

Approved: February 1, 1994
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION.

The meeting was called to order by Chairperson Audrey Langworthy at 11:07 a.m. on January 31, 1994 in Room 519-S of the Capitol.

Members present: Senator Langworthy, Senator Tiahrt, Senator Martin, Senator Bond, Senator Corbin, Senator Feleciano Jr., Senator Hardenburger, Senator Lee, Senator Reynolds, Senator Sallee, Senator Wisdom

Committee staff present: Tom Severn, Legislative Research Department
Chris Courtwright, Legislative Research Department
Bill Edds, Revisor of Statutes
Don Hayward, Revisor of Statutes
Elizabeth Carlson, Committee Secretary

Conferees appearing before the committee: Helen Stephens, Kansas Peace Officers Association
Jim Daily, Barton County Sheriff
Lynn Fields, Crawford County Sheriff
Mel Waite, Barton County Administrator
Dave Williams, Butler County Sheriff
Don Moler, League of Kansas Municipalities
Anne Smith, Kansas Association of Counties
Karl Peterjohn, Kansas Taxpayers Network
Karen France, Kansas Association of Realtors
Ellen Ross, Kansans for Fair Taxation

Others attending: See attached list

APPROVAL OF MINUTES

Senator Feleciano moved to approve the minutes of January 27, 1994. The motion was seconded by Senator Tiahrt. The motion carried.

REQUESTS FOR INTRODUCTION OF BILLS

Senator Sallee moved to introduce a bill to exempt home owners from fuel permit fee for home heating oil. The motion was seconded by Senator Reynolds. The motion carried.

SB 543--EXEMPTING PROPERTY TAX LEVIES FOR PUBLIC SAFETY FROM AGGREGATE TAX LEVY LIMITATIONS

PROPONENTS

Helen Stephens, Kansas Peace Officers Association, spoke in support of **SB 543**. (Attachment 1) She stated that crime is increasing and the public wants protection. Local law enforcement agencies are having trouble meeting salary increases, and they need new equipment, weapons and communication systems. The exemption in **SB 543** would allow these agencies more flexibility to add these necessities to combat crime. Ms. Stephens passed to the committee six testimonies from other agencies in support of **SB 543**. (Attachments 2, 3, 4, 5, 6, 7)

Sheriff Jim Daily, Barton County, appeared in support of **SB 543**. (Attachment 8) He spoke of the increase in care for juveniles, the addition of court security costs, capital improvements for prisoner care and salary increases. The demand for services has increased. He listed the number of calls received in the communications center which had increased from 1991 to 1993. The cost of housing inmates in the jail is \$36.05 but other counties are only paying to Barton County \$30.00 per day. This costs Barton County every day. He said it is imperative to remove the tax lid on public safety and emergency services. He was asked

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION, Room 519-S
Statehouse, at 11:07 a.m. on January 31, 1994.

about housing for juvenile offenders. Sheriff Daily said the juvenile offenders are housed in Wakeeney at a cost of \$145.00 per day plus transportation costs.

Sheriff Lynn Fields, Crawford County, said they are currently losing the battle against crime. In rural America crime is becoming very active. The criminals are leaving the big cities and coming to the rural areas. Salaries are a problem. Equipment, such as cars and radios, is old and outdated and the jails are overcrowded. The money to provide adequate public safety is just not there.

Mel Waite, Administrator, Barton County, appeared for Joe Hickel, Mayor of Ellinwood. (Attachment 9) He said the emergency services are a necessity and he urged support of **SB 543**. At the present time emergency services such as fire and ambulance are being provided on a volunteer basis. He said they have already looked into creative ways to keep emergency services. He was asked if their city or county had looked at "chartering out" of the tax lid and he said the city has not but they will be looking at it.

Sheriff Dave Williams, Butler County, said the County Commissioners have been very supportive of law enforcement. He said crime is increasing and more laws have been passed mandating the enforcement of laws which cost more. He urged the committee to consider removing the tax lid for public safety. He was asked about the jail facilities, and he said the jail is very old and they can keep only 26 inmates at this time. It costs \$35.00 per day for each inmate and if they have to transport them to another jail, it is an additional expense.

