

First, the "Texas R.V. Tax Plan" is easy to administer, because it is uniform statewide and the tax is based on shipping weight which appears on the title. Also, the tax is not tied to value which means R.V. taxes will never change as long as the

*Senate Assessment & Taxation
March 17, 1993*

attachment 1-1

R.V. is in service creating a consistent tax base for local governments. Under the Kansas system, the property tax reduces every year and bottoms out at year 15 to \$12.

Secondly, HB 2088 will keep tax dollars in Kansas and provide enough incentive for Kansans illegally registered in other states to come home. The R.V. Council estimates that more than 50% of Kansas residents, that own R.V.'s, register out of state and that percentage increases for Kansans owning R.V.'s with a value greater than \$40,000. Most Kansans who register out of state, register in Texas. Nationally Texas is the #3 destination for R.V. campers. In addition, when Kansas R.V. owners tag and register out of state, Kansas loses millions of dollars in sales tax revenues.

Thirdly, the R.V. Council predicts that by adopting the "Texas R.V. Tax Plan" the Legislature will stimulate growth in the Kansas R.V. Industry. In Kansas there are five R.V. manufacturing plants and many suppliers and retailers. Since 1989 Kansas R.V. sales have declined with customers reporting the excessive personal property tax as a major reason not to buy.

Finally the adoption of HB 2088 may have a small fiscal note in the first year, however, in subsequent years this tax plan should maintain current revenues or possibly enhance them. Once enacted, all new R.V. sales will be registered in State, registrations will increase due to the amnesty provision in the bill and millions of new sales tax dollars will be collected.

In closing, HB 2088 passed the House of Representatives with overwhelming support and the R.V. Council hopes to have your support as well. Due to the passage of the Classification Amendment you have an important opportunity to create a fair and competitive tax structure for R.V.s. For years the Legislature has discussed the value of a uniform property tax program. Consequently HB 2088 would allow you to implement such a program on a small scale to see if it is in fact beneficial. Thank you.

Who is the RV Traveler?

- * Approximately one out of every 10 vehicle-owning families owns an R.V.
- * RV owners are closely divided among empty nesters aged 55 and up and 35-54 year old couples raising families.
- * The average RV owner is 49 years old, owns his own home, has a household income just under \$40,000.
- * Average RVer purchases 4 units during his camping life, indicating three of those units are trade-ups.

Attachment: Amendment to HB 2088

RECOMMENDED AMENDMENT TO HB 2088

As Amended by House Committee

Session of 1993

HOUSE BILL No. 2088

By Committee on Taxation

1-21

9 AN ACT relating to the taxation of recreational vehicles; providing
10 for the levy, administration, enforcement and disposition of rev-
11 enues therefrom; amending K.S.A. 8-134a and K.S.A. 1992 Supp.
12 79-5101 and repealing the existing sections; also repealing K.S.A.
13 1992 Supp. 79-5101a.

14
15 *Be it enacted by the Legislature of the State of Kansas:*

16 New Section 1. As used in this act, "recreational vehicle" means
17 a vehicular-type unit built on or for use on a chassis and designed
18 primarily as living quarters for recreational, camping, vacation or
19 travel use and which has its own motive power or is mounted on
20 or drawn by another vehicle, and which has a body width not ex-
21 ceeding 102 inches and a body length not exceeding ~~45~~ feet; but
22 such term shall not include a unit which has no electrical system
23 which operates above 12 volts and has no provisions for plumbing,
24 heating and any other component or feature for which a standard is
25 adopted by the uniform standards code for mobile homes and rec-
26 reational vehicles, K.S.A. 75-1211 through 75-1225, and amendments
27 thereto.

28 New Sec. 2. All recreational vehicles, as defined in section 1,
29 and amendments thereto, shall be taxed under the provisions of this
30 act and shall not be subject to property or ad valorem taxes levied
31 under any other law of the state of Kansas or any resolution or
32 ordinance of any taxing subdivision thereof. Taxes levied upon rec-
33 reational vehicles under the provisions of this act shall be due from
34 the first day of the month immediately following the month in which
35 the recreational vehicle was purchased or acquired and shall be
36 payable to the county treasurer at the time of making application
37 for the registration of the recreational vehicle under the provisions
38 of article 1 of chapter 8 of the Kansas Statutes Annotated, and
39 amendments thereto, and shall not be subject to the provisions of
40 K.S.A. 79-2004a, and amendments thereto. Recreational vehicles
41 subject to taxation under the provisions of this act shall not be subject
42 to the provisions of article 3 of chapter 79 of the Kansas Statutes
43 Annotated, and amendments thereto, relating to the listing of other

45

PETERSON INDUSTRIES, INC.

Presentation to the
Senate Tax Committee

March 15, 1993

RE: RV Tax Reduction Plan
HB 2088

Michael W. Nebel
President
Peterson Industries, Inc.

Senate Assessment & Taxation
March 15, 1993
Attachment 2-1

Peterson Industries, Incorporated is a Kansas corporation based in Smith Center. We have been in the recreational vehicle manufacturing business for 27 years with an estimated sales of \$10,000,000.00 in fifth wheels and travel trailers for our 1993 fiscal year. We currently employ 150 people with an estimated payroll for \$2,225,000.00 in 1993, from the Smith Center and surrounding area. We spend between \$4,000,000.00 to \$5,000,000.00 annually on raw materials in Smith Center and among numerous vendors across Kansas.

Smith Center is a busy, thriving community located in North-Central Kansas, which has a rapidly declining population and per capita income. We are the strongest recreational vehicle manufacturer in the state of Kansas for two and one half years running, as per Statistical Surveys. It is our opinion that Kansas is losing a vast majority of their recreational vehicle business to surrounding states due to our excessive personal property taxes levied against recreational vehicles. People cross the border to buy recreational vehicles in an adjoining state and then register it there or in Texas.

Peterson Industries, Incorporated, is getting their market share in Kansas now, but if legislation was to be passed to tax recreational vehicles similarly to surrounding states and Texas, we emphatically feel it would improve our Kansas market share along with improving all Kansas businesses relying on the recreational vehicles industry.

