

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Marc Rhoades at 9:12 a.m. on February 15, 2011, in Room 346-S of the Capitol.

All members were present except:
Representative Shultz – excused

Committee staff present:
Nobuko Folmsbee, Office of the Revisor of Statutes
Alan Conroy, Kansas Legislative Research Department
J.G. Scott, Kansas Legislative Research Department
Jarod Waltner, Kansas Legislative Research Department
Shirley Morrow, Kansas Legislative Research Department
Cindy O'Neal, Administrative Assistant, Appropriations Committee
Kathy Holscher, Committee Assistant, Appropriations Committee

Others attending:
See attached list.

- Attachment 1 FY 2012 Budget Committee Report-CPOST, Board of Indigents' Defense Service and Sentencing Commission
- Attachment 2 FY 2012 Court of Appeals Budget Committee Report
- Attachment 3 Court of Tax Appeals Filing Fees

Chairman Rhoades welcomed committee members and reviewed the committee agenda.

Representative Schwartz made a motion to introduce legislation regarding an act creating the Ark River Engaging fund. The motion was seconded by Representative Lane. Motion carried.

Representative Peck, Chair, House Transportation and Public Safety Budget Committee, presented the Kansas Commission on Peace Officers' Standards and Training FY 2012 Budget Committee Report, (Attachment 1). The Budget Committee concurred with the Governor's recommendation with the following adjustments and notations; add \$5,500 from this fund to partially restore the Governor's FY 2012 recommended reductions; review docket fee funding and reevaluate funding needs in FY 2013, noted that the agency may need additional funding and staff to fulfill any responsibilities relating to racial profiling duties and the agency is working on a more detailed project plan for needs and expenditures for the law enforcement officer tracking system.

Representative Peck made a motion to adopt the Kansas Commission on Peace Officers' Standards and Training FY 2012 Budget Committee Report. The motion was seconded by Representative Gatewood.

Discussion followed by committee members regarding funding fees. It was noted that this agency was established two years ago.

Representative Mast made a substitute motion to adopt the Governor's recommendation for this agency. The motion was seconded by Representative DeGraaf.

Discussion continued by committee members. It was noted that agency funding comes from docket fees not State General Fund dollars. Concern was expressed regarding on-going fee sweeps and the impact on agency services and programs.

The substitute motion was renewed. Motion failed.

Committee members continued discussion regarding disciplinary action, investigations and hearings.

Representative Denning made a substitute motion to remove travel expenses. The motion was seconded by Representative Brown.

Discussion followed by committee members regarding training opportunities, out-of-state travel and technology upgrades.

The substitute motion was renewed. Motion failed.

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:12 a.m. on February 15, 2011, in Room 346-S of the Capitol.

Representative Peck renewed the motion to adopt the FY 2012 Kansas Commission on Peace Officers' Standards and Training Budget Committee Report. The motion carried.

Representative Peck, Chair, House Transportation and Public Safety Budget Committee, presented the Board of Indigent's Defense Services FY 2012 Budget Committee Report, ([Attachment 1](#)). The Budget Committee concurred with the Governor's recommendation with the following adjustments: add \$558,000 for SGF to offset the American Reinvestment and Recovery Act (ARRA) and Justice Assistance Grant, noted the Legislative Post Audit's new payment review of indigent defense work and will investigate procedures used to ensure recoupment of fees and costs from indigent persons, questions raised regarding assigned counsel versus public defender costs for casework, and longevity bonuses.

Representative Peck made a motion to adopt the Board of Indigent's Defense Services FY 2012 Budget Committee Report. The motion was seconded by Representative Gatewood.

Discussion followed by committee members regarding issues of utilizing public defenders and outside counsel, pay scales and turnover rates, increased caseloads, and the impact of ARRA dollars that will not be available in FY 2012.

Patricia Scalia, Executive Director, Indigent's Defense Services, responded to questions from committee members. She stated that there have been substantial increased caseloads. It was noted that the Sentencing Commission would have data on the number of people serving time, who were coached and those who were not sentenced.