Don Moler, General Counsel, League of Kansas Municipalities, spoke in support of **SB 543**. (Attachment 10) He said this bill would provide some much needed relief from the revenue limitations and shortfalls facing cities. He listed several reasons for additional local option taxing sources. (See attachment 10) He said elected municipal officials should be given the revenue powers they need to finance crime intervention, prevention and enforcement programs. He urged the committee to report **SB 543** favorably. He was asked why the League did not recommend to the cities "chartering out" of the tax lid. He said that could be done.

Anne Smith, Kansas Association of Counties, appeared as a proponent of **SB 543**. (Attachment 11) She said the KAC has had and does now have a policy statement on exempting public safety items from the tax lid. She said the counties are crying out for some help in this area. She was also asked about counties "chartering out" from the tax lid and she said that is also possible but they are in support of this bill.

OPPONENTS

Karl Peterson, Kansas Taxpayers Network, appeared in opposition to **SB 543**. (Attachment 12) He said higher taxes are not the solution to solving crime. Let local governments use their authority to "charter out" of the tax lid. He spoke of an example in Wichita when the city tried to raise the sales tax 1/4 cent. Voters rejected this tax hike 55 percent to 45 percent. He reported on a national poll conducted by the Harris organization where 67 percent of the citizens said their taxes are either much too high or somewhat high. He said the Kansas Taxpayers Network urges the committee to reject this bill and other similar legislation before the committee.

Karen France, Director Governmental Affairs, Kansas Association of Realtors, spoke to oppose **SB 543**. (Attachment 13) She also spoke of Topeka and Wichita who have put sales tax increases on the ballot for police and safety related purposes and in both cities the voters defeated the tax increase. Instead she proposed another solution which has been introduced in the House--**HCR 5017**--the Government Cost Control Amendment. She listed reasons why this resolution would be better. She asked that the committee consider this alternative instead of passing **SB 543**.

Ellen Ross, Kansans for Fair Taxation, appeared as an opponent to **SB 543**. (Attachment 14) She gave several reasons why her organization is opposed to this bill. However, she said Kansans for Fair Taxation do support strong law enforcement, fire protection and emergency services. She asked that the citizens be allowed to vote on any issues such as this.

The hearing was closed on **SB 543**.

SB 572--DIRECTOR OF PROPERTY VALUATION DIVISION DEEMED AGENCY HEAD FOR KAPA PURPOSES

David Cunningham, Director, Property Valuation Division, spoke in support of **SB 572**. He said it would streamline the appeal process from decisions of the Director of PVD. This will benefit both the taxpayers and the Department of Revenue. It would allow the taxpayer to avoid an unnecessary step in the appeals process.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION, Room 519-S
Statehouse, at 11:07 a.m. on January 31, 1994.

Senator Feleciano moved to pass favorably SB 572. The motion was seconded by Senator Lee. The motion carried.

The meeting adjourned at 12:00 noon.

The next meeting is scheduled for February 1, 1994.

DATE: Jan 31, 1994

[illegible]

C JACKER, President
County Sheriff
Emporia, Kansas 66801

LARRY MAHAN, President-Elect
Kansas Highway Patrol
Wichita, Kansas 67212

JIM DAILY, Vice-President
Barton County Sheriff
Great Bend, Kansas 67530

ALVIN THIMMER
Secretary-Treasurer
Kansas Peace Officers' Association
Wichita, Kansas 67201

BOARD OF GOVERNORS

GOVERNORS

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BOB DAVENPORT
Kansas Bureau of Investigation
Topeka, Kansas 66612
DENNIS TANGEMAN
Kansas Highway Patrol
Topeka, Kansas 66603
OMAR STAVLO
Kansas Dept. of Wildlife and Parks
Pratt, Kansas 67124

DISTRICT 1

FRANK P. DENNING
Johnson County Sheriff's Office
Olathe, Kansas 66022
O. J. McCART
Paola Police Department
Paola, Kansas 66071
DARRELL PFUGHOFT
Kansas Lottery Security
Kansas City, Kansas 66103