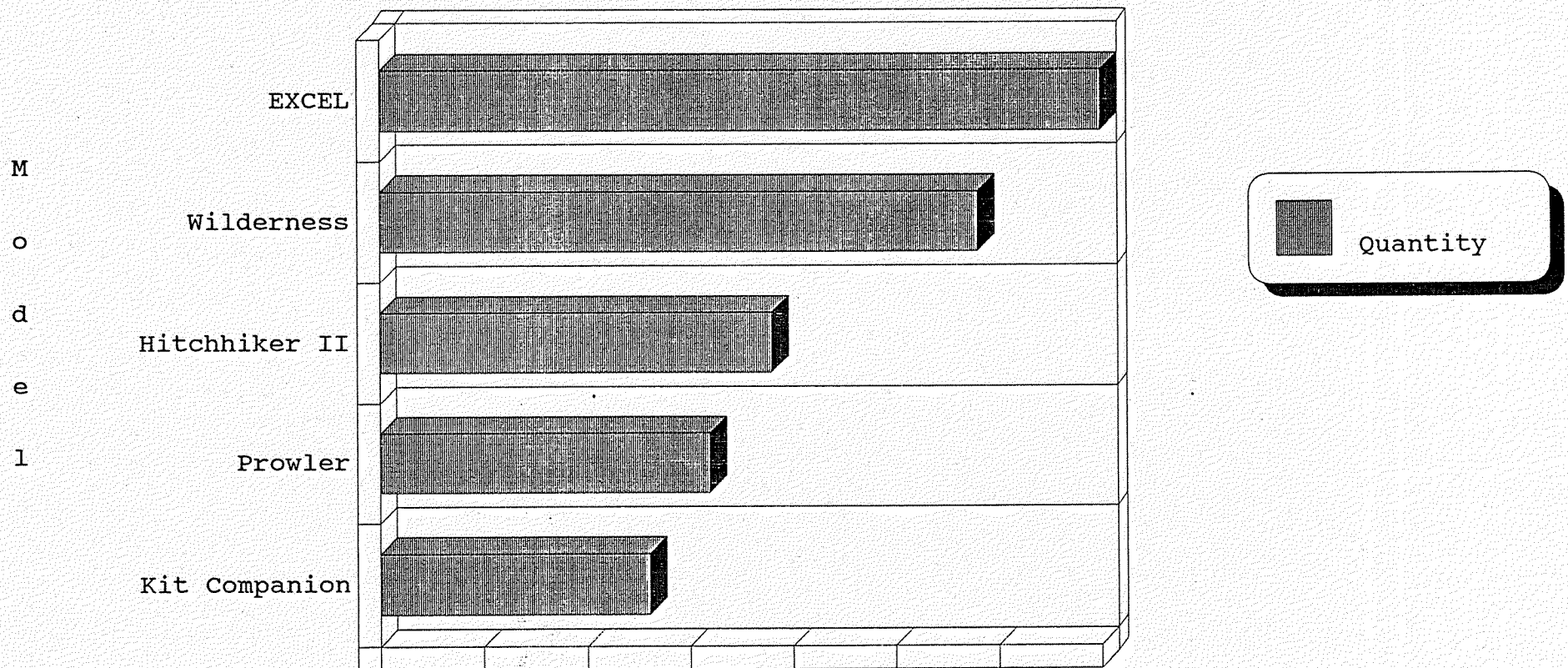
Knobbe Esquire

Excel

Legacy

Kansas Retail 5th Wheel Sales

Top 5 Models Sold YTD as of April, 1992



2-3

Kansas had 4 Dealers to achieve #1

SECTION: (1-1) [KANSAS - Fifth Wheel] TOP 45 MODELS RANKED by YTD RETAIL SALES as of: DEC 1992

SECTION: (1-1) [KANSAS - Fifth Wheel] TOP 45 MODELS RANKED BY YTD RETAIL SALES as of: DEC 1992											YTD-1992	YTD-1992	
RANK	MODEL NAME	MANUFACTURER NAME	DEC	DEC-%ST	QTR	QTR-%ST	YTD	YTD-%ST	1991 YTD	1991 YTD-%ST	UNIT	MKT SHARE	
											% of CHANGE	% of CHANGE	
1	WILDERNESS	FLEETWOOD ENTRP	1	4.0	7	8.1	60	8.8	20	5.9	200.0	49.2	
2	EXCEL	PETERSON IND IC	1	4.0	3	3.5	56	8.2	45	13.2	24.4	-37.9	
3	HITCHHIKER II	NU-WA IND INC	1	4.0	6	7.0	43	6.3	33	9.7	30.3	-35.1	
4	EAGLE	JAYCO INC	1	4.0	5	5.8	37	5.4	12	3.5	208.3	54.3	
5	ROAD RANGER	KIT MFG CO	1	4.0	7	8.1	35	5.1	21	6.2	66.7	-17.7	
6	COMPANION	KIT MFG CO	2	8.0	3	3.5	33	4.8	15	4.4	120.0	9.1	
7	CARDINAL	COBRA INDUSTRIES INC	0	0.0	5	5.8	31	4.5	7	2.1	342.9	114.3	
8	PROWLER	FLEETWOOD ENTRP	0	0.0	0	0.0	29	4.2	18	5.3	61.1	-20.8	
9	DUTCHMEN CLASSIC	THOR INDUSTRIES INC	1	4.0	6	7.0	27	3.9	11	3.2	145.5	21.9	
10	COACHMEN	COACHMEN IND	0	0.0	0	0.0	23	3.4	13	3.8	76.9	-10.5	
11	SANDPIPER	COBRA INDUSTRIES INC	0	0.0	1	1.2	16	2.3	2	0.6	700.0	283.3	
11	TRAVEL SUPREME	TRAVEL SUPREME INC	0	0.0	1	1.2	16	2.3	8	2.3	100.0	0.0	
13	CHAMPAGNE	NU-WA IND INC	0	0.0	1	1.2	14	2.0	10	2.9	40.0	-31.0	
14	SIERRA	COBRA INDUSTRIES INC	0	0.0	2	2.3	13	1.9	1	0.3	1200.0	533.3	
15	HITCHHIKER	NU-WA IND INC	0	0.0	1	1.2	12	1.8	7	2.1	71.4	-14.3	
15	KING OF THE RD	CHIEF IND INC	3	12.0	5	5.8	12	1.8	4	1.2	200.0	50.0	
15	LEGACY	PETERSON IND IC	0	0.0	2	2.3	12	1.8	0	0.0	N/A	N/A	
15	NOMAD	SKYLINE CORP	2	8.0	4	4.7	12	1.8	4	1.2	200.0	50.0	
15	PLAY MOR	PLAY MOR TR INC	2	8.0	4	4.7	12	1.8	5	1.5	140.0	20.0	
15	SNOWBIRD	NU-WA IND INC	0	0.0	0	0.0	12	1.8	8	2.3	50.0	-21.7	
21	CARRI-LITE	CARRIAGE INC	1	4.0	2	2.3	11	1.6	3	0.9	266.7	77.8	
22	JAY SERIES	JAYCO INC	0	0.0	1	1.2	10	1.5	6	1.8	66.7	-16.7	
22	NEW HORIZON	HORIZONS INC	2	8.0	3	3.5	10	1.5	6	1.8	66.7	-16.7	
24	ALUMA-LITE XL	HOLIDAY RAMBLER CORP	2	8.0	3	3.5	9	1.3	4	1.2	125.0	8.3	
24	PRAIRIE SCHOONER	MALLARD COACH	0	0.0	0	0.0	9	1.3	4	1.2	125.0	8.3	
26	AVION	FLEETWOOD ENTRP	0	0.0	0	0.0	8	1.2	4	1.2	100.0	0.0	
26	PREMIER	NU-WA IND INC	0	0.0	1	1.2	8	1.2	0	0.0	N/A	N/A	
28	JAY CRANE	JAYCO INC	0	0.0	1	1.2	7	1.0	7	2.1	0.0	-52.4	
28	WILDWOOD SERIES	ROCKWOOD INC	0	0.0	1	1.2	7	1.0	0	0.0	N/A	N/A	
30	MARATHON	MARATHON HOMES CORP	1	4.0	2	2.3	6	0.9	0	0.0	N/A	N/A	
31	KNIGHT SERIES	CHIEF IND INC	0	0.0	1	1.2	5	0.7	0	0.0	N/A	N/A	
31	SHADOW CRUISER	SHADOW CRUISER	0	0.0	0	0.0	5	0.7	3	0.9	66.7	-22.2	
31	SKAMPER	SKAMPER CORP	0	0.0	0	0.0	5	0.7	4	1.2	25.0	-41.7	
31	SPORTSMEN	K-Z INC	0	0.0	0	0.0	5	0.7	0	0.0	N/A	N/A	
31	TERRY	FLEETWOOD ENTRP	1	4.0	1	1.2	5	0.7	3	0.9	66.7	-22.2	
36	CARRIAGE	CARRIAGE INC	0	0.0	1	1.2	4	0.6	3	0.9	33.3	-33.3	
36	CAVALIER	COBRA INDUSTRIES INC	0	0.0	0	0.0	4	0.6	0	0.0	N/A	N/A	
36	HORNET	DAMON CORPORATION	0	0.0	0	0.0	4	0.6	0	0.0	N/A	N/A	
36	KOUNTRY STAR	NEWMAR CORP	0	0.0	1	1.2	4	0.6	12	3.5	-66.7	-82.9	
36	SALEM	COBRA INDUSTRIES INC	0	0.0	0	0.0	4	0.6	1	0.3	300.0	100.0	
41	AMERICAN STAR	NEWMAR CORP	0	0.0	0	0.0	3	0.4	1	0.3	200.0	33.3	
41	CORSICA	COBRA INDUSTRIES INC	0	0.0	0	0.0	3	0.4	1	0.3	200.0	33.3	
41	EMPIRE	EMPIRE RV'S	0	0.0	0	0.0	3	0.4	3	0.9	0.0	-55.6	
41	FREE SPIRIT	HOLIDAY RAMBLER CORP	0	0.0	1	1.2	3	0.4	5	1.5	-40.0	-73.3	
41	TETON	TETON HOMES	0	0.0	0	0.0	3	0.4	1	0.3	200.0	33.3	
[KANSAS] Total Retail Sales for: DEC-1992:			25	1st-1992:	212	2nd-1992:	185	3rd-1992:	202	4th-1992:	86	YTD-1992:	685
[KANSAS] Total Retail Sales for: DEC-1991:			7	1st-1991:	79	2nd-1991:	139	3rd-1991:	82	4th-1991:	41	YTD-1991:	34
Unit % of Change 1992 vs. 1991:			57.1		168.4		33.1		146.3		109.8		100

