

## *Support*

Testimony to the House Taxation Committee on HB 2684  
March 1, 2022

By Julie Govert Walter, Executive Director  
North Central-Flint Hills Area Agency on Aging, Inc.

Thank you, Chairman Smith and members of the House  
Taxation Committee

My name is Julie Govert Walter, Executive Director of the North Central-Flint Hills Area Agency on Aging (NC-FH AAA). Our Agency serves more than 67,000 older Kansans and their caregivers in 18-counties in the heartland of Kansas and also serves as one of Kansas' Aging and Disability Resource Centers. Our non-profit Agency—one of 11 Area Agencies on Aging-- is based in Manhattan and has offices in Salina and Emporia.

Our Agency's mission centers on providing and coordinating services that help older Kansans maintain their dignity, health and well-being to enable them to live in their homes and be contributing members of their communities. Like all Kansas Area Agencies on Aging in our state, funding for services that we provide to older Kansans, people living with disabilities and caregivers comes primarily from federal and state sources.

Currently, only our direct expenditure of food costs under our Friendship Meals, is exempt from sales tax. Friendship Meals is a key service, which includes costs associated with meal preparation and delivery. But our Agency' mission is wider and a myriad of other expenses-- including office supplies, repairs, vehicles and computers and technology support--are essential to service delivery. Area Agencies on Aging not affiliated with government pay taxes on these costs. Among the services we provide:

- \* assessment and service coordination for older Kansans who need in-home services and help to maintain their well-being in their homes and support to caregivers.
- \* help to people of all ages who seek counseling in making their health insurance choices
- \* coordinate seminars and trainings and provide individuals counseling on Medicare to help people get trustworthy information and answers
- \* information on options to Kansans of all ages when the health declines or disability happens
- \* seminars and trainings on end-of-life decisions and other legal matters
- \* help to job-seekers over 55
- \* region-wide HUD rental assistance to low-income Kansans
- \* trust-worthy information through seminars, publications, in-person counseling and referrals to other helping organizations to hundreds of people



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**North Central-Flint Hills  
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We stand in support of HB 2684 which would create parity between the eight non-profit Area Agencies on Aging that serve primarily rural parts of Kansas and the three Area Agencies on Aging that are affiliated with government organizations in the larger metro areas.

Our Agency--and the other seven non-profit area agencies on aging—take their role as stewards of taxpayer monies seriously. We are frugal—“almost to a fault.” And if the eight Area Agencies serving rural Kansans weren’t providing and coordinating these essential services in 99 of the 105 Kansas counties—either the State or county government would have to do so—and these entities would be exempt from sales tax.

In 2019, the 60-year old boiler in our building died. The fix for this meant a \$300,000 upgrade to our HVAC system. Our application to the state for exemption from sales tax for this project was denied.

Our Agency raised funds from donors and then paid about \$30,000 in sales taxes for contractors’ work required for the HVAC fix. The \$30,000 our Agency paid in sales taxes would otherwise have been used to provide more than 5,000 additional Friendship Meals or to pay for in-home services under the Senior Care Act for nine more people for the entire year in our region when, each year, demand and costs for services increases. The portion of taxes paid to a particular city or county could have been directed more uniformly for services in the communities of all 18 of our counties.

When our Agency’s counterparts in Johnson, Sedgwick, and Wyandotte & Leavenworth counties are faced with similar needs, their projects are exempt from sales tax because they are administered by a county agency. And because of their tax exemption status, people in their regions benefit from additional services.

Exempting all Kansas Area Agencies on Aging from sales tax is the fair thing to do. We believe that the fiscal note for this change in statute reflects the amount of monies currently forfeited each year for services needed by people in the non-profit Area Agencies on Aging regions.

HB 2684 addresses the need to change the tax statute and provides specific language that creates parity and equity between county-affiliated Area Agencies on Aging and the eight non-government Area Agencies on Aging.

On behalf of the older Kansans, people living with disabilities and caregivers in our 18 counties, our Agency requests your favorable consideration of this bill and thanks you for your attention.