DISTRICT 2

DANA KYLE
Riley County Police Department
Manhattan, Kansas 66502
RANDALL THOMAS
Lyons County Sheriff's Office
Emporia, Kansas 66801
DOUGLAS PECK
Kansas Highway Patrol
Emporia, Kansas 66801

DISTRICT 3

DEAN VINCENT
McPherson Police Department
McPherson, Kansas 67460
JOHN W. KERR
Washington County Sheriff's Office
Washington, Kansas 66968
ALLEN BACHELOR
Kansas Highway Patrol
Salina, Kansas 67401

DISTRICT 4

LAWRENCE YOUNGER
Chief of Police
Hays, Kansas 67601
JOHN FROSS
H. Hays State University Police
Hays, Kansas 67601

DISTRICT 5

KENT NEWPORT
Holcomb Police Department
Holcomb, Kansas 67851
DENNIS SHARP
Ks. Dept. of Wildlife and Parks
Holcomb, Kansas 67851
RAY MORGAN
Kearny County Sheriff's Office
Lakin, Kansas 67860

DISTRICT 6

JANET DAILY
Hoisington Police Department
Hoisington, Kansas 67594
WARREN S. PETERSON
Barton County Sheriff's Office
Great Bend, Kansas 67530
DICK BURCH
Kansas Law Enforcement Training Center
Hutchinson, Kansas 67504

DISTRICT 7

RON GOULD
Winfield Police Department
Winfield, Kansas 67156
BOB ODELL
Cowley County Sheriff
Winfield, Kansas 67156
LARRY WELCH
Ks. Law Enforcement Training Center
Hutchinson, Kansas 67504

DISTRICT 8

ALLEN FLOWERS
Chief of Police
Coffeyville, Kansas 67337
LOWELL PARKER
Greenwood County Sheriff
Eureka, Kansas 67045
TINY WILNERD
Ks. Dept. of Wildlife and Parks
Honor, Kansas 67349
SERGEANT - AT-ARMS
KENNETH McGLASSON
Kansas Highway Patrol
Wakeney, Kansas 67672

Kansas Peace Officers' Association

INCORPORATED

TELEPHONE 316-722-7030

FAX 316-729-0655

P.O. BOX 2592 • WICHITA, KANSAS 67201



January 31, 1994

Re: Senate Bill No. 543

Madam Chairman and Members of the Committee:

I am Helen Stephens, representing the 3,500 members of the Kansas Peace Officers' Association. We are in support of SB 543.

A public safety exemption was approved by this committee last year, but was eliminated in the waning hours of the 1993 session.

Others here today will expound on particular problems law enforcement has with this tax lid. I will say only that crime is increasing, the public wants more and better protection, but most local law enforcement agencies are having difficulty meeting salary increases, new equipment/weapons purchases, or keeping up with the advances in communications. It is a well-known fact that in some cases, the criminal element is better armed and have a much better communications system than some law enforcement.

Several of our local jurisdictions have applied, or will be applying to Washington for grants to hire additional personnel. An exemption to the tax lid will allow the purchase of proper equipment, weapons, etc. for these new officers. It will also allow these agencies to keep the additional personnel after the grant money has been exhausted.

I know that SB 455 has recently passed the Senate -- the bill that allows cities and counties to go outside the lid for mandates which carry a civil or criminal penalty. We applaud your action on that bill, but we do not believe passage of SB 455 will allow local agencies to obtain the monies needed to provide the above mentioned items.

Senate Assess + Tax
In Unity There Is Strength Jan 31, 1994

att 1-1

We need proper funding if we are to give the citizens of Kansas the protection they need and deserve;

- to get and keep our personnel at proper salary levels;
- to increase our law enforcement presence; and
- to arm and equipment our law enforcement personnel for their safety as well as the public's safety.

We urge your favorable consideration on SB 543. I stand for questions.