SECTION: (1-1) [KANSAS - Fifth Wheel] TOP 45 MODELS RANKED by YTD RETAIL SALES as of: APR 1992

SECTION: (1-1) [KANSAS - Fifth Wheel] TOP 45 MODELS RANKED by YTD RETAIL SALES as of: APR 1992										YTD-1992	YTD-1992	
RANK	MODEL NAME	MANUFACTURER NAME	APR	APR-%ST	QTR	QTR-%ST	YTD	YTD-%ST	1991 YTD	1991 YTD-%ST	UNIT	MKT SHARE
											% of CHANGE	% of CHANGE
1	EXCEL	PETERSON IND IC	6	11.1			35	13.2	18	14.8	94.4	-10.8
2	WILDERNESS	FLEETWOOD ENTRP	10	18.5			29	10.9	7	5.7	314.3	91.2
3	HITCHHIKER II	NU-WA IND INC	3	5.6			19	7.1	9	7.4	111.1	-4.1
4	PROWLER	FLEETWOOD ENTRP	3	5.6			16	6.0	6	4.9	166.7	22.4
5	COMPANION	KIT MFG CO	1	1.9			13	4.9	4	3.3	225.0	48.5
5	ROAD RANGER	KIT MFG CO	1	1.9			13	4.9	5	4.1	160.0	19.5
7	DUTCHMEN CLASSIC	THOR INDUSTRIES INC	1	1.9			11	4.1	4	3.3	175.0	24.2
7	EAGLE	JAYCO INC	2	3.7			11	4.1	2	1.6	450.0	156.3
9	CARDINAL	COBRA INDUSTRIES INC	1	1.9			8	3.0	0	0.0	N/A	N/A
9	CHAMPAGNE	NU-WA IND INC	2	3.7			8	3.0	5	4.1	60.0	-26.8
11	SANDPIPER	COBRA INDUSTRIES INC	3	5.6			7	2.6	0	0.0	N/A	N/A
12	CARRI-LITE	CARRIAGE INC	1	1.9			6	2.3	1	0.8	500.0	187.5
12	COACHMEN	COACHMEN IND	1	1.9			6	2.3	7	5.7	-14.3	-59.6
12	JAY SERIES	JAYCO INC	1	1.9			6	2.3	2	1.6	200.0	43.8
15	HITCHHIKER	NU-WA IND INC	0	0.0			5	1.9	4	3.3	25.0	-42.4
15	NOMAD	SKYLINE CORP	1	1.9			5	1.9	3	2.5	66.7	-24.0
15	TRAVEL SUPREME	TRAVEL SUPREME INC	0	0.0			5	1.9	3	2.5	66.7	-24.0
18	AVION	FLEETWOOD ENTRP	0	0.0			4	1.5	3	2.5	33.3	-40.0
18	SNOWBIRD	NU-WA IND INC	0	0.0			4	1.5	4	3.3	0.0	-54.5
20	NEW HORIZON	HORIZONS INC	1	1.9			3	1.1	4	3.3	-25.0	-66.7
20	PLAY MOR	PLAY MOR TR INC	1	1.9			3	1.1	2	1.6	50.0	-31.3
20	PRAIRIE SCHOONER	MALLARD COACH	1	1.9			3	1.1	2	1.6	50.0	-31.3
20	TETON	TETON HOMES	1	1.9			3	1.1	1	0.8	200.0	37.5
20	WILDWOOD SERIES	ROCKWOOD INC	1	1.9			3	1.1	0	0.0	N/A	N/A
25	AMERICAN STAR	NEWMAR CORP	1	1.9			2	0.8	0	0.0	N/A	N/A
25	IDLE TIME	ALLEN CAMPER CO	0	0.0			2	0.8	0	0.0	N/A	N/A
25	KOUNTRY STAR	NEWMAR CORP	1	1.9			2	0.8	3	2.5	-33.3	-68.0
25	MARATHON	MARATHON HOMES CORP	1	1.9			2	0.8	0	0.0	N/A	N/A
25	PREMIER	NU-WA IND INC	1	1.9			2	0.8	0	0.0	N/A	N/A
25	PRESTIGE SERIES	ROCKWOOD INC	1	1.9			2	0.8	0	0.0	N/A	N/A
25	SKAMPER	SKAMPER CORP	1	1.9			2	0.8	2	1.6	0.0	-50.0
25	SPORTSMEN	K-Z INC	1	1.9			2	0.8	0	0.0	N/A	N/A
33	ALPENLITE	WESTERN REC VEH	0	0.0			1	0.4	0	0.0	N/A	N/A
33	ALUMA-LITE XL	HOLIDAY RAMBLER CORP	0	0.0			1	0.4	2	1.6	-50.0	-75.0
33	CARRIAGE	CARRIAGE INC	0	0.0			1	0.4	0	0.0	N/A	N/A
33	CAVALIER	COBRA INDUSTRIES INC	0	0.0			1	0.4	0	0.0	N/A	N/A
33	CHALLENGER	DAMON CORPORATION	0	0.0			1	0.4	0	0.0	N/A	N/A
33	CORSICA	COBRA INDUSTRIES INC	1	1.9			1	0.4	0	0.0	N/A	N/A
33	EMPIRE	EMPIRE RV'S	1	1.9			1	0.4	1	0.8	0.0	-50.0
33	FREE SPIRIT	HOLIDAY RAMBLER CORP	0	0.0			1	0.4	1	0.8	0.0	-50.0
33	HORNET	DAMON CORPORATION	0	0.0			1	0.4	0	0.0	N/A	N/A
33	JAY CRANE	JAYCO INC	0	0.0			1	0.4	3	2.5	-66.7	-84.0
33	KING OF THE RD	CHIEF IND INC	0	0.0			1	0.4	3	2.5	-66.7	-84.0
33	KNIGHT SERIES	CHIEF IND INC	0	0.0			1	0.4	0	0.0	N/A	N/A
33	KNOBLE	PETERSON IND IC	1	1.9			1	0.4	0	0.0	N/A	N/A
[KANSAS] Total Retail Sales for: APR-1992:			54	1st-1992:	212	2nd-1992:	3rd-1992:	4th-1992:	YTD-1992:	266		
[KANSAS] Total Retail Sales for: APR-1991:			44	1st-1991:	78	2nd-1991:	3rd-1991:	4th-1991:	YTD-1991:	122		
Unit % of Change 1992 vs. 1991:			22.7	171.8		118.0						