Representative Kelley made a substitute motion to remove the Budget Committee recommendation to add \$558,000 to the SGF. The motion was seconded by Representative Mast.

Discussion followed regarding the substitute motion. It was noted that these funds were backed out of the budget and then restored in order to accept the stimulus money for the state revenues. Staffing issues, wages and benefits was discussed. It was noted that in some cases funds were depleted and payment was made at a later date for services. Concerns for violating the law when addressing the right to a speedy trial was expressed by committee members.

J.G. Scott, Chief Fiscal Analyst, Legislative Research Department, responded to questions from committee members. He stated that the SGF allows for flexible spending, however, the \$558,000 was established for assigned council.

Representative Kelley renewed the substitute motion. Motion failed.

Representative Peck renewed the motion to adopt the Budget Committee Report. Motion carried.

Representative Peck, Chair, House Transportation and Public Safety Budget Committee, presented the Kansas Sentencing Commission FY 2012 Budget Committee Report, ([Attachment 1](#)). The Budget Committee concurred with the Governor's recommendation with the following notation: the commission is improving efforts to collect fees.

Representative Peck made a motion to adopt the Kansas Sentencing Commission FY 2012 Budget Committee Report. The motion was seconded by Representative Pottorff. Motion carried.

Representative McLeland, Chair, House General Government Budget Committee presented the Court of Tax Appeals FY 2012 Budget Committee Report, ([Attachment 2](#)). The Budget Committee concurred with the Governor's recommendation with the following adjustment: add language authorizing the creation of a commission to study the loser-pay option.

Representative McLeland made a motion to adopt the Court of Tax Appeals FY 2012 Budget Committee Report. The motion was seconded by Representative DeGraaf.

Discussion followed by committee members regarding the composite, responsibilities and expenditures of the commission. It was noted that the commission would be funded with existing resources by the agency for incidentals. A review of the Court of Tax Appeals Filing Fees, ([Attachment 3](#)) followed, which reflects the Governor's recommendation for increased filling fees for property and food sales taxes over

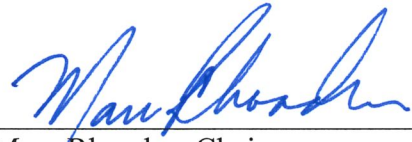
CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:12 a.m. on February 15, 2011, in Room 346-S of the Capitol.
\$10,000.

Janice Lee, Director, Court of Tax Appeals, responded to questions from committee members. She provided an overview of the agency and noted that there are no fee charges for small claims or residential property, unless the dispute is \$10,000 or more as per the Governor's recommendation. It was noted that the regular court receives 14% of funding from fees and the new recommendation will increase funding fees to 67%. The concern was expressed regarding the impact on increased fees and the impact on businesses and industry as related to Economic Development exemptions. Director Lee stated that the process was underway regarding the recommended fee changes, which will require a public hearing.

Chairman Rhoades stated that discussion on the Board of Tax Appeals Budget Committee recommendations will be tabled until the committee meets tomorrow.

The meeting was adjourned at 11:00 a.m.



Marc Rhoades, Chairman

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 2-15-11


[illegible]

