

Approved: March 21, 2012
(Date)

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Richard Carlson at 3:38 pm on Tuesday, March 6, 2012, in Room 783 of the Docking State Office Building.

All members were present.

Committee staff present:

Gordon Self, Office of the Revisor of Statutes
Scott Wells, Office of the Revisor of Statutes
Chuck Reimer, Office of the Revisor of Statutes
Chris Courtwright, Kansas Legislative Research Department
Chris Sevedge, Kansas Legislative Research Department
Allen Jeffus, Office Assistant
Phyllis Fast, Committee Assistant

Conferees appearing before the Committee:

Representative Anthony Brown, from the 38th District
Representative Rick Billinger, from the 121st District
Doug Mays, on behalf of Riley Communities, LLC
John Armbrust, Governor's Military Council

Others attending: See attached list.

Chairman Carlson opened a hearing on:

HB 2756 – Tax credit for person taking employment in a high unemployment rural opportunity zone.

Chris Courtwright briefed the Committee on **HB 2756** by explaining Department of Labor's role in defining rural opportunity zones and their residency requirements. He stood for questions.

Representative Anthony Brown testified in support of **HB 2756**, and proposed an amendment suggesting two changes: advertisement of the program by the Departments of Labor and Revenue, and requiring the Department of Revenue to provide a report to both the House and Senate tax committees no later than January 20, 2015. (Attachment 1) He stood for questions.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

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in 783-DSOB.

Representative Rick Billinger testified in support of **HB 2756**, indicating such legislation would allow unemployed Kansans to become employed and receive tax credits for relocating to counties where jobs are currently available. At the same time, the state of Kansas would also benefit with the additional income tax and with less taxes needed for unemployment and state assistance. (Attachment 2) He stood for questions.

After all questions from the Committee were answered, Chairman Carlson closed the hearing on **HB 2756**.

Chairman Carlson opened a hearing on:

HB 2769 - Property tax exemption for certain housing located on military installations in Kansas.

Gordon Self briefed the Committee on **HB 2769**, which specifically provides a property tax exemption for all housing located on military installations.

Doug Mays testified in support of **HB 2769**, explaining the need for legislation to prevent housing on military installations in Kansas from being taxed. Owners who build such facilities around the country would be hesitant to build in Kansas if required to pay property taxes, when most other states do not. (Attachment 3) He stood for questions.

John Armbrust testified in support of **HB 2769**, by stating the importance of military housing and its negative effect on local communities if the U.S. Government would no longer be able to afford to build housing on its military installations. (Attachment 4) He stood for questions.

Written only testimony in support of **HB 2769** was presented by Brian Beauregard, Riley Communities, LLC (Attachment 5).

After all questions from the Committee were answered, Chairman Carlson closed the hearing on **HB 2769**.

Chairman Carlson sought discussion and action on:

HB 2609 - Transferring moneys to the local ad valorem tax reduction fund.

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Chris Courtwright briefed the Committee on **HB 2609**, and provided information concerning an amendment to not affect current law. He stood for questions.

Representative Kleeb made a motion to pass **HB 2609** out favorable. Representative Dillmore seconded the motion.

Representative Dillmore made a motion to amend **HB 2609** with Representative Davis' amendment offered in the Tax Committee's March 5, 2012 hearing for **HB 2609**. Representative McCray Miller seconded the motion. Motion carried.

Representative Kleeb made a motion to amend **HB 2609** by "cleaning up some language with inappropriate dates and percentages". Representative Schwab seconded the motion.

After a discussion, Representative Kleeb renewed his motion to amend **HB 2609**. Motion carried.

Representative Kleeb made a motion to amend **HB 2609** by including the language from **HB 2212 - Transferring moneys to the local ad valorem tax reduction fund**. Representative Goico seconded the motion. Motion carried.

Representative Brunk made a motion to amend **HB 2609** by changing some of the language from a double negative to read as a positive. Representative Schwab seconded the motion. Motion carried.

Representative Calloway made a motion to strike "section concerning \$45 mil for 2 years" from **HB 2609**. Representative Schwab seconded the motion. Motion failed.

Representative Kleeb renewed his motion to pass **HB 2609** out favorable as amended. Motion carried.

The next meeting of the Committee is scheduled for 3:30 pm, Wednesday, March 7, 2012 in 783-DSOB.

The meeting was adjourned at 5:15 pm.

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