SECTION: (1-G) [KANSAS

] - [All R/V Trailers]

TOP 45 MODELS RANKED BY YTD RETAIL SALES as of: JUN 1990

RANK	MODEL NAME	MANUFACTURER NAME	SFX	JUN	JUN-%ST	QTR	QTR-%ST	YTD	YTD-%ST	1989 YTD	1989 YTD-
1	EXCEL	PETERSON IND IC	FW	5	9.8	24	14.2	47	15.6	47	17.7
2	WILDERNESS	FLEETWOOD ENTRP	FW	5	9.8	17	10.1	31	10.3	16	6.0
3	HITCHHIKER II	NU-WA IND INC	FW	3	5.9	15	8.9	23	7.6	20	7.5
3	ROAD RANGER	KIT MFG CO	FW	7	13.7	14	8.3	23	7.6	12	4.5
5	COACHMEN	COACHMEN IND	TT	6	16.2	16	16.2	22	13.7	30	16.3
6	WILDERNESS	FLEETWOOD ENTRP	TT	7	18.9	10	10.1	19	11.8	20	10.9
7	COMPANION	KIT MFG CO	FW	0	0.0	8	4.7	17	5.6	11	4.2
7	PROWLER	FLEETWOOD ENTRP	FW	3	5.9	9	5.3	17	5.6	15	5.7
9	PROWLER	FLEETWOOD ENTRP	TT	3	8.1	9	9.1	15	9.3	23	12.5
10	COACHMEN	COACHMEN IND	FW	4	7.8	10	5.9	14	4.7	6	2.3
11	ROAD RANGER	KIT MFG CO	TT	2	5.4	10	10.1	13	8.1	11	6.0
12	CHAMPAGNE	NU-WA IND INC	FW	2	3.9	4	2.4	11	3.7	9	3.4
12	COMPANION	KIT MFG CO	TT	3	8.1	4	4.0	11	6.8	16	8.7
14	HITCHHIKER	NU-WA IND INC	FW	1	2.0	6	3.6	10	3.3	17	6.4
14	JAY SERIES	JAYCO INC	CT	3	27.3	4	11.4	10	17.5	5	8.8
16	HI-LO	HI-LO TRAILER CO	TT	2	5.4	7	7.1	9	5.6	18	9.8
17	DUTCHMEN CLASSIC	DUTCHMEN MFG INC	FW	0	0.0	5	3.0	8	2.7	0	0.0
17	DUTCHMEN CLASSIC	DUTCHMEN MFG INC	TT	1	2.7	5	5.1	8	5.0	0	0.0
17	KING OF THE RD	CHIEF IND INC	FW	1	2.0	5	3.0	8	2.7	9	3.4
17	PRAIRIE SCHOONER	MALLARD COACH	FW	1	2.0	3	1.8	8	2.7	10	3.8
21	PLAY MOR	PLAY MOR TR INC	FW	3	5.9	6	3.6	7	2.3	3	1.1
21	SPRINTER	MALLARD COACH	FW	2	3.9	5	3.0	7	2.3	7	2.6
23	KOUNTRY STAR	NEWMAR CORP	FW	0	0.0	2	1.2	6	2.0	7	2.6
23	SPRINTER	MALLARD COACH	TT	3	8.1	3	3.0	6	3.7	0	0.0
25	ALUMA-LITE XL	HOLIDAY RAMBLER CORP	FW	1	2.0	4	2.4	5	1.7	0	0.0
25	CARRIAGE	CARRIAGE INC	FW	2	3.9	3	1.8	5	1.7	4	1.5
25	MOBILE VILLA	MAYFLOWER TT INC	FW	1	2.0	2	1.2	5	1.7	10	3.8
25	NEWPORT	COLEMAN RV INC	CT	1	9.1	2	5.7	5	8.8	1	1.8
25	NOMAD	SKYLINE CORP	FW	0	0.0	4	2.4	5	1.7	4	1.5
25	NOMAD	SKYLINE CORP	TT	0	0.0	3	3.0	5	3.1	6	3.3
25	SNOWBIRD	NU-WA IND INC	FW	0	0.0	3	1.8	5	1.7	3	1.1
32	CHESAPEAKE	COLEMAN RV INC	CT	1	9.1	4	11.4	4	7.0	2	3.5
32	EXPRESS	JAYCO INC	TT	0	0.0	1	1.0	4	2.5	0	0.0
32	JAY CRANE	JAYCO INC	FW	1	2.0	3	1.8	4	1.3	16	6.0
32	JAY HAWK	JAYCO INC	TT	1	2.7	3	3.0	4	2.5	5	2.7
32	PLAY MOR	PLAY MOR TR INC	TT	3	8.1	3	3.0	4	2.5	4	2.2
32	SHENANDOAH	COLEMAN RV INC	CT	1	9.1	3	8.6	4	7.0	1	1.8
32	SIERRA	COBRA IND	FW	2	3.9	3	1.8	4	1.3	0	0.0
32	SPECIAL EDITION	STARCRAFT CORP	TT	0	0.0	3	3.0	4	2.5	0	0.0
40	AMERICAN STAR	NEWMAR CORP	FW	1	2.0	1	0.6	3	1.0	5	1.9
40	COACHMEN	COACHMEN IND	CT	0	0.0	1	2.9	3	5.3	3	5.3
40	COLT	VANGUARD IND	CT	1	9.1	2	5.7	3	5.3	3	5.3
40	EXCELLA II	AIRSTREAM	TT	0	0.0	2	2.0	3	1.9	1	0.5
40	FLAGSTAFF	COBRA IND	CT	0	0.0	1	2.9	3	5.3	0	0.0
40	INNSBRUCK	GULFSTREAM COACH	TT	1	2.7	3	3.0	3	1.9	0	0.0