1/84 09:04

1 316 793 1860

BARTON CO DIST

002

The State of Kansas

Twentieth Judicial District

Barton, Ellsworth, Rice, Russell, & Stafford Counties

1400 Main Room 306
Great Bend, Kansas
67530-4098

316-793-1863

January 28, 1994

Kansas Senate
Committee on Assessment and Taxation
State Capital
Topeka, Kansas 66612

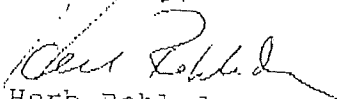
RE: SENATE BILL 543

Dear Senators:

I understand Senate Bill 543 is to be heard by the Committee on Assessment and Taxation Monday, January 31, 1994. The Twentieth Judicial District Court supports this bill which exempts certain expenses incurred by taxing subdivisions for law enforcement, fire protection, and emergency services. The Counties have been operating under a tax lid since 1989 causing hardships on county budgets and in some cases depreciated essential county services. Law enforcement, fire protection, and other emergency services have certainly experienced the effects the tax lid for the past five years. The court is especially aware it has become increasingly difficult for the counties to provide sufficient and quality law enforcement. The eventual passage of this bill would provide the counties the ability to insure public safety by adequately funded law enforcement agencies.

We would appreciate your vote for this bill.

Sincerely,



Herb Rohleder
Administrative Judge

jmi/HR

Senate Assessment & Tax

Jan 31, 1994

att 2-1

Helen Stephens

K.P.O.A. Legislative Liaison

House Bill 455

Senate Bill 593

Law enforcement should not be in any Tax Lid, if people want good enforcement. Police Departments large and small need equipment to do there job.

If you say to The Police Chief you can only have a 2% increase next year. The Chief has to decide if his Department. Officers, Need New bullet proof vest, New cars, or hand held radios or just go with Training and increase utilities 2%.

The above is running a chance, that nothing's going to happen. If you lose you only lose one officer or maybe more.

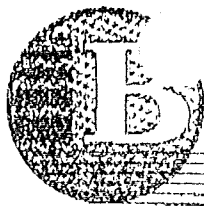
Hidden in the budget is prison care, Housing juveniles. It always surprises me how a department head can tell how many people will be arrested each year, and if anyone would become sick while in jail.

Lt Ed Lundblade
Newton Kansas

Senate Assess & Tax

Jan 31, 1994

att 3-1



Barton County KANSAS

Amy Miller

Emergency/Risk Manager

(316) 793-1919

Courthouse

1400 Main, Room 107

Great Bend, KS 67530

January 28, 1994

TO: Chair, Senate Assessment and Taxation Committee

FROM: Amy Miller *Amy Miller*
Barton County Emergency Preparedness Coordinator

The Summer of 1993 will be remembered by Kansans as the summer of rain. Crops were devastated, public property destroyed, homes, businesses and human lives disrupted for weeks, months and possibly years.

The ability to plan and prepare for natural disasters, as well as technological disasters, has been impeded in the state of Kansas in large part to adequate financing. The current tax lid is limiting counties in their duty to provide comprehensive emergency management.

Counties need to be able to finance an emergency management program that first, works to mitigate the occurrence or the effects of a disaster. Secondly, counties need to prepare a plan for how to respond when an emergency or disaster occurs. This is a involved process, that if done correctly, is never completed. An individual, a coordinator or manager, must work to increase the resources available at the local level to respond effectively to an emergency or disaster. Thirdly, local government must be prepared to respond during and immediately after a disaster. It is of utmost importance that local government provide emergency assistance to victims of a disaster and reduce the likelihood of secondary damage. Recovery is the final phase of the emergency management cycle. Recovery continues until all systems return to normal, or near normal. This time period may last from several days to several years.

All of these activities require time and staff to complete. If the current tax lid continues, such activities will not be complete. Many counties have never been able to hire staff to perform these important duties. A continuance of the current tax lid will prevent them from ever hiring staff and will require other counties to cut back on these activities.

It is in the best interests of the citizens of Kansas, your constituents, to remove emergency services from the tax lid and provide them with the necessary monies to protect and serve the citizens of Kansas.

