

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE.

The meeting was called to order by Chairperson Senator Audrey Langworthy at 11:10 a.m. on February 16, 2000, in Room 519-S of the Capitol.

All members were present except:

Committee staff present: Chris Courtwright, Legislative Research Department
April Holman, Legislative Research Department
Don Hayward, Revisor of Statutes Office
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Senator Dick Bond
Charles Yunker, Adjutant, American Legion
Don Schnacke
Jack Quinlan
Sandy Jacquot, League of Kansas Municipalities

Others attending: See attached list.

The minutes of the February 14, 2000, meeting were approved.

SB 613—Income taxation; providing check-off for the contributions to the national World War II memorial fund

Senator Dick Bond testified in support of **SB 613**. He noted that the bill arose from a request that Kansas citizens participate in the funding of the World War II memorial program in Washington, D.C., which is being chaired by former Senator Bob Dole. Senator Bond informed the Committee that the State of Kansas has already contributed \$10,000 towards the memorial. He noted that there is another proposal that would take money from the State General Fund over a two or three year period; however, in his opinion, removing money from the State General Fund to send to Washington for a memorial is not appropriate at this time when the State General Fund is already over-obligated. With the passage of **SB 613**, removal of money from the State General Fund would be avoided. Senator Bond said he had discussed the voluntary contribution approach in **SB 613** with Senator Dole. Senator Dole felt the approach was appropriate and felt that the state would be surprised at the interest it would generate.

Senator Bond explained that **SB 613** provides that a contribution to the memorial fund can be included as a check-off on the state individual income tax return form for the tax years 2000 and 2001. He clarified that there is no limit on the amount that can be contributed to the fund and that a contribution can be claimed as a charitable contribution. He is confident that veterans' groups will promote participation and that there will be good results.

Charles Yunker, American Legion Adjutant, testified in support of **SB 613**, noting that it would provide every Kansas taxpayer the opportunity to contribute to the construction of the national World War II memorial. He pointed out that the memorial will honor veterans and non-veterans alike from a generation who pulled together for the survival of our free nation. (Attachment 1)

Don Schnacke, a World War II veteran, followed with further testimony in support of **SB 613**. Mr. Schnacke noted that he and two of his brothers served in the U.S. Marines. He quoted the purpose of the World War II memorial which he recently found on the Internet. He noted that, to date, the World War II Society has raised \$70 million of their goal of \$100 million and that the bill broadens Kansans' opportunity to contribute. (Attachment 2)

CONTINUATION SHEET

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE Room 519-S, Statehouse, at 11:10 a.m. on February 16, 2000.

Former Senator Jack Quinlan gave final testimony in support of **SB 613**. Mr. Quinlan reminded the Committee that, although the World War II Memorial Building is being built to honor those who served in the military forces, the war was actually fought on three fronts—in Europe, the Pacific Asia area, and on the home front. He believes this memorial should be a part of the history of the millions who participated in the home front as well as the front lines. He emphasized that those at home made huge sacrifices in their standard of living and kept the military forces supplied with the necessities to fight the war. (Attachment 3) Upon conclusion of his testimony, the hearing on **SB 613** was closed after brief committee comments.

Senator Bond moved to report **SB 613** as favorable for passage, seconded by Senator Steineger. The motion carried.

SB 499—Unpaid property taxes; relating to the judicial foreclosure and sale of real estate

Sandy Jacquot, League of Kansas Municipalities, testified in support of **SB 499**. She explained that the bill would add a new section to K.S.A. 79-2801, allowing cities to initiate judicial tax foreclosure actions. The proposed change would allow cities to sell property within the city limits three years after it first becomes eligible for sale if the county has not initiated a foreclosure action. She noted that in some communities the county has not held a tax sale for 10 to 20 years. The reason for the proposed change is to allow cities to get property back on the tax roll when the county has not initiated a foreclosure action. Ms. Jacquot informed the Committee that the League goes through a lengthy policy setting process each year, and the governing body and membership of the entire League voted to make this issue a legislative priority. (Attachment 4)

Ms. Jacquot informed the Committee that Delores Dalke, the Mayor of Hillsboro, who scheduled to testify in support of **SB 499**, was unable to attend the meeting. Mayor Dalke asked her to inform the Committee that the county in which Hillsboro is located has not held a tax sale for a number of years. Hillsboro has one particular property that has five years delinquent taxes amounting to \$180,000. With passage of the bill, the City of Hillsboro will be given the opportunity to file a judicial tax foreclosure on that property and get it back on the tax rolls. Ms. Jacquot noted that filing an action to foreclose does not always mean the property is sold at a tax sale. Many times, the action merely compels the owner of the property to pay the taxes. She emphasized that the intent of the bill is not to punish counties but to allow a means for cities to get property back on the tax roles. She said the bill has no impact on counties and that her understanding is that the Kansas Association of Counties is not in opposition to the bill. With this, the hearing on **SB 499** was closed.

Senator Langworthy turned the Committee's attention to a previously heard bill, **SB 428**, which concerns exempting motor vehicles used by not-for-profit entities in coordinated transit districts from property taxation. She called upon Don Hayward, Revisor of Statutes Office, to explain a proposed amendment. Mr. Hayward explained that the proposed amendment would strike lines 13 through 21 in **SB 428** and would amend existing law as shown on pages 5 and 6 of the amendment. The amendment provides an exception to the exclusive use requirement with regard to vehicles which are used in coordinated transit districts. (Attachment 5)

Senator Hardenburger moved to amend **SB 428** as suggested, seconded by Senator Praeger. The motion carried.

Senator Lee moved to report **SB 428** as amended as favorable for passage, seconded by Senator Hardenburger. The motion carried.

The meeting was adjourned at 11:50 a.m.

The next meeting is scheduled for February 17, 2000.