[KANSAS

] Total Retail Sales for JUN:

99

2nd Quarter:

303

Year-to-Date:

519

1989 Year-to-Date:

507

PETERSON INDUSTRIES, INCORPORATED, VENDORS IN KANSAS

Alumax Building - McPherson
Arlwin Manufacturing - Smith Center
Athol Coop - Athol
Barton Solvents - Great Bend
Bristol Products Corporation - Newton
Big A Auto Parts - Smith Center
Brown Welding Supply - Salina
Buckly Industries - Wichita
Can Do Company - Eureka
Carlson Systems - Wichita
Case Supply - Wichita
Center Glass and Supply - Smith Center
Central Plastics - McPherson
Coast to Coast - Smith Center
RV Products (Coleman) - Wichita
Cliff Keyes MFG & Supply Company, Inc. - Newton
Cummins Mid America, Inc. - Wichita
DSD, Inc. - Smith Center
Exide Factory Outlet - Salina
HB Fuller, Inc. - Kansas City
Future Foam, Inc. - Newton
Goodyear Tire and Rubber Company, Inc. - Lenexa
Hi Lo Table Mfg. Company, Inc. - Chanute
Hi Lo Upholstery - Chanute
IBT, Inc. - Salina
Franklin Industries, Inc. - Newton
Kansas Janitorial Supply Company - Hutchinson
Kansas Oxygen, Inc. - Hutchinson
Kasa Industrial Controls - Salina
Kevco, Inc. - Newton
LaSalle/Deitch Company, Inc. - Newton
Lea J. Allen Enterprises - Newton
Light Bulbs, Etc. - Lenexa
Mid Continent Fire & Safety - Wichita
Midwest Spray Equipment - Olathe
Omega Design - Newton
Patrick Industries, Inc. - Halstead
Pioneer Music - Chanute
Pluswood of Kansas - Chanute
RC Sports, Inc. - Lenexa
RISI - Wichita
Sage Products - Lyons
Salina Steel Supply, Inc. - Salina
Shelter Components - Newton
Shelter Converting - Wichita
Stanion Wholesale Electric Company - Hays
Steel and Pipe Supply - Manhattan
TCM Holman - Newton
Thunander Corporation - Newton
Timberbox - Salina
TMR Materials, Inc. - Lenexa
Tredit Tire and Wheel Company - Shawnee
Universal Companies, Inc. - Wichita
Village Furniture - Belleville
Wayne Repair Company, Inc. - Kansas City
Wichita Sheet Metal Supply, Inc. - Wichita
Wesco - Newton
Weyerhauser Company - Newton
Wilko Paint - Wichita
Wilson's Awards and Sportswear - Smith Center
Wheelers - Smith Center



HOMES & RV CENTER, INC.

835 Northeast Highway 24 • Topeka, Kansas 66608 • 913 357-5111

To: Senate Assessment and Taxation Committee
Senator Audrey Langworthy, Chairperson

From: Don Christman, President
Wilcox Homes & RV Center, Inc.

Date: March 16, 1993

RE: HB 2088

Senator Langworthy and Members of the Committee,

I appreciate the opportunity to appear this morning on behalf of the recreational vehicle industry in Kansas. My name is Don Christman. I own Wilcox R.V. & Boat Center in Topeka and am immediate past president and co-founder of the Recreational Vehicle Council which is affiliated with the Kansas Manufactured Housing Association.

I applaud this Legislatures early attention to the personal property tax crisis in Kansas as it relates to recreational vehicles and I applaud your prompt attention to H.B. 2088. With the passage of the classification ammendment, the 1993 legislature now has the power to act on this special class of vehicles. The authority stems from your constituents. They passed the classification ammendment in November which allows this legislature to create a new and different taxing system that is uniform, **competitive with other states** and proportionate to the use and value that this class of property has. I have customers, you have constituents, who voted for passage of the classification ammendment on the above basis only!

My duty over the past two years has been to define the problem with recreational vehicle taxation in Kansas. Many of you know the issue well but for those who might not clearly understand, let me briefly restate the problem. First, R.V. taxes in Kansas are excessive and significantly higher than in surrounding states. Secondly, this excessive tax is causing our citizens to violate the law to avoid these taxes by registering out of state or leaving Kansas, simply moving out, to one of our neighboring states. Examples of both scenairo's are available from KMHA staff if you would like to hear "the rest of the story" as Paul Harvey would say. Even after factoring in school finance reductions of 25%, tax on an average motorhome in the \$50,000.00 range would be \$1,400.00. That is still not even close to competitive.

*Senate Assessment + Taxation
March 16, 1993
attachment 3-1*

I might make the Senators from Wichita aware of another statistic that was added yesterday from your area. A retired Boeing employee and current Wichita resident who delivers RV's from Factory to Dealerships left my business to hurry back to Illinois to register his 92 Dodge 1 ton pickup and 88 Nomad 40' fifth wheel. Your constituent will decrease the tax on his truck from \$709.00 per year to \$50.00 per year and his 40' fifth wheel from \$260.00 per year to \$30.00 annually. We're not even close to competitive.

I spent this last weekend working an RV show at the Merchandise Mart in Overland Park. I talked with Kansas City Residents and I can tell you that no one in this room, myself included, yet realizes the magnitude of the problem.

What is the solution? After extensive discussion and a statewide meeting with industry leaders in Kansas we believe that we must not only be competitive with but equal to the state that is receiving the benefit of our citizens violating the law. That state is Texas, and our proposal and recommendation is to adopt a system that duplicates the fees our citizens are paying in Texas.

I realize the consequences of the above proposal. I realize my proposal is a significant reduction in the personal property tax on **individual** units. I realize the school districts, cities and counties will vehemently oppose our initiative. However, I also believe approximately 50% of the recreational vehicles owned by Kansans are now registered out of the state generating **NO** personal property tax revenue that would register in Kansas if the fees were the same. I also believe that when the value of a vehicle reaches \$40,000.00 that 70% are registered out of the state. Additionally, on any R.V. sold in Kansas, but intended for registration in Texas, the R.V. is sold sales tax exempt! The result of the exemption is a loss of sales tax as well as the personal property taxes. In addition our research has revealed a significant inequity between towables and motorized RV's. It is not uncommon for a towable under ad valorem to pay significantly higher taxes on a smaller value than a motorized RV under tax and tag that depreciates out in 15 years to a minimum tax of \$12.00.