FY 2012

HOUSE TRANSPORTATION AND PUBLIC SAFETY BUDGET COMMITTEE

CPOST

Board of Indigents' Defense Services
Sentencing Commission


Representative Virgil Peck, Jr., Chair


Representative Dan Kerschen


Representative JoAnn Pottorff, Vice-Chair

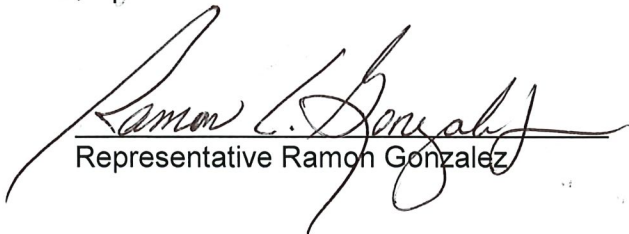

Representative Rey Mesa


Representative Doug Gatewood,
Ranking Minority Member


Representative Tom Moxley


Representative Bob Bethell


Representative Vince Wetta


Representative Ramon Gonzalez

Appropriations Committee

Date February 15, 2011

Attachment 1

House Budget Committee Report

Agency: Kansas Commission on Peace Officers' Standards and Training

Bill No. - -

Bill Sec. - -

Analyst: Klaassen

Analysis Pg. No. - -

Budget Page No. 412

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	646,900	560,588	5,500
Subtotal	\$ 646,900	\$ 560,588	\$ 5,500
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 646,900	 \$ 560,588	 \$ 5,500
 FTE positions	 7.0	 7.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	7.0	7.0	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures totaling \$646,900, all from the Kansas Commission on Peace Officers' Standards and Training (KCPOST) Fee Fund, which is an increase of \$7,022, or 1.1 percent, above the FY 2011 revised estimate. The agency states that increases are primarily due to bringing operations up to full functionality. The request includes 7.0 FTE positions, no change from the FY 2011 revised request.

Governor's Recommendation

The **Governor** recommends FY 2012 expenditures totaling \$560,588, all from the KCPOST Fee Fund, which is a decrease of \$86,312, or 13.3 percent, below the agency's FY 2012 request, and an increase of \$11,342, or 2.1 percent, above the FY 2011 recommendation. The Governor's recommendation includes reductions totaling \$86,312.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation with the following adjustment and notations:

Appropriations Committee

Date February 15, 2011

Attachment 1-2

1. Add \$5,500, all from the KCPOST Fund, to partially restore operating expenditure reductions recommended as part of the Governor's FY 2012 recommendation. The Budget Committee recommended partial restorations of the following reductions:
 - o The Governor recommended reducing budgeted gasoline expenditures from \$10,000 to \$3,000. The Budget Committee recommended adding \$2,000, all from the KCPOST Fund, to provide a total of \$5,000 for gasoline expenditures for FY 2012;
 - o The Governor recommended reducing hospitality expenditures from \$1,000 to \$500. The Budget Committee recommended adding \$500, all from the KCPOST Fund, to provide a total of \$1,000 for hospitality expenditures for FY 2012;
 - o The Governor recommended reducing budgeted for out-of-state travel from \$3,000 to \$0. The Budget Committee recommended adding \$1,500, all from the KCPOST Fund, for out-of-state travel for FY 2012; and
 - o The Governor recommended reducing budgeted subsistence for out-of-state travel from \$3,000 to \$0. The Budget Committee recommended adding \$1,500, all from the KCPOST Fund, for subsistence for out-of-state travel for FY 2012.
2. The Budget Committee notes the significant transfers from the KCPOST Fund to the State General Fund since the creation of the agency in 2007. The 2009 Legislature transferred \$392,500 in FY 2009; the 2010 Legislature transferred \$200,000 in FY 2011; and the Governor's recommendation includes an additional transfer of \$500,000 in FY 2011. The Budget Committee discussed that the source of the agency's funding is from municipal court docket fees, and of the \$20 assessed for each case filed other than non-moving traffic violations, that \$2.50 is credited to the KCPOST Fund. The Budget Committee has requested the agency review this funding source and recommends reevaluating the agency's funding needs in FY 2013.
3. The Budget Committee notes that the agency presented information that legislation adding racial profiling duties and responsibilities to the Kansas Commission on Peace Officers' Standards and Training has been discussed, and that the agency may need to request additional funding and staff to fulfill any new responsibilities.
4. The Budget Committee notes that the Governor did not recommend \$20,812 for FY 2012 related to updating the agency's law enforcement officer tracking system, which was last updated in 1998. The agency provided testimony that it would work to produce a more detailed project plan outlining needs and expenditures before asking for additional funds for this project.

