

Approved: March 7, 1994
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION.

The meeting was called to order by Chairperson Audrey Langworthy at 11:10 a.m. on February 25, 1994 in Room 519-S of the Capitol.

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

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

Conferees appearing before the committee: Mark Burghart, Counsel, Department of Revenue
Whitney Damron, Kansas Library Association
Duane Johnson, Kansas State Library

Others attending: See attached list

APPROVAL OF MINUTES

Senator Reynolds moved to approve the minutes for February 24, 1995. The motion was seconded by Senator Tiahrt. The motion carried.

SB 493--ENFORCEMENT AND COLLECTION OF COMPENSATING USE TAX

Mark Burghart, Counsel, Department of Revenue, appeared before the committee to explain **SB 493**. (Attachment 1) He said this bill was requested as a technical corrections measure by the Department of Revenue. He said on page 1, line 27, the bill insures that all of the provisions of the retailers' sales tax act also apply to the compensating use tax act; and on page 2, line 39, it repeals an expired tax refund provision. He recommended the words "as provided by the Sales Tax Act" be included.

Senator Martin moved to amend SB 493 to include the words "as provided by the Sales Tax Act" on page 1, line 27 and to pass the bill favorably as amended. The motion was seconded by Senator Lee. The motion carried.

SB 781--SALE OF PROPERTY ACQUIRED BY COUNTY AT TAX SALE

Senator Wisdom explained the reason for this bill, **SB 781**, and why it is needed in Wyandotte County. He said it would be acceptable to him if the committee wanted to limit the bill just to Wyandotte County. He also hoped the committee would act favorably on the bill.

Senator Wisdom moved to amend SB 781 by limiting it to Wyandotte County. The motion was seconded by Senator Martin.

There was discussion in the committee about selling property at private sales. Staff said under current law delinquent property could be sold at a private sale after publication 3 consecutive times describing the real estate in the official newspaper. The requirement for the publication 3 consecutive times has been eliminated in this bill. Otherwise it does not appear to change the law too much. At the actual foreclosure sale, there are still provisions for notice in the official newspapers. This bill does not alter that requirement. There were also questions about minimum and maximum amounts for which the county may purchase the property. Staff said

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION, Room 519-S
Statehouse, at 11:10 a.m. on February 25, 1994.

there is no minimum but there is a maximum that the county may bid on the property which would be the total of the lien, interest and the cost of the foreclosure sale. A suggestion was made to change the bill so if the property did not sell, the property would have to be advertised just once in subsequent efforts to find a buyer. The committee did not come to a decision on the bill.

Senator Wisdom withdrew his motion to amend SB 781. Senator Martin withdrew his second.

The consensus of the committee was to request **SB 781** be sent to Ways and Means Committee.

SB 733--PROPERTY TAX LEVIES FOR FUNDING OF CERTAIN LIBRARIES

Whitney Damron, Kansas Library Association, presented two amendments to **SB 733** to clarify the bill. (**Attachment 2 and 3**) This is in answer to concerns which were raised at the hearing. The first amendment on page 1, Section 1 (c) line 32 after the word "to" would add "more than" six mills in "the aggregate in" any year. This is to determine the mill levy set in the bill was an aggregate cap and not in addition to existing levies. The second amendment was "New Section 1 (e) The provisions of this act shall not be applicable to any library operating under KSA 12-1215, 12-1233, 1993 Supp. 12-1260 and 1993 Supp. 12-1276." This is to state that the bill does not apply to certain libraries with ancillary statutory authority.

There was discussion in the committee concerning the budgets set by the library boards and if the county or city governments had any control over the budgets. The budgets are subject to a protest petition and a vote at any time; however, only if there is a protest. It was stated that this does not change the current law.

Senator Hardenburger moved to approve the amendments and to pass SB 733 favorably as amended. The motion was seconded by Senator Bond. The motion carried.

SB 676--INCOME TAX CHECKOFF FOR LOW-INCOME HOUSING

Senator Feleciano spoke about **SB 676** and said he did not think the checkoff caused that much of a problem. It would certainly assist with matching dollars of federal grants. This bill is dealing with people not animals.