How high are the personal property taxes in Kansas? High enough that I regularly have customers tell me they cannot afford my product because of the taxes. High enough that our citizens are willing to defy the law, risk prosecution, risk a possible \$2,500.00 fine and 60 days in jail, for the savings that accompany registering in Texas or any number of other states.

How high are the personal property taxes in Kansas? High enough that my company is making do with 2 salespeople (myself included) as opposed to 3 to 4 just a few years ago. One parts person instead of two, one shop employee in addition to the foreman instead of two or three, one office employee instead of one plus a 20 to 30 hour per week part timer. High enough that in 1989 my motorhome business ground to a virtual halt dropping from 16 to 18 units a year to 2 or 3, a devastating loss of nearly \$750,000.00 in revenue to our small company. Jobs lost, reserves decimated, a 40 year old second generation Kansas company nearly lost because of the intense focus reappraisal brought to the entire tax issue in about the 89-90 time frame.

My message today is one of urgency! My business and the thousands of other people employed by the Kansas recreational vehicle industry are depending on you to correct a very serious situation. You have been empowered to act. I have provided a possible solution, I think the best possible solution. All that we lack is discussion, refinement and a vision that results in bold action. With your permission the R.V. industry would like to participate in and expedite that process.

Thank you for your attention.

Respectfully Submitted,



Don Christman, President
Wilcox Homes & R.V. Center, Inc.

ASSESSMENT & TAXATION COMMITTEE
KANSAS SENATE
TESTIMONY FROM
RICHARD SCHRECK
3-16-93

Madam Chairman and members of the Committee, my name is Richard Schreck, Secretary and CFO of Recreation Vehicle Products, Inc. (RVP), Wichita, Kansas. RVP is a manufacturer of recreation vehicle air conditioners and awnings with its headquarters in Wichita. RV air conditioners are produced in Wichita and awnings are produced in Malden, Massachusetts. The company was formed in 1991 when it acquired two former Coleman companies. A significant percentage of the company ownership is held by Kansas residents.

The company employs 185 people at its Wichita facility with an annual payroll of \$5.5 million.

Both RV air conditioners and awnings are sold to original equipment manufacturers of recreation vehicles, several of which are based in Kansas, and to aftermarket distributors who in turn sell to retailing RV dealers.

Our business and its employment is dependent on the successful continuation of the R. V. industry.

The U.S. R. V. industry will exceed \$9 billion in retail sales for 1992 with 1993 projected to be up 10% by industry analysts.

Senate Assessment & Taxation

March 16, 1993

Attachment 4-1

Industry statistics show that Kansas manufacturers produce 1.25% of all RV's produced in the U.S. and that of the total RV's produced nationwide only .72% are shipped to Kansas RV dealers for retail. Kansas share of RV retail sales is down substantially over the past 10 years. It is believed that one of the major reasons for loss of share is due to the way RV's are taxed in Kansas. It is also believed that a substantial number of RV's are purchased and registered outside of the state by Kansas residents who establish second residences for more favorable taxation.

It is anticipated that the R. V. industry will grow at or near double digits during the next 5 years. This is due to the expectation of the huge number of baby boomers reaching the average age of the RV buyer which is currently 49. As a state we should be doing those things necessary to insure our competitiveness as well as promoting industries which have substantial growth opportunities.

You have the power to put Kansas on an even playing field with other states and to see our great state improve its image and position in the R. V. industry.

Thank you.

TO: SEN. AUDREY LANGWORTHY AND MEMBERS OF THE COMMITTEE

FROM: DAVE COLLINS, TREASURER
ADVENTURES, INC AKA: ADVENTURE RV'S

DATE: MARCH 16, 1993

RE: HB 2088

I APPRECIATE THIS OPPORTUNITY TO EXPRESS MY OPINION ON THIS EXTREMELY IMPORTANT ISSUE CONCERNING PERSONAL PROPERTY TAXES ON RECREATIONAL VEHICLES.

MY NAME IS DAVE COLLINS. MY FATHER, HOMER COLLINS, STARTED ADVENTURES INC. (formerly C&H CAMPERS & TRAILER SALES) IN 1967. OUR COMPANY HAS BEEN FORTUNATE ENOUGH TO HAVE SUSTAINED ECONOMIC UPSWINGS AND NUMEROUS ECONOMIC DOWNSWINGS FOR OVER 25 YEARS. DURING THE LATEST ECONOMIC DOWNSWING, STEMMING FROM THE LATE 1980'S, OUR COMPANIES SALES REVENUE HAVE DROPPED DRAMATICALLY! ONE EXAMPLE IS THAT IN 1988, OUR COMPANY SOLD OVER 50 RV'S. OF THOSE; 60% WERE MOTORHOMES, FIFTH WHEELERS AND TRAVEL TRAILERS PRICED BETWEEN \$25,000 to \$50,000. 1991 WE SOLD ONLY 30 RV'S, WHICH INCLUDED LESSOR EXPENSIVE FOLD-DOWN TRAILERS AND PICK-UP CAMPERS. ONLY 17% OF THOSE RV'S WERE OVER \$12,000 IN VALUE. APPROXIMATELY 80% OF THE "TOP-END" (OVER \$12,000) RV'S WERE REGISTERED OUT OF THE STATE OF KANSAS.

WHEN I AM DEALING WITH A POTENTIAL CUSTOMER, ONE OF THE MOST COMMON ASKED QUESTIONS IS... "HOW MUCH WILL PERSONAL PROPERTY TAXES RUN ME"..... WHEN THIS QUESTION IS ASKED BY A KANSAS RESIDENT (especially a JOHNSON or WYANDOTTE COUNTY resident), I FEEL ALMOST EMBARRASSED TO GIVE AN ESTIMATED TAX QUOTE; LET ALONE THE FACT THAT I WILL PROBABLY LOSE A SALE IF THIS IS AN ISSUE OF AFFORDABILITY.

ANOTHER IMPORTANT POINT IS THE LOST REVENUE FROM OUT-OF-STATE REGISTRATIONS. AS I STATED BEFORE, IN 1991 80% OF THE RV'S THAT WE SOLD OVER \$12,000, WERE TITLED IN ANOTHER STATE. MOST CUSTOMERS HAD AT THEIR DISPOSAL A "CONVENIENT" ADDRESS IN TEXAS, FLORIDA OR OREGON. WITH JOHNSON AND WYANDOTTE COUNTY TAXES HIGHER THAN OTHER COUNTIES IN THE STATE; I HAVE HAD CUSTOMERS TITLE RV'S IN OTHER PARTS OF THE STATE, SEEKING THIS SOURCE FOR PERSONAL PROPERTY TAX RELIEF.