Appropriations Committee

Date February 15, 2011

Attachment 1-3

House Budget Committee Report

Agency: Board of Indigent's Defense Services

Bill No. --

Bill Sec. --

Analyst: Dear

Analysis Pg. No. --

Budget Page No. 58

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 23,105,592	\$ 20,656,379	\$ 558,000
Other Funds	904,670	1,010,986	0
Subtotal	\$ 24,010,262	\$ 21,667,365	\$ 558,000
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 24,010,262	\$ 21,667,365	\$ 558,000
FTE positions	195.0	185.0	0.0
Non FTE Uncl. Perm. <u>Pos.</u>	0.0	0.0	0.0
TOTAL	195.0	185.0	0.0

Agency Request

The **agency** requests a FY 2012 operating budget totaling \$24.0 million, including \$23.1 million from the State General Fund. The State General Fund request is \$1.2 million, or 5.7 percent, above the agency's FY 2011 revised request. The increase is due to enhancement requests for increased salaries for public defenders and to fund public defender positions currently supported by an ARRA grant, totaling \$1,253,450. Without the enhancement requests, the request is an all funds decrease of \$677,510, or 2.9 percent, and a State General Fund decrease of \$13,793, or 0.1 percent, below the FY 2011 revised request. The special revenue fund reduction is due to the exhaustion of ARRA grant monies. The request includes 195.0 FTE positions, the same as the current year.

Governor's Recommendation

The **Governor** recommends a FY 2012 operating budget totaling \$21.7 million, including \$20.7 million from the State General Fund. The State General Fund recommendation is a reduction of \$1.2 million, or 5.5 percent, below the FY 2011 Governor's recommendation. The recommendation also reduces special revenue funds (largely ARRA Grant Funds) by \$557,401, or 35.5 percent, below the FY 2011 Governor's recommendation. The State General Fund reduction is attributable to the adoption of the agency reduced resources plan, with the exception that the Governor recommends taking the reduction in contractual services rather

Appropriations Committee

Date February 15, 2011

Attachment 1-4

than delaying expenses to FY 2013 since no State General Fund savings would be realized by this plan. The reduction in special revenue funds is attributable to the exhaustion of ARRA grant monies. The Governor further recommends the reduction of 10.0 vacant and unfunded FTE positions, reducing the FTE limitation at the agency to 185.0.

The Governor's recommendation is a reduction of \$2.3 million, or 9.8 percent, and 10.0 FTE positions from the agency request. The reduction is attributable to a recommendation against adopting the agency's enhancement requests of \$1.3 million to raise public defender salaries and replace ARRA grant monies with State General Fund and adoption of the reduced resources plan of \$1.1 million. The reductions are partially offset by the recommendation to expend the remaining \$106,316 in the ARRA public defender grants not budgeted by the agency in FY 2012.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following adjustments:

1. Add \$558,000, all from the State General Fund, to adopt the agency enhancement requests to offset the reduction in American Reinvestment and Recovery Act (ARRA) and Justice Assistance Grant (JAG) monies with State General Fund dollars. The committee notes that these funds currently support nine public defender positions which will be lost if the funds are not replaced.
2. The Budget Committee notes that Legislative Post Audit has defined the scope for a new audit reviewing the payments made for indigent defense work. First, the audit will investigate whether the BIDS is taking appropriate measures to ensure that services are provided to indigent persons only. Second, the audit will investigate whether or not BIDS has adequate procedures in place to ensure effective recoupment of fees and costs from indigent persons.
3. The Budget Committee notes that the payment rate of assigned counsel at the reduced rate of \$62 per hour still results in an average gross wage of \$128,960 per year if assigned counsel were to work full time on BIDS work. The average pay for a public defender is \$46,000 or one third the compensation of assigned counsel. The budget committee questions the wisdom of relying even more heavily on assigned counsel to complete casework.
4. The Budget Committee had discussion on the statutory longevity bonuses for FY 2012 and recommends the full committee consider reducing the longevity bonuses for all agencies to the statutory limit. The current statutory provisions for the longevity bonus payment are \$40 per year of service, with a 10-year minimum (\$400), and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008 are not eligible for longevity bonus payments. For FY 2012, the Governor recommends the continuation of the longevity bonus payment program. The recommendation provides for a bonus of \$50 per year of service, with a 10-year minimum (\$500) and a 25-year maximum (\$1,250). The Budget Committee discussed the possibility of reducing the Governor's recommendation for longevity bonus payments from \$50 per year of service to the statutory level of \$40 per year of service for all state agencies for FY 2012.

