

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman John Edmonds at 9:00 a.m. on March 5, 2004 in Room 519-S of the Capitol.

All members were present except:

Representative John Faber- excused  
Representative Tom Sawyer- excused  
Representative Vaughn Flora- excused

Committee staff present:

Chris Courtwright, Legislative Research Department  
Martha Dorsey, Legislative Research Department  
Gordon Self, Revisors of Statutes  
Carol Doel, Committee Secretary

Conferees appearing before the committee:

Representative Carl Krehbiel  
Representative Candy Ruff  
Jim Gregory, KCCI  
Richard Cram, Department of Revenue  
Jay Befort, Department of Revenue  
Joan Wagnon, Secretary of Revenue  
Marlee Carpenter, KCCI  
Bill Yanek, Kansas Association of Realtors  
Christina Collins, Kansas Medical Society  
Sherry Diel, Executive Director Kansas Real Estate Commission  
Larry Baer, Kansas League of Municipalities  
Jim Clark, Kansas Bar Association  
Bud Burke, Representing the City of Olathe  
Randall Allen, Kansas Association of Counties

Others attending:

See Attached List.

Chairman Edmonds opened the floor for bill introductions. Representative Carl Krehbiel and Representative Candy Ruff were recognized requesting a bill that would exempt bed and breakfast businesses from property tax. Representative Ruff also requested introduction of the bill as well as a hearing on the bill.

With no objections, the Chairman accepted this for introduction.

With no further bill introductions, Chairman Edmonds opened the meeting for continuation of the public hearing on **HB 2911** recognizing Jim Gregory from KCCI (Kansas Chamber of Commerce and Industry) in support of the bill. His testimony related that more than half of the world's small air craft are built in Kansas. Passage of **HB 2911** would make Kansas' aviation service businesses more competitive and assist in the recovery of the state's aerospace sector. (Attachment 1)

Written testimony on **HB 2911** was submitted by Bernie Koch, Wichita Area Chamber of Commerce (Attachment 2) and Allen Bell, Economic Development Director, City of Wichita. (Attachment 3)

Having heard all conferees on **HB 2911**, the meeting was closed for hearings on the bill and public hearing was opened on **HB 2664**.

Richard Cram, Department of Revenue introduced Jay Befort, staff attorney in Legal Services who had a recommendation for proposed language change for **HB 2664**. The proposed language would create a statutory lien interest in favor of the State of Kansas in personal property of the delinquent taxpayer. The result is an enhanced recovery of taxes that may otherwise be subject to discharge in the event the taxes are beyond the bankruptcy priority claim classification period or are otherwise unsecured. (Attachment 4)