Senator Feleciano moved to pass SB 676 favorably. The motion was seconded by Senator Martin.

Senator Reynolds made a substitute motion to allow the checkoff for only two years. The substitute motion was seconded by Senator Feleciano. The substitute motion carried.

The vote on the original motion was taken and the motion carried.

The meeting adjourned at 11:55 a.m.

The next meeting is scheduled for Monday, March 7, 1994.

DATE: February 25, 1994

[illegible]

STATE OF KANSAS

Mark A. Burghart, General Counsel
Robert B. Docking State Office Building
915 S.W. Harrison St.
Topeka, Kansas 66612-1588



(913) 296-2381
FAX (913) 296-7928

Department of Revenue
Legal Services Bureau

MEMORANDUM

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

From: Mark A. Burghart, General Counsel
Kansas Department of Revenue

Date: February 24, 1994

RE: Justification for S.B. 493

S.B. 493 was requested as a technical corrections measure by the Department of Revenue. The bill does two things:

1. it insures that all of the provisions of the retailers' sales tax act also apply to the compensating use tax act (line 27); and
2. it repeals an expired tax refund provision (line 39).

Both amendments are described in more detail below.

Amendment No. 1

The compensating use tax act is complimentary to the retailers' sales tax act. That is to say, all sales tax provisions which apply to in-state purchases of goods were intended to apply to out-of-state purchases of goods which are subsequently used in Kansas. Unfortunately, the sales tax provisions have expanded over the years. The compensating use tax act was never amended to cross-reference the additional sales tax provisions as they were enacted.

The specific retailers' sales tax statutes which would be applicable to the compensating use tax include:

K.S.A. 79-3630 -- authorization to enjoin certain persons from engaging in business; restraining orders; bonds

Senate Assessment & Tax
February 25, 1994

attach 1-1

- K.S.A. 79-3631 -- use of courts to enforce contractual obligations
- K.S.A. 79-3632 through
K.S.A. 79-3639 -- provisions providing for the refund of tax on certain food purchases for low income individuals
- K.S.A. 79-3640 -- refund of taxes paid upon property or services purchased for certain political subdivision projects
- K.S.A. 79-3643 -- personal liability for individuals responsible for collection of sales or compensating use taxes
- K.S.A. 79-3644 -- payment of taxes on vessels
- K.S.A. 79-3645 -- refund of taxes paid upon seeds, fertilizers, insecticides and services
- K.S.A. 79-3646 -- letter rulings issued by the Department of Revenue.

Amendment No. 2

The second amendment would repeal K.S.A. 79-3642 which had previously authorized the refund of taxes paid on certain machinery and equipment. That statute expired on January 1, 1989 when the sales tax exemption for manufacturing machinery and equipment set forth in K.S.A. 79-3606(kk) became effective. K.S.A. 79-3642 is no longer valid law and should be removed from the statute book.

Please feel free to contact my office if you have any questions.

February 25, 1994

The Honorable Audrey Langworthy
Senate Committee on Assessment & Taxation
Room 143 - North
State Capitol Building
Topeka, Kansas 66612

Re: SB 733 - Property Tax Levies for the Funding of Certain Libraries

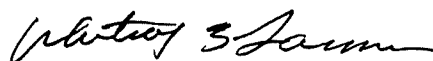
Dear Senator Langworthy:

During Committee hearings on SB 733 concerns were raised as to whether the bill applied to certain libraries with ancillary statutory authority and also whether the mill levy set in the bill was an aggregate cap or in addition to existing levies. On behalf of the Kansas Library Association we are submitting two amendments to clarify our intent and understanding of the bill. A ballooned copy is also included.

On behalf of the Kansas Library Association, we thank you and the Senate Committee on Assessment & Taxation for your consideration of these amendments and SB 733.

Sincerely,

PETE MCGILL & ASSOCIATES



Whitney B. Damron

WBD:sc
Enclosure

Senate Assess + Tax

February 25, 1994

attach 2-1

Senate Bill 733 - An Act relating to property tax levies for the funding of certain libraries.