JUDGING FROM THE AMOUNT OF OUT-OF-STATE REGISTRATIONS OF RV'S PURCHASED FROM US OVER THE YEARS AND THE FACT THAT VOTERS (your constituents) VOTED FOR A CHANGE IN THE PERSONAL PROPERTY TAX SYSTEM IT IS TIME TO MAKE A TAX SYSTEM THAT IS FAIR NOT EXCESSIVE. WE ARE NOT ASKING YOU TO ELIMINATE PERSONAL PROPERTY TAXES ON RV'S, WE ARE REQUESTING A UNIFORM TAX SYSTEM.

I FEEL THAT THE ECONOMIC BENEFITS GENERATED WITH THE PASSAGE OF HB 2088 ie.... THE INCREASED SALES TAX REVENUE AND THE RETURN OF LOST REVENUE FROM OUT-OF-STATE REGISTRATIONS WILL MORE THAN BALANCE THE TEMPORARY LOSS OF REVENUE.

IN CLOSING I WOULD LIKE TO SAY THAT IT IS YOU, OUR ELECTED OFFICIALS, THAT WILL DECIDE WHETHER TO CHANGE OR NOT TO CHANGE THIS OUT-DATED AND UNFAIR TAX SYSTEM THAT WE HAVE TODAY. THE PEOPLE HAVE REQUESTED A CHANGE AND I FEEL THE TIME FOR CHANGE IS NOW.

Senate Assessment + Taxation

March 18, 1993

Attachment 5-1

16 March 1993

Testimony before the Senate Assessment
and Taxation Committee
John H Dillingham, M Div, STM
2625 SW Tutbury Town Rd
Topeka, KS 66614-4329

Good morning, Madam Chairperson and committee members, Ladies and Gentleman! I have provided copies of my testimony before you this morning for your membership.

My name is John H. Dillingham. I have been a resident of Shawnee County, Kansas since mid-July 1969, nearly 24 years. I am a clinically trained clergyman, having retired in August of '92, after 22 years as Director for Chaplaincy Services at a local psychiatric training, research and treatment center. Since retirement, I am a part-time consultant in the field of Pastoral Care.

My first RV was a house trailer I pulled around Texas in the early fifties as I pursued my trade as an Ironworker - Boilermaker welder. I've been an "RVer" ever since having owned a slide-in pick-up camper and a 26 foot fifth-wheel trailer purchased and licensed in Shawnee County -- the fifth wheel trailer purchased new 10 years ago. After 40 years experience in RVing, my wife and I plan to continue doing so as long as our health permits -- in fact, traveling with a trailer more than we have in the past.

It is currently my intent to purchase a new fifth-wheel trailer. But, when I consider the taxes I would be assessed on a new trailer under the current taxation plan, I pause to reconsider. My 1992 taxes on a 10-year-old 26 foot trailer were \$129.65. I tremble to think what the tax will be on a 1993 model. I know, based on the 1992 model assessment on a trailer I'm considering (the 1993 book used for assessment is not out yet), that it will be at least \$605.00. Given inflation factors. . .undoubtedly more.

Is it any wonder that many people -- young, mid-age and retired -- purchase and license their RV equipment in other states? We all know people who have and will continue to do so. It is done because people cannot afford to continue paying the high taxes that Kansas imposes on its people.

I lived in Texas 20 years before moving to Kansas in 1969 and I have family residing in Texas. I would like to use Texas Taxation as an example. Texas seems to be the place that many RVers select to register and license their RV equipment

-1- Senate Assessment + Taxation

March 16, 1993

Attachment 6-1

Testimony before the Senate Assessment
and Taxation Committee
16 March 1993
John H. Dillingham

(some even purchase their RV equipment there). While in Texas visiting family over the Christmas holidays, I did some checking. I learned from the Fayette County Treasurer's office that I could license my trailer in Texas and the property tax would be \$43.00 annually. That is \$86.65 less or almost 2/3 less than in Shawnee County!! (I'm talking 10 year old equipment, here.)

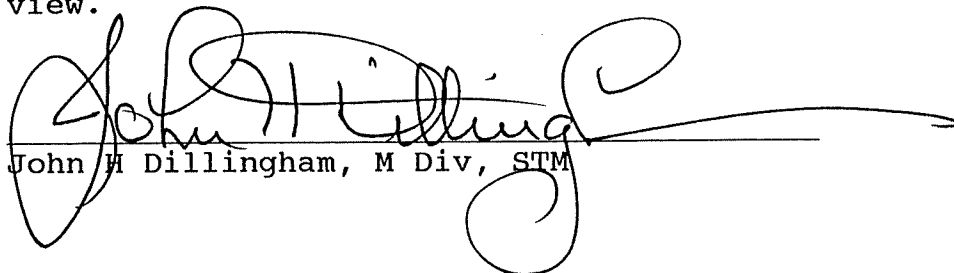
I can licence the trailer I am thinking of purchasing in Texas and the property Tax will be \$75.00. Considering the difference between what I have to pay for Property Tax on the same trailer in Kansas (\$605.00, minimum and most likely more)) and what I would have to pay in Texas (\$75.00) and given my fixed income on SS and a pension from my former employer, I, too, have to contemplate whether or not I will purchase, license and pay the property tax in Texas! I would, admittedly, be joining that band of other Kansas residents who have registered RV equipment in other states, particularly in Texas. Quite frankly, I don't want to licence my trailer in another state. I'm proud of Kansas and would like to have a Kansas Tag on the back of my rig as I travel.

It is my opinion that Kansans will continue purchasing and licensing their RV equipment in other states as long as the taxes (or put another way, the taxing systems) remain as they are.

I am imploring you to reconsider and change the current taxing system. If you do so, you will, in my opinion,

- 1) provide more encouragement for people to register their RV vehicles in their state of residence rather than the current system of fines imposed if they don't.
- 2) promote increased RV sales in Kansas, the benefits of which you are well aware and others have or will speak to.

Thank you for your time and attention given to my point of view.


John H Dillingham, M Div, STM

TESTIMONY BEFORE THE

SENATE

ASSESSMENT AND TAXATION COMMITTEE

TO: Senator Audrey Langworthy, Chairperson
And Members of the Committee

FROM: Steven D. Powell

RE: HB 2088

I am Steven Powell testifying in support of House Bill 2088 on behalf of my wife and myself. I am retired and the owner of a motor home. The present tax is a severe penalty to RV (motor home) owners in Kansas. Many have chosen to register their units in other states with a more reasonable property tax law. We chose to register our unit in our home county and as a result we are being severely taxed.

Last September we purchased a 1992 Winnebago Adventurer motor home from Hawley Brothers Winnebago in Dodge City. This is considered to be a middle of the line product. They offer several other models in the more deluxe lines. We traded in a 1985 Winnebago Elandan on the present 1992 model. The difference amounted to \$26,500. On this we paid \$1629.75 in sales tax. To register this vehicle we paid \$1357.69 property tax (Class Code 33) plus \$37.25 tag fee. The total taxes paid amounted to \$3,024.69

We checked with the Ellis County vehicle tag department and learned that the 1993 property tax on our unit will be \$1313.61. This amounts to a 3% reduction for the unit being a year older.

