

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Barbara Allen at 10:40 A.M. on March 20, 2007 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Kansas Legislative Research Department
Martha Dorsey, Kansas Legislative Research Department
Gordon Self, Office of Revisor of Statutes
Nancy Kirkwood, Committee Assistant

Conferees appearing before the committee:

Senator Carolyn McGinn
Patty Dengler, Inter-Faith Ministries

Others attending:

See attached list.

Hearing on **SB 383**, Property tax exemption for certain housing for the elderly, persons with disabilities or persons with limited or low income owned by certain organizations was held.

Chairperson Allen recognized Senator McGinn, who stated **SB 383** will encourage building housing projects for the homeless in Kansas. This type of housing is very important for elderly persons with disabilities and low income. Inter-Faith Ministries has done a great job in bringing a diverse group of people together. Because of the current language in statute, these projects are not property tax exempt; however, the statute intends to exempt these types of housing. Because of the legal structure of the project, they do not qualify for the exemption. No written testimony was provided.

Patty Dengler, Inter-Faith Ministries, furnished testimony in support of **SB 383**. (Attachment 1)

Written testimony in support of **SB 383** was presented to the Committee from Robin Martinez, Hope, Inc. (Attachment 2)

Chris Wilson, Executive Director of Kansas Building Industry Association (KBIA), presented written testimony in support of **SB 383** (Attachment 3)

The hearing closed.

Discussion and possible action

SB 382, Sales tax exemption for contractors constructing or reconstructing facilities at state correctional institutions, or privately constructed correctional institutions contracted for state use and ownership, was discussed.

Senator Derek Schmidt made a motion to adopt the KDOR's amendment with technical changes to **SB 382**. Senator Goodwin seconded the motion. The motion carried.

Senator Derek Schmidt moved an additional technical amendment on page 2, line 15 and 16 be made, and the Revisor have discretion to make the necessary change. Senator Donovan seconded the motion. The motion carried.

Senator Schmidt made a motion to further amend **SB 382**, as amended, by inserting the provisions of **SB 126**, Criminal classification and penalty for sales of tangible personal property or services without a tax registration certificate. Senator Jordan seconded the motion. The motion carried.

HB 2264, exclusion of Social Security benefits from Kansas adjusted gross income for income tax liability purposes, was discussed.

CONTINUATION SHEET

MINUTES OF THE Senate Assessment and Taxation Committee at 10:40 A.M. on March 20, 2007 in Room 519-S of the Capitol.

Senator Schmidt made a motion to amend **HB 2264** by striking the contents of **HB 2264** and inserting the Johnson County provisions of **Sub SB 375**, Taxing authority and creation of Johnson county education research triangle authority and sales tax authority for public safety projects. Senator Apple seconded the motion. The motion carried.

Senator Schmidt made a motion to recommend **HB 2264**, as amended, favorably for passage and make it a substitute bill. Senator Apple seconded the motion. The motion carried.

SB 331, Income tax credits and grant program for development of certain historic sites, was discussed. Senator Derek Schmidt recommended the following changes to the bill: 1) Section one, reduce the proposed credit for not-for-profit entities from 35% to 30%, which would reduce the fiscal note by \$375,000, 2) Section two, credits not transferable, raising the cap to \$200,000 and making those credits refundable, 3) Section three, the operation grant program, on the funding mechanism, strike the proposed increase in the mortgage fee, making the grants subject to appropriations.

Senator Schmidt made a motion to amend **HB 2405** by striking the contents and replacing with the provisions of **SB 331**, as previously passed by this committee, and adding his three recommended changes, and making it a substitute bill. Senator Jordan seconded the motion. The motion carried.

Senator Schmidt moved to pass **Sub HB 2405** favorably for passage. Senator Jordan seconded the motion. The motion carried.

HB 2240, Sales taxation; sales tax exemptions; services for rebuilding of public utility facilities, was discussed.

Senator Donovan moved to adopt KDOR's balloon amendment to **HB 2240**, with exception of the deletion of "repair". Senator Pine seconded the motion. The motion carried.

Senator Donovan made a motion to pass **HB 2240**, as amended, favorably. Senator Pine seconded the motion. The motion carried.

Chairperson Allen asked the Committee if it was interested in working any other bills in the Tax Committee. It was determined more information was needed before working **SB 383**. The Chair requested a definitive answer on how many entities it would apply to and what the fiscal note would be.

Chairperson Allen said there were no future scheduled meetings at this time, however if needed, the Committee could possibly meet on Thursday.

The meeting adjourned at 11:25 a.m.