Senate Assess + Tax

Jan 31, 1994

att 4-1

LIBBIE A. MOORE
COUNTY ATTORNEY

BARTON COUNTY ATTORNEY
BARTON COUNTY COURTHOUSE
GREAT BEND, KANSAS 67530
(415) 703-1841
FAX 784-0100

PAUL J. HICKMAN
ASSISTANT COUNTY ATTORNEY

RICK J. SCHEUFLEER
ASSISTANT COUNTY ATTORNEY

January 28, 1994

Dear Senators:

I would like to take this opportunity to voice my support for Senate Bill 343 as it is written, with particular emphasis on Section F.

As you are well aware, prosecutors must provide services as mandated by State statutes. This task has become increasingly difficult with the advent of victims' rights and more stringent domestic violence policies. The Barton County Attorney's Office filed approximately 600 criminal cases, 300 juvenile cases, and 800 traffic cases in 1993. Approximately 800 victims were administered services as a result of those case filings. In addition, this office has experienced an increase in the number of mental and alcohol commitments.

As always, budget restraints are a continuing problem. Barton County is a community which has always been committed to the protection of its citizens. Taking that into account, this office, in conjunction with the Barton County Sheriff's Office, has continued to maintain a high standard of services offered to the community. A lack of adequate funding could jeopardize the quality of the mandated services and a loss of trained employees who administer these services.

Therefore, I feel it is imperative that law enforcement and prosecutors' offices be exempted from aggregate tax levy limitations.

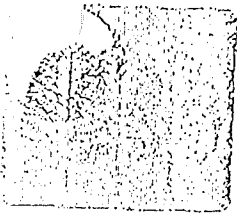
Very truly yours,

Libbie A. Moore

Libbie A. Moore
Barton County Attorney

LAM:ab

Senate Assess & Tax
Jan 31, 1994
att 5-1



City of Leawood

9617 Lee Boulevard • Leawood, Kansas 66206 • (913) 642-5555
(913) 642-1340 Fax

January 28, 1994

TO: Members of the Kansas Senate

Please accept this written testimony in support of Senate Bill 543. I had hoped to appear in person, but a prior commitment to a local school prevents my attendance.

The first obligation of government is to insure the public safety. Police, fire, and emergency medical care are the backbone of local government services. They are also generally those with the greatest degree of public support.

Public concern over crime and violence is at an all-time high. Crime seems to top every national poll as the most pressing issue facing American society today. You need only look at the number of crime-related bills already proposed in the Congress and the Kansas legislature to determine the level of interest in the issue. The President proposes to put 100,000 new officers on the streets of America.

At the same time, local governments are suffering severe financial distress. Many have been hurt by the declining economy of the last decade; demand for services far exceeds the ability of cities and counties to respond. It is vitally important that new sources of revenue be found to provide services which the public expects. In Kansas, the tax lid law has further exacerbated the problem; governments are prohibited from improving vital services by an artificial barrier, regardless of the needs or wishes of the community.

Local units of government should have the ability to exempt public safety services from the property tax lid. I believe, given the current climate, that the public would willingly pay additional taxes to support police, fire, and EMS in their communities, in much the same way that they often support schools. Public safety and public education are the primary determinants of the quality of life in a community.

On the other hand, the inability to provide additional funding to enhance public safety efforts has a negative effect on government. Citizen dissatisfaction is high when people feel insecure in their homes. Worthwhile programs such as


Senate Assess + Tax
Jan 31, 1994
att 6-1

DARE, crime prevention, and drug investigations often suffer when cities struggle to provide basic services. How are cities going to avail themselves of grants, such as those which will implement the President's 100,000 new police officers, if they have no matching funds?

In conclusion, it is vital for the future of our communities to promote safety and security for all citizens. Exempting public safety services from the tax lid is a simple and acceptable way to provide additional revenue specifically devoted to enhance the quality of life in the state.

Thank you for your time and consideration.