We have been saving for many years to purchase a new motor home for our retirement years. This unit will be driven on the highway a maximum of 15 days per year. We tow a car to our destination and park the motor home where it becomes our residence for the duration of our stay. Total miles during a year will likely not exceed 4000.

We want to pay our fair share of property taxes, but we feel the tax on our motor home is unreasonable. Relief will have to come from a change in the tax law.

We urge your support of House Bill 2088. Thank you.

Senate Assessment + Taxation
March 16, 1993

R & D CAMPERLAND
4650 S. BROADWAY
WICHITA, KS. 67216

Dear Chairperson Langworthy and members of the committee,

My name is Darrel McGee owner of R & D Camperland located at 4650 S. Broadway, Wichita, Ks. I started this business on a vacant lot in January 1985.

In the last two years we have sold approximately 150 units per year. We have had quite a number of customers that did not buy, and their reason was because of the high taxes on recreational vehicles in the state of Kansas. These are individuals that have the money to trade, but because they feel that the taxes are unfair will not. A number of our customers tagged their new units out of state to beat the taxes.

One of our Customers has even been fined for tagging out of state. He is still tagging out of state, he says that it is cheaper paying the fine than it is to pay the tax.

Lowering the taxes will bring more money into the state by encouraging more people to buy, knowing that they wont have an outrageous tax to pay every year. This will allow the people that are tagging out of state to come back to the state of Kansas to register their vehicles.

Thank you,

Darrel McGee
owner

Senate Assessment + Taxation

March 16, 1993

Attachment 8-1



The

COLEMAN COMPANY, INC.

General Offices

DICK DILSAVER
CORPORATE COMMUNICATIONS
PHONE: (316) 261-3483
FAX: (316) 261-3493

March 16, 1993

To the Kansas Senate Assessment and Taxation Committee,
Senator Audrey Langworthy, Chairperson

From The Coleman Company, Inc., Wichita

Supporting House Bill 2088 to equalize taxation of
recreational vehicles

Thank you for the opportunity to urge your approval
of HB 2088. This could greatly benefit the many Kansas
people, companies and communities involved in the
manufacturing, marketing and use of recreational
vehicles.

I am Dick Dilsaver, and I represent The Coleman
Company. It is respected around the world for its
outdoor recreation products. That gives us a broad
perspective of the effect of this legislation. Outdoor
recreation is a growth field as people seek an
invigorating life style and inexpensive leisure.

Frankly, HB 2088 would not impact Coleman directly.
But from our viewpoint we see that this bill definitely
would help all Kansans who work in or are served by the
recreational vehicle industry in our state.

Present tax law discourages Kansans from buying RVs
or encourages us to buy and register RVs in nearby
states, particularly Texas. That hurts:

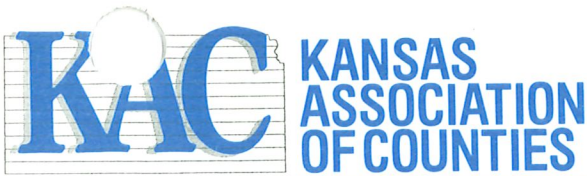
- The RV factories of Kansas and the many
other Kansas firms that supply those
manufacturers.
- The RV dealers of Kansas.
- The state and local governments that lose taxes
from RVs not purchased here.

You are in position to provide equality and a more
competitive Kansas RV industry with new vigor and
opportunity for growth. I heartily urge you to do so by
approving HB 2088.

Senate Assessment + Taxation

March 16, 1993

Attachment 9-1



"Service to County Government"

1275 S.W. Topeka Blvd.
Topeka, Kansas 66612-1852
(913) 233-2271
FAX (913) 233-4830

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Johnson County Commissioner
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(913) 432-3784

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210 S. National
Fort Scott, KS 66701
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Saline County Sheriff
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Executive Director

John T. Torbert, CAE

TO: Senate Assessment and Taxation Committee
Chairman Audrey Langworthy

FROM: Anne Smith
Director of Legislation

DATE: March 16, 1993

RE: HB 2088

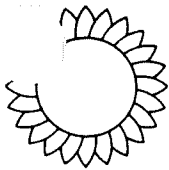
The Kansas Association of Counties appears in opposition to HB 2088.

Based on estimates by the Department of Revenue, under HB 2088 there would be a net decrease in revenue of approximately \$2.28 million. It is because of this substantial loss of revenue to counties that the KAC is opposing the bill.

There are other problems that exist with the bill as well. These are outlined in the Department of Revenue's memo on HB 2088. Most of these concerns are administrative in nature but they would also contribute to the overall revenue loss experienced under this bill. Some of the concerns include: the amnesty stipulation and possible misuse of this provision; taxpayers switching within the vehicle taxation system between "tax and tag" and the proposed RV method; and problems that could arise with regard to refunds and transfers of credit.

Thank you for your careful consideration of this issue.

*Senate Assessment + Taxation
March 16, 1993
Attachment 10-1*



Johnson County
Kansas

March 16, 1993

SENATE ASSESSMENT AND TAXATION COMMITTEE

HEARING ON HOUSE BILL 2088

TESTIMONY OF GERRY RAY, INTERGOVERNMENTAL COORDINATOR
JOHNSON COUNTY BOARD OF COMMISSIONERS

Madam Chairman, members of the Committee, my name is Gerry Ray representing the Johnson County Board of Commissioners, appearing to express opposition to House Bill 2088.

The bill creates a new method for taxing recreational vehicles, by removing the existing motor vehicle tax and personal property tax and replacing them with a flat fee of \$35.00 plus \$.60 per hundred pounds.

The House Committee added an amnesty provision to protect those who owe back tax on their RV's from paying back taxes, penalties and interest.

Johnson County has consistently opposed reductions to the motor vehicle tax and continues to do so on this bill. The County's opposition is based on what appears to be a potential for lost revenue without a replacement. Another concern is the unknown factor, there are no hard numbers available to identify the bottom line loss. We are told to just trust that it will all work out well, and that increased registrations will replace the lost revenue. This scenario is based on a theory that if our tax is lowered, Kansas residents who own RV's will change their registration from states without tax on such vehicle to register them in Kansas. The question immediately arises as to why anyone, who has been willing to avoid paying tax on their RV by registering out of state, would now feel compelled to volunteer to pay a vehicle tax at any level. It is difficult to understand just what would motivate such a turn around.

The only factor we are certain of, is that this is a reduction of revenue, to what extent is debatable. This reduction would continue a succession of decreases experienced by local governments over the last few years. Although individually they may not seem crucial, in total they do add up. The problem is especially amplified when more and more responsibilities are being passed down to counties while their authority to raise revenue is limited.

The Johnson County Commission urges the Committee to carefully consider all of the effects of HB 2088, and requests that the bill be reported unfavorably for passage.

*Senate Assessment & Taxation
March 16, 1993
Attachment 11-1*