

## MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 8:05 a.m. on March 24, 2004 in Room 527-S of the Capitol.

All members were present:

Committee staff present:

Carolyn Rampey, Legislative Research  
Theresa Kiernan, Office of the Revisor of Statutes  
Judy Steinlicht, Committee Secretary

Conferees appearing before the committee:

Theresa Kiernan, Revisor of Statutes  
Joan Wagnon, Secretary of Revenue

Others attending:

See Attached List

Chairman Umbarger stated it was his desire to pass two education bills this morning, **SB550**, the Governor's first year proposal and the **Senate Leadership School Finance Proposal**.

### **Senate Leadership School Finance Proposal**

Theresa explained two amendments to the **Senate Leadership School Finance Proposal** draft that would clarify the definition of school district in the section concerning health insurance and add a new subsection stating provisions of this section shall expire on June 30, 2005; and to correct the figure on page 8 for the bilingual weighting from .21 to .22. (Attachment 1)

Senator Vratil made a motion to amend the draft with the amendments explained by Theresa. Seconded by Senator Emler. Motion carried.

Secretary of Revenue, Joan Wagnon explained an amendment deleting language to allow for agreement to extend statute of limitations for refunds during audits.

Senator Oleen made a motion to amend the draft by adopting the language as explained by Secretary Wagnon. Seconded by Senator Vratil. Motion carried.

Secretary, Joan Wagnon, explained sales and use tax refunds. The Division of Tax and the Audit Bureau have a total of 12.5 FTE dedicated to working tax refunds at a cost of \$500,000 which includes benefits. Since April 2002, the Department of Revenue has completed 3,171 refunds totaling \$35.6 million which includes interest. The Division of Taxation has completed 3,120 refunds totaling \$5.4 million including interest and the Audit Bureau has completed 51 refunds for a total of \$30.2 million including interest. Both teams have 853 refunds in backlog, requesting a total of \$13.3 million in refunds. (Attachment 3) Secretary Wagnon explained two amendments; one to allow no refunds of income, sales or use tax and any interest or penalties to a taxpayer who has entered into any contingency agreement with any person representing such taxpayer in pursuing such a refund claim (Attachment 4); the second to reduce the interest rate on refunds to two percent which would be the same rate paid to the state on overdue taxes. (Attachment 5)

Senator Vratil recommended not handling the amendments involving tax matters.

Senator Oleen made a motion to amend the school finance draft according to the recommendation of Secretary Wagnon. Seconded by Senator Downey. Motion carried.

Secretary Wagnon explained an amendment requested by the liquor lobbyists that a renewal license would not be withheld as long as business taxes are current. This amendment does not affect the fiscal note. (Attachment 6)

CONTINUATION SHEET

MINUTES OF THE SENATE EDUCATION COMMITTEE at 8:05 a.m. on March 24, 2004 in Room 527-S of the Capitol.

Senator Oleen made a motion to amend the school finance draft according to the language requested by the liquor lobbyists. Seconded by Senator Schodorf. Motion carried.

Secretary Wagon presented an amendment to add professional license tax clearance process (contents of SB468, with corrections). (Attachment 7) Secretary Wagon also provided a listing of all the licensing agencies, Type of Professional License, frequency of license issued, and the number of licensees in each type. (Attachment 8)

Senator Oleen made a motion to amend the school finance draft as described by Secretary Wagon. Seconded by Senator Downey. Motion carried.

Secretary Wagon explained another amendment to provide for reporting and remitting use tax on Kansas individual income tax return. (Attachment 9)

Senator Oleen made a motion to amend the school finance draft as explained by Secretary Wagon and as stated in attachment 9. Seconded by Senator Schodorf. Motion carried.

Senator Schodorf made a motion to amend the school finance draft as amended into **HB2004** and to give Theresa the flexibility to make the necessary technical changes throughout the bill. Seconded by Senator Oleen. Motion carried.

Senator Schodorf made a motion to recommend favorably **HB2004** as amended. Seconded by Senator Oleen. Motion carried.

**SB550–School and school districts; school finance; tax revenues**

Senator Hensley gave an overview of **SB550**. Senator Hensley proposed an amendment on page 7 of the bill which would add language on line 9 that the amount of base state aid per pupil shall be \$3,963 “in each school year thereafter.” Theresa advised that there was also a grammatical error that needed to be corrected.

Senator Hensley made a motion to amend **SB550** as stated above and for the grammatical correction. Seconded by Senator Lee. Motion carried.

Senator Hensley made a motion to recommend **SB550** as amended favorably for passage. Seconded by Lee.

Senator Vratil made a substitute motion to report **SB550** as amended without recommendation. Senator Corbin stated he felt the committee should pass **SB550** with recommendation since we passed the original Governor’s bill with recommendation. Senator Vratil withdrew his motion.

The committee voted on Senator Hensley’s original motion to recommend **SB550** favorably as amended. Motion carried.

Dale Dennis, Deputy Commissioner, Kansas State Department of Education distributed updated information on the new **HB2004** (Attachment 10) and **SB550** (Attachment 11).

Meeting adjourned at 8:50 a.m.