Appropriations Committee

Date February 15, 2011

Attachment 1-5

House Budget Committee Report

Agency: Kansas Sentencing Commission **Bill No. --**

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. --

Budget Page No. 414

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 7,372,447	\$ 7,003,825	\$ 0
Other Funds	912,287	912,287	0
Subtotal	\$ 8,284,734	\$ 7,916,112	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 8,284,734	\$ 7,916,112	\$ 0
FTE positions	10.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	4.0	2.0	0.0
TOTAL	14.0	10.0	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures totaling \$8.3 million, including \$7.4 million from the State General Fund. The request is an all funds decrease of \$289,085, or 3.4 percent, and a State General Fund decrease of \$6,822, or 0.1 percent, below the FY 2011 revised estimate. The decrease can be attributed to a decrease in the estimated 2003 SB 123 drug treatment payment being made by the Commission. In the past the Sentencing Commission has paid for 2003 SB 123 drug treatment services for offenders with Medicaid coverage. The commission then received a reimbursement from Medicaid for the drug treatment services. Starting in FY 2012, the Department of Social and Rehabilitation Services (SRS) will begin paying for SB 123 drug treatment services for offenders with Medicaid coverage. This change in the payer decreases the estimated SB 123 drug treatment payments for the Sentencing Commission. The request includes 10.0 FTE and 4.0 non-FTE unclassified permanent positions, the same as the revised FY 2011 estimate.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures of \$7.9 million, including \$7.0 million from the State General Fund. The recommendation is a decrease of \$368,622, or 4.4 percent, and a State General Fund reduction of the same amount, or 5.0 percent, below the agency's FY 2012 request. The Governor's recommendation included the reduced resources package that the agency submitted, which included a 5.0 percent State General Fund reduction

Appropriations Committee

Date February 15, 2011

Attachment 1-6

split proportionately between the two agency programs. The recommendation includes 8.0 FTE positions and 2.0 non-FTE unclassified permanent positions, a decrease of 2.0 FTE and 2.0 non-FTE unclassified positions. All four of the eliminated positions are vacant.

House Budget Committee Recommendation

The **House Budget Committee** concurs with the Governor's recommendation with the following notation:

1. The Budget Committee notes that the Sentencing Commission is improving efforts to collect the \$300 fee that is assessed to offenders who are sentenced to 2003 SB 123 drug treatment services and urges the Commission to continue to increase efforts to collect the fee from all 2003 SB 123 drug treatment offenders across the state.

The Budget Committee also notes that currently the Sentencing Commission has received fee payments from every judicial district across the state but that the 29th judicial district (Wyandotte county) and the 6th judicial district (Bourbon, Linn, and Miami counties) have been slower than other judicial districts to implement, collect, and remit to the Sentencing Commission the \$300 fee to offenders.

Appropriations Committee

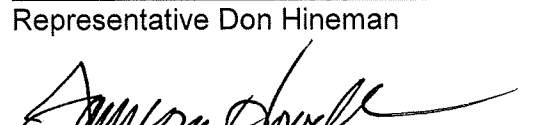


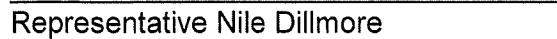
Date February 15, 2011

Attachment 1-7

FY 2012

HOUSE GENERAL GOVERNMENT BUDGET COMMITTEE

Court of Tax Appeals
Department of Revenue


Representative Joe McLeland, Chairperson
Representative Pete DeGraaf, Vice-Chair
Representative Tom Burroughs
Representative Don Hineman
Representative Kyle Hoffman
Representative Jim Howell
Representative Ramon Gonzalez
Representative Ron Ryckman
Representative Nile Dillmore