Page One, Section 1. (c) on line 32:

total amount which shall not exceed an amount equal to *more than* six mills in *the aggregate in any year*,...

and,

New Section 1 (e) The provisions of this act shall not be applicable to any library operating under K.S.A. 12-1215, 12-1223, 1993 Supp. 12-1260, and 1993 Supp. 12-1276.

REFERENCES:

K.S.A. 12-1215

References Topeka, Salina and Hutchinson Libraries.

K.S.A. 12-1223

References Johnson County Library.

K.S.A. 1993 Supp. 12-1260

References Topeka and Shawnee County Library District.

K.S.A. 1993 Supp. 12-1276

References Leavenworth and Leavenworth County Library District.

SENATE BILL No. 733

By Committee on Assessment and Taxation

2-8

8 AN ACT relating to property tax levies for the funding of certain
9 libraries.

10
11 *Be it enacted by the Legislature of the State of Kansas:*

12 Section 1. (a) In cities of the first, second, and third class, coun-
13 ties and townships in which a free public library has been established
14 as provided by law, in addition to the powers and duties conferred
15 by law, and notwithstanding any tax levy rate limitations set out
16 elsewhere in statute, city charter ordinance adopted in accordance
17 with section 5 of article 12 of the Kansas constitution, or county
18 charter resolution adopted in accordance with K.S.A. 19-101a *et seq.*,
19 and amendments thereto, the board of directors of such public library
20 shall have the powers conferred in this section.

21 (b) The board of directors of such public library shall prepare,
22 publish, and approve an annual budget for the maintenance and
23 support of the free public library in the same manner as required
24 by law applying to other taxing units.

25 (c) Whenever the board of directors determines that the tax cur-
26 rently being levied by the governing body of the municipality pur-
27 suant to K.S.A. 12-1220, and amendments thereto, is insufficient to
28 maintain and support the library and such board desires to increase
29 the mill levy above the current levy, such board shall adopt a res-
30 olution declaring it necessary to increase the annual levy by an
31 additional amount not to exceed $\frac{1}{2}$ mill in any one year up to a
32 total amount which shall not exceed an amount equal to six mills in
33 any year, unless an amount greater than six mills has been established
34 by a charter ordinance adopted in accordance with section 5 of article
35 12 of the Kansas constitution or county charter resolution adopted
36 in accordance with K.S.A. 19-101a *et seq.*, and amendments thereto.

37 (d) Any such resolution adopted under subsection (c) shall state
38 the total amount of the tax to be levied for library purposes and
39 shall be published once each week for two consecutive weeks in a
40 newspaper of general circulation within the municipality. Whereupon
41 such annual levy in an amount not to exceed the amount stated in
42 the resolution may be made for the ensuing budget year and each
43 successive budget year unless a petition requesting an election upon

more than

the aggregate in

Senate Assess + Tax
Filed 25, 1894
attach 3-1

1 the proposition to increase the tax levy in excess of the current tax
2 levy, signed by electors equal in number to not less than 5% of the
3 electors who voted at the last preceding regular general election of
4 the municipality, as shown by the poll books, is filed with the county
5 election officer within 60 days following the date of the last publi-
6 cation of the resolution. In the event a valid petition is filed, no
7 such increased levy shall be made without such proposition having
8 been submitted to and having been approved by a majority of the
9 electors voting in an election called and held thereon. All such
10 elections shall be called and held in the manner prescribed for the
11 calling and holding of elections upon the question of the issuance
12 of bonds under the general bond law. Such taxes shall be levied
13 and collected in like manner as other taxes, which levy the clerk of
14 such board of directors shall certify, on or before August 25 of each
15 year, to the county clerk who is hereby authorized and required to
16 place the same on the tax roll of the county to be collected by the
17 county treasurer and paid over by the county treasurer to the treas-
18 urer of such board of directors.

19 Sec. 2. This act shall take effect and be in force from and after
20 its publication in the Kansas register.

(e) The provisions of this act shall not be applicable to any library operating under K.S.A. 12-1215, 12-1223, 1993 Supp. 12-1260 and 1993 Supp. 12-1276.