

MINUTES OF THE HOUSE LOCAL GOVERNMENT COMMITTEE

The meeting was called to order by Chairman Steve Huebert at 3:30 p.m. on February 8, 2011, in Room 144-S of the Capitol.

All members were present except:

Representative Sloan – excused

Committee staff present:

Martha Dorsey, Kansas Legislative Research Department

Eunice Peters, Office of Revisor of Statutes

Florence Deeter, Committee Assistant

Conferees appearing before the Committee:

Representative Lance Kinzer, 14th District

Arlyn Briggs, Olathe, Kansas

Doug Mays, Doug Mays & Associates, LLC

Representative Ann Mah, District 53

Kurt Young, Tecumseh, Kansas

Bill Sneed, Legislative Counsel, State Farm Insurance Company

Lee Wright, Sr. Governmental Affairs Representative, Farmers Insurance Company

Others attending:

See attached list.

Hearing On: HB 2066 – Cities relating to annexation.

The Chairman called the meeting to order and introduced Staff Eunice Peters, Office of Revisor of Statutes, who provided a summary of the bill, stating that the bill creates a new law regarding persons annexed into a city and having to pay taxes for both properties within a fire district. The bill sets forth provision for refund of taxes on one property.

Representative Lance Kinzer, 14th District, explained the annexation process in Olathe delayed removing the area annexed from the fire district previously providing service. This resulted in the property owner having to pay double taxes for fire protection (Attachment 1). He said that this bill offers a remedy to persons having similar circumstances.

Arlyn Briggs, Olathe, Kansas, provided background on the annexation process which began in 1999 (Attachment 2). He stated that the city moved to initiate annexation without considering the choices of the residents in the proposed area. Mr. Briggs reported that in 2000 those who agreed to annexation were taxed by both the city and the county for fire protection. Subsequently the city reduced the mill levy as compensation. He said a recent bond issue that benefits Rural Fire District #3 in Johnson County will not be paid in full until 2014, which results in ongoing tax payments. Mr. Briggs said that there is no time limit set for repayment of tax money to residents and reimbursements have not been made to date.

Doug Mays, Doug Mays & Associates, LLC, Kansas Governmental Affairs, and representing the City of Olathe, commented that the city has limited the number of unilateral annexations of rural areas. He indicated that subdivision developers signed an agreement to be annexed at a future date prior to being developed. Mr. Mays said the bill offers reasonable solutions.

The Chairman closed the hearing on HB 2066.

Hearing On: HB 2041 – Licensure qualifications; pawnbrokers and precious metals dealers.

Staff Eunice Peters, explained that the bill determines the qualifications for obtaining a license for the state of Kansas. She noted sub-section (b) is removed and a new sub-section (g) has wording which eliminates residency requirements.

Representative Ann Mah, District 53, commented on the outdated intent of the bill and requested the removal of the two-year residency requirement for persons doing business as a pawnbroker or dealer of precious metals (Attachments 3 and 4). She introduced a constituent in her district, Kurt Young, to elaborate on the possible impacts of the bill.

CONTINUATION SHEET

Minutes of the House Elections Committee at 3:30 p.m. on February 8, 2010, in Room 144-S of the Capitol.

Kurt Young, Tecumseh, Kansas, explained that his local business establishment is rented by vendors who are sellers of precious metals and/or pawned items. He reported that the two-year residency requirement in this bill limits those out-of-state purveyors of jewelery and other items. Mr. Young noted that removal of the residency requirement would provide a more competitive environment for those desiring to do business in Kansas ([Attachment 5](#)).

The following have submitted written testimony in opposition of the proposed bill:

Bill Michaud, Director of Operations, Parrish Hotel Corporation, ([Attachment 6](#)).
Frank Aguilar, Jr., Vice President, American Collateral Lenders, Inc., ([Attachment 7](#)).
Jeff & Robin Tummons, House of Stuart, Ltd. & Mission Pawn, Mission, Kansas, ([Attachment 8](#)).
C. G. McPike, Taylor, Missouri, ([Attachment 9](#)).

The Chairman closed the hearing on **HB 2041**.

Hearing on: HB 2119 – Emergency medical services, relating to accident response service fees.

Staff Eunice Peters, reviewed the bill, stating that current law allows the governing body of a fire district to set the amount of charges for services to individuals both within and outside the township or fire district. She indicated the intent of **HB 2119** is to prevent “accident response service fees” as delineated in the bill.

Bill Sneed, Legislative Counsel, speaking on behalf of State Farm Insurance Company, said that third-party billing companies have placed themselves in position for receiving commissions on fees collected for emergency rescue services ([Attachment 10](#)). He indicated that these so called “crash taxes” are a form of double taxation on local residents and have a significant impact on the cost of insurance. Mr. Sneed said that uninsured drivers have immunity from paying service fees and the insured driver, who obeys the law and holds insurance coverage, is penalized. Mr. Sneed respectfully requested the committee to consider the proposed intent of the bill favorably.

Lee Wright, Sr. Governmental Affairs Representative, Farmers Insurance Company, said that charging of accident fees, commonly called “crash tax,” are already included in local taxation. He said that there are ten states, including Missouri and Oklahoma, that have taken action to prohibit this dual taxation. Mr. Wright said that Farmers Insurance Company pays an average of \$500 of fees charged against policy holders. He noted that those costs are not included in auto insurance rates at this time. Responding to a question, Mr. Wright indicated that Salina and Manhattan are two cities that have this policy in place. He requested the committee consider the bill favorable for passage ([Attachment 11](#)).

The following have submitted written testimony in support of **HB 2119**:

David Monaghan, American Family Insurance, ([Attachment 12](#)).
Kerri Spielman, Kansas Association of Insurance Agents, ([Attachment 13](#)).
Joe Thesing, National Association of Mutual Insurance Companies, ([Attachment 14](#)).
David Hanson, Kansas Association of Property & Casualty Insurance Companies, ([Attachment 15](#)).

The Chairman requested additional research for committee members on various issues and questions regarding emergency service fees.

The Chairman closed the hearing on **HB 2119**.

The meeting was closed at 5:05 p.m. The next meeting is scheduled for February 10, 2011.