Sincerely,


J. Stephen Cox
Chief of Police
Leawood, Kansas



FAX
(316) 793-4108

CITY CLERK
1209 Williams
Box 1168
(316) 793-4100

ADMINISTRATION
1209 Williams
Box 1168
(316) 793-4111

ENGINEERING
1209 Williams
Box 1168
(316) 793-4106

INSPECTION
1205 Williams
Box 1168
(316) 793-4108

STREET
525 Morton
Box 1168
(316) 793-4150

WATER POLLUTION
CONTROL
Route 3
Box 1168
(316) 793-4170

PARKS - 200
CEMETERY
Brit Spagh Park
Box 215
(316) 793-4160

FIRE - AMBULANCE
1205 Williams
Box 1168
(316) 793-4140

POLICE
1217 Williams
Box 1168
(316) 793-4120

January 31, 1994

TO: Helen Stevens
KPOA Lobbyist

FROM: Cherie Orth
Assistant City Administrator
Great Bend, Kansas

RE: SB 543

The City of Great Bend supports the amendment of K.S.A. 1993 Supp. 79-5028, removing expenses incurred by taxing subdivisions for law enforcement, fire protection and emergency services from aggregate tax levy limitation.

The City of Great Bend is working closely with other cities and Barton County to improve public safety for our citizens. The tax lid imposed on taxing subdivisions creates a burden to public entities working in cooperation with other local units of government to maintain and enhance emergency services. Exempting public safety from the tax lid will allow local elected officials to continue to determine local spending priorities for necessary local programs.

We strongly urge support for passage of SB 543 to assist local communities in their provision of emergency services for their citizens.

Senate Assessor & Insp.

Jan. 31, 1994

Attachment B-1

TO: THE KANSAS STATE SENATE COMMITTEE ON ASSESSMENT AND
TAXATION, SENATOR AUDREY LANGWORTHY, CHAIR

THE TAX LID AND PUBLIC SAFETY

In Kansas since 1989, local criminal justice and emergency services agencies including County Sheriffs, City Police Departments, County Attorneys, County\City Fire and Ambulance Services, County Emergency Communications and County Emergency Preparedness Departments have been trying to protect and serve the citizens without adequate resources.

In budget year 1994 the Barton County Sheriff's Office will expend \$1,098,462. Included in this total expenditure is the following:

\$564,939 to provide law enforcement and other Sheriff's patrol, investigation and civil process functions

\$280,212 to provide for the care of adult prisoners

\$214,811 to provide for the care of juvenile offenders and CINCs

\$ 38,500 to provide court security

In budget year 1989, the first year of the aggregate tax lid, the Barton County Sheriff's Office expended \$761,450. The major reasons for the increase in costs from 1989 to 1994 has been because of increases in costs for the care of juveniles, addition of court security costs, capital improvements for prisoner care and salary increases to provide for a barely survivable wages for employees. The Sheriff's Office has experienced a significant employee turn-over rate because of the effect of the tax lid on salary adjustments.

Demand for services during the course of the tax lid years has not declined, but has increased. In 1989 the Barton County Sheriff's Office made 848 case reports. In 1993 the Barton County Sheriff's Office made 1278 case reports. This is an increase of approximately 44%. It is anticipated that this will only continue.

The Barton County Communications Department is responsible for all emergency dispatching in Barton County and the northern third of Stafford County. In 1991 the Communications center received 23,183 calls for service. In 1993 the Center received 25,626 calls for service. These include 911 calls, routine law enforcement calls, ambulance

Senate Assess + Tax
Jan 31, 1994
att 8-1

calls and fire calls. Barton County does not receive any funding from other agencies for this service. It is anticipated that within the next two years it will be necessary, because of a mandate that the County will need to expend approximately \$350,000 to upgrade it's communications equipment to 800 megahertz from 400 megahertz. The Communications Department's budget averages approximately \$250,000 for operations. However, the tax lid planning capital improvements necessary for the future.

Barton County has been expending \$100,000 per year for ambulance service to the various providers located in or near Barton County. In budget year 1995, this cost will increase to approximately \$300,000. This is because the cost of ambulance service has increased significantly.

The Barton County Attorney's Office file 600 criminal cases, 300 juvenile cases, 800 traffic cases and served 800 victims of crime in 1993. Increases in these areas approximate 20% per year.

Budgets have continued to be developed for the past six budget years under a continually renewing aggregate tax lid mandated by the State of Kansas.

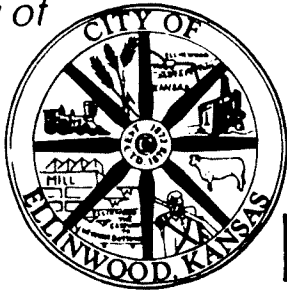
The State and National governments continue to impose unfunded mandates on county and city governments. Presently, Barton County expends approximately one million dollars per year on these mandates. It is anticipated that even with legislation designed to prevent further mandates that some future mandates will slip through the cracks and be passed down.

The combination of more State and National mandates and the aggregate tax-lid has created a situation wherein counties cannot continue to operate effectively. Public safety, infrastructure maintenance will continue to decline from 1994 onward.

The effects of the contradictory mandates and tax policy will inevitably force Counties and Cities to reduce the capabilities to protect citizens from crime and assist those citizens in life and death situations. The results of this onerous tax lid on public safety stretches beyond merely providing County services to deserving citizens. It ultimately will have a negative impact upon the quality of life in Barton County and other Kansas Counties both sociologically and economically. It is imperative that the Legislative and Executive branches of the State of Kansas remove the tax lid on public safety and emergency services.

ML\JD

City of



ELLINWOOD

To: Senate Committee on Assessment and Taxation.

RE: Senate Bill No. 543

Honorable Senators:

The City of Ellinwood wishes to go on record in support of Senate Bill No. 543. We see considerable merit for passage of this bill and have an immediate need for enactment of the bill as it relates to emergency services.

As with many smaller communities, the City of Ellinwood provides emergency services, both fire and ambulance, to our municipality and surrounding rural residents. Because of the increasing financial burden of these services initiative has been taken to create a County Taxing District to finance the ambulance services throughout our county. A major obstacle in creating this County Ambulance District has been the aggregate tax levy limitation presently in place. This combined with the ever increasing costs of operations and regulatory restrictions has made it very difficult for smaller rural communities to sustain viable emergency services.

We feel that providing emergency services are some of the basic services every community should be afforded. Through your support and passage of Senate bill No. 543 local communities, such as Ellinwood and Barton County, will be able to provide such services.

Thank you for your time and consideration.

Sincerely,

Joe Hickel
Mayor

Senate Assess + Tax

Jan 31, 1994

att 9

P.O. Box 278
Ellinwood, KS 67526
316-564-3161



**League
of Kansas
Municipalities**

PUBLISHERS OF KANSAS GOVERNMENT JOURNAL 112 S.W. 7TH TOPEKA, KS 66603-3896 (913) 354-9565 FAX (913) 354-4186

TO: Senate Committee on Assessment and Taxation

FROM: Don Moler, General Counsel

DATE: January 31, 1994

SUBJECT: Support for SB 543

Thank you for the opportunity to appear today in support of SB 543--exempting property tax levies for public safety from the aggregate property tax lid. SB 543 would provide some much needed relief from the revenue limitations and shortfalls facing cities, and it would have the added benefit of providing that relief in an area that is an area of mutual priority to the Kansas legislature and municipal governments: **Public Safety**. Few legislators will dispute the need to refocus our public safety efforts at the state and local levels, and SB 543 would give cities one additional revenue tool to fund such efforts in the future such as community policing programs, putting police officers in schools, the financing of Drug Abuse Resistance Education (DARE) programs, or other prevention and intervention strategies chosen by elected community leaders. If we are going to be successful in this effort, greater local flexibility is needed.

The Need for City Revenue Options

The major forces fueling the need for additional local option taxing sources have been:

(a) Declining federal aid. Since approximately 1980 there has been a continuing pattern of federal disinvestment in cities which resulted in the termination of many grant programs, including the highly popular and extremely flexible federal general revenue sharing program. The most recent revenue loss experienced