Appropriations Committee

Date February 15, 2011

Attachment 2

House Budget Committee Report

Agency: Kansas Court of Tax Appeals

Bill No. --

Bill Sec. --

Analyst: Steiner

Analysis Pg. No. --

Budget Page No. 91

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 1,372,374	\$ 653,756	\$ 0
Other Funds	694,030	1,344,030	0
Subtotal	\$ 2,066,404	\$ 1,997,786	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 2,066,404	\$ 1,997,786	\$ 0
FTE positions	26.0	20.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	26.0	20.0	0.0

Agency Request

The **agency's** FY 2012 request is \$2,066,404, including \$1,372,374 from the State General Fund. Included in the agency's estimate is \$5,000 from the Duplicating Fees Fund and \$689,030 from the Filing Fee Fund. The request is an all funds increase of \$29,982, or 1.5 percent, and a State General Fund increase of \$23,916, or 1.8 percent, above the FY 2011 revised estimate. The increase is largely attributable to increased contributions for group health insurance and Kansas Public Employees Retirement System (KPERs) contributions.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures of \$1,997,786, including \$653,756 from the State General Fund. The recommendation is an all funds increase of \$1,818, or 0.1 percent, and a State General Fund decrease of \$654,248, or 50.0 percent, from the Governor's FY 2011 recommendation. The Governor's recommendation offsets the State General Fund reduction by increasing filing fees for applications and appeals where amount at issue is in excess of \$10,000. The Governor also recommended eliminating 6.0 vacant FTE positions.

Appropriations Committee

Date February 15, 2011

Attachment 2-2

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following adjustment:

1. Add language authorizing the creation of a commission to study the loser-pay option in regards to decisions rendered by the Court of Tax Appeals. Under a loser-pay option if a legal claim is filed, the loser pays all of the expenses. The commission would have nine members comprised of the following: Director of the Division of the Budget, Speaker of the House or designee, President of the Senate or designee, Minority Leader of the Senate or designee, Minority Leader of the House of Representatives or designee, the Executive Director of the Court of Tax Appeals or designee, and three members of the business community appointed by the Governor. The commission would be funded within existing resources from the Court of Tax Appeals.

Appropriations Committee

Date February 15, 2011

Attachment 2-3

House Budget Committee Report

Agency: Kansas Department of Revenue

Bill No. --

Bill Sec. --

Analyst: Steiner

Analysis Pg. No. --

Budget Page No. 90

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 16,607,719	\$ 16,607,719	\$ 0
Other Funds	89,931,464	89,613,364	0
Subtotal	\$ 106,539,183	\$ 106,221,083	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 106,539,183	\$ 106,221,083	\$ 0
FTE positions	1,096.0	1,046.0	0.0
Non FTE Uncl. Perm. Pos.	20.0	20.0	0.0
TOTAL	1,116.0	1,066.0	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$106,539,183, including \$16,607,719 from the State General Fund. The request is an all funds decrease of \$9,490,796, or 8.2 percent, and a State General Fund increase of \$410,793, or 2.5 percent, from the FY 2011 estimate. The request includes one enhancement to replace 21 agency vehicles. The enhancement totals \$318,000 and is funded entirely through the Division of Vehicles Operating Fund. Without the enhancement, the request would be an all funds decrease of \$9,808,796, or 8.5 percent, below the FY 2011 estimate.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures of \$106,221,083, including \$16,607,719 from the State General Fund. The recommendation is an all funds decrease of \$9,808,896, or 8.5 percent, and a State General Fund increase of \$410,793, or 2.5 percent, from the Governor's FY 2011 recommendation. The all funds decrease is attributable to a decline in revenues from the Division of Vehicles Modernization Fund which is expected to be implemented by January 2012. The State General Fund increase is a result of the Governor recommending the agency not reduce its salaries and wages shrinkage rate by 5.0 percent in order to minimize personnel reductions in the Tax Operations Division. The Governor also recommended the elimination of 50.0 vacant FTE positions.

