HB 2463 – Carlson – motion to agree to disagree on conference committee report on HB 2463. Includes global solution for M & E, concrete and lime companies M & E fix, repeal of the mortgage registration fee, and others.

Sawyer – comments about broad number of bills included.

Wolfe-Moore – had an informal hearing in Tax. Never worked the bill. Never came to the House floor. I was hopeful that we might at least see it in a non-bundled form to have a clear debate. It is reprehensible to bundle things that are controversial, especially something that has had no formal input from anyone in the House. I’d like to see it unbundled. I’d like to see a fair fight.

Passed.

Progress held up by Motion to Concur on tax bill from member not on conference committee:

Dan Hawkins - Motion to concur in conference to Senate amendments on HB 2463 – contain four pieces: M & E, Ashgrove cement tax situation, military veterans, and Kansas health clubs tax exemption. We haven’t had a chance to vote on a bill that would actually be a pro-jobs bill. ($4.3 m state income tax / $1 m lost to locals – local govts are building huge facilities that won’t be taxed, and using the tax dollars of these businesses and others in order to build them.) Lost thirty pounds this session working out with a trainer on Tuesday and Thursday mornings.

Carlson – in my ten years, I don’t recall ever advocating for any for profit company to not pay property taxes. There is one being built in Johnson County with TIF funds and it would be a hit to local property taxes of millions of dollars.

This would be another direct hit to local units of government.

Last year, I promoted a bill that removed the income tax obligation on profits for LLCs. My understanding is that the company promoting this policy may be an LLC. If that is true, are we going to

One possible solution is to go back to the initial exemption for YMCAs.
The bill is vague. This is a slippery slope. The bill says the building just has to have a majority of the building be a health club. So, it could include other for-profit businesses within the building. There are no requirements to offer reduced memberships to low income citizens. YMCAs do offer services to our communities. When you look at this, what is the difference between giving this to a for-profit company in the health club business and giving an exemption to a for-profit hospital who has to operate in competition with a non-profit hospital. What about the golf courses? We turned that down several sessions ago. We haven’t had a calendar meeting on this bill yet, and it is a major piece of legislation. I don’t believe it is good tax policy to go down this road. I don’t know where we stop.

Whipple – reviewed the obvious differences in these businesses just by reading their websites.

Schwab – It is my understanding that a conference committee is being signed now that includes most of what is in this motion – so, if you want the Ashgrove fix or veterans tax benefit, those are coming in the conference committee report. The only unique item here is the health club policy.

Edmonds – comments as an auditor / CPA – although it is not unheard of to see legislation that benefits a single business or entity, it is unusual. Due to my career as a CPA, I tend to be interested in

Genesis group made a total of $40,000 in contributions to 23 senators. 18 of them voted yes on the amendment. 86% of the votes needed to pass the Genesis amendment were the recipients of Genesis largesse. It embarrasses me, but the majority of the recipients were members of by own party. Listed them as Gentleman from “county” or Lady from “county”. Although relation is not causation, it is “unseemly” and “highly suggestive”. Calls Mr. Stevens rich and powerful – but says “we are the peoples’ House and not beholden to any individual”.

Couture-Lovelady – really disappointed to some of the speaker’s comments. Disappointed to think that he would say that our friends in the Senate are bought and paid for. (some grumbling from members) so, he says “and you should too”.

I get tired of us demonizing good business people. I want to talk about one person who had a nice business – a health club – in Hays, Kansas. He cared about his clients and the community. He was driven out of the business by a multi-million dollar non-profit facility built by the hospital. There has been a lot of focus on one business who sponsors this, but that is because he has been strong enough to survive. The small businesses have not. I also support the Ashgrove issue and will support the motion.

Sawyer – this was a policy issue we made in 1998 to give these tax exemptions to groups that we don’t give to anyone else. We thought that the promotion of healthy lifestyles and services by the non-profits were worth supporting with exemptions we give to no one else – from property tax and from sales tax on memberships. Listed numbers of private health clubs going out of business – large numbers. If we think that is important policy, then we have to ask ourselves if think private industry has a role in this business. It is true that the YMCAs do good work. But they are not only building in the low income areas of Sedgwick County. They are building in the wealthiest areas of our county. We need to revisit this public policy.

I know this is a tough issue. Obesity is a problem.

I understand maybe this isn’t the best solution, but I think it is worthwhile to try to keep our private businesses in operation.

Rep. Hill – number of facilities going out of business? 100 in the past 7 years. And you could pick any business you’d like = sandwich shops, haberdashery, and pharmacies and you would get some impressive or depressive numbers for how many have gone out of business. I will agree with the last speaker that there were some issues created by a previous legislature that need to be addressed. I do not believe that this is the time or the vehicle to do that. There are a number of new private businesses that have started up. We have a new Genesis club that has started in Emporia and hope that whatever we do on this policy has no bearing on their viability. We have talked about the slippery slope here. Are any of you aware of hospitals that have a pharmacy inside? If this passes – Katie bar the door – because there are a number of businesses in similar situations.

Hawkins – hard not to respond to some of what was said here. More discussion. He says the Leadership of the Senate has made their position clear that if we don’t fix this, they are not moving forward, so it won’t get fixed if we don’t do it here.

Failed 16-108. Bill remains in conference.