MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman John Edmonds at 9:00 a.m. on March 19, 2004 in Room 519-S of the Capitol.

All members were present except:

Representative Jeff Goering- excused Representative John Faber- excused Representative Steve Brunk- 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:

Ed Taylor, Franklin County Commissioner April Holman, Kansas Action for Children Dr. David Burress, Economics Professor University of Kansas Richard Cram, Department of Revenue

Others attending:

See Attached List

Chairman Edmonds opened the meeting for bill introductions. Hearing none, he opened the meeting for public hearing on **HB 2896** recognizing Ed Taylor, Franklin County Commissioner in support of the bill. His testimony related that this bill would provide a valuable tool to Counties across this State. It would help Counties provide funding for an increasing array of unfounded mandates and allow County governments to provide better services to their citizens. I will also allow Counties to provide a level of service comparable to that provided by cities. By adopting this bill, the Kansas Legislature will allow County governments to increase their bonded indebtedness limits to 30% of the assessed valuation in the County. Currently the limit is 3%. (Attachment 1)

Randall Allen, Kansas Association of Counties supplied the written testimony in support of **HB 2896**. (Attachment 2)

With no other conferees on **HB 2896**, Chairman Edmonds closed the hearing and opened the hearing on the **HB 2892**, **2893** and **2903** and recognized Dr. David Burress, University of Kansas Economics Professor with testimony in support of the bill. Dr. Burress went through several topics regarding transparencey in taxation policy with topics on the subjects of costs and benefits of transparency, transparency and policy goals, tax expenditure reporting, tax incidence reporting, and tax preference impact reporting. (Attachment 3)

Secretary of Revenue, Joan Wagnon, stood before the committee in support of **HB 2892, 2893 and 2903.** (No Testimony)

April Holman, Kansas Action for Children, testified in support of **HB 2892**, **2893** and **2903**. Kansas Action for Children has recently begun a new initiative called Fiscal Focus with the purpose being to improve the economic security of Kansas children and their families and ensure a balanced and fair tax system and budget process that protects the well-being of children and families as well as a stable system of state revenues. It is their opinion that **HB 2892** would require the Department of Revenue to publish a tax expenditure report annually (<u>Attachment 4</u>) **HB 2893** would require the Department of Revenue to publish a tax incidence analysis biennially (<u>Attachment 5</u>). **HB 2903** would make certain taxpayer specific information available to the public when a business receives \$20 million or more in tax subsidies. (<u>Attachment 6</u>)

Submitting written testimony in opposition to **HB 2892, 2893** and **2903** was Marlee Carpenter, Vice President Government Relations for KCCI (Kansas Chamber of Commerce and Industry). (<u>Attachment 7</u>)

With no other conferees wishing to address the committee the Chairman closed the hearing and adjourned the meeting.