Appropriations Committee

Date February 15, 2011

Attachment 2-4

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation.

Appropriations Committee

Date February 15, 2011

Attachment 2-5

Cout of Tax Appeals Filing Fees

Regular Division

Valuation Appeals: Equalization & Protests (Real and Personal Property)

Real Property

Single family residential property & farmsteads

Previous Fee*	Current Fee	Gov. Rec. Fee
\$ -	\$ 25	\$ 25

Not-for-profit organization if valued less than \$100,000

\$ 10	\$ 10	\$ 10
-------	-------	-------

Properties valued \$250,000 or Less

\$ 50	\$ 125	\$ 125
-------	--------	--------

Properties valued at \$250,001 to \$1,000,000

\$ 75	\$ 125	\$ 125
-------	--------	--------

Properties valued at \$1,000,001 to \$5,000,000

\$ 125	\$ 200	\$ 200
--------	--------	--------

Properties valued \$5,000,001 to \$10,000,000

\$ 175	\$ 200	\$ 5,000
--------	--------	----------

Properties valued \$10,000,000 plus

\$ 200	\$ 200	\$ 8,000
--------	--------	----------

Personal Property

Single family residential (mobile or manufactured homes)

\$ -	\$ 25	\$ 25
------	-------	-------

All other personal propety

\$ -	\$ 25	\$ 25
------	-------	-------

Division of Property Valuation

\$500 or Less

\$ 25	\$ 100	\$ 100
-------	--------	--------

\$501 to \$1,000

\$ 50	\$ 100	\$ 100
-------	--------	--------

\$1,001 to \$5,000

\$ 100	\$ 150	\$ 150
--------	--------	--------

\$5,001 to \$10,000

\$ 175	\$ 150	\$ 150
--------	--------	--------

\$10,000 plus

\$ 250	\$ 250	\$ 2,000
--------	--------	----------

Division of Taxation

Homestead property tax and food sales tax refunds

\$ -	\$ -	\$ -
------	------	------

\$500 or Less

\$ 25	\$ 100	\$ 100
-------	--------	--------

\$501 to \$1,000

\$ 50	\$ 100	\$ 100
-------	--------	--------

\$1,001 to \$5,000

\$ 100	\$ 150	\$ 150
--------	--------	--------

\$5,001 to \$10,000

\$ 175	\$ 150	\$ 150
--------	--------	--------

\$10,000 plus

\$ 250	\$ 250	\$ 2,000
--------	--------	----------

Appropriations Committee

Date February 15, 2011

Attachment 3

Exemption Applications

Industrial revenue bond & economic development exemptions less than or equal to \$1.0 million in value	\$	250	\$	250	\$	250
Industrial revenue bond & economic development exemptions greater than \$1.0 million in value	\$	250	\$	500	\$	5,000
Oil leases or real property exemptions	\$	50	\$	125	\$	125
All other personal property exemptions	\$	50	\$	75	\$	75
Not-for-profit if value is less than \$100,000	\$	10	\$	10	\$	10

Grievances

Penalty abatement	\$	15	\$	25	\$	25
Clerical error	\$	15	\$	25	\$	25

Miscellaneous

IRB informational statement filings	\$	250	\$	250	\$	250
Mortgage registration protests	\$	15	\$	25	\$	25
No-fund warrant requests	\$	50	\$	150	\$	150
Reappraisal requests	\$	50	\$	250	\$	250
School appraisals						

Small Claims and Expedited Hearings Division**Equalizations and Protests**

Not-for-profit organization if value is less than \$100,000	\$	10	\$	10	\$	10
Single-family residential property, farmstead or manufactured home	\$	-	\$	-	\$	-
All other appeals	\$	20	\$	100	\$	100

Division of Taxation

Homestead property tax and food sales refund less than \$500	\$	-	\$	-	\$	-
Homestead property tax and food sales refund greater than \$500	\$	20	\$	50	\$	50

* The previous fees were authorized in 2004 and were in effect until November 2010

Appropriations Committee

Date February 15, 2011

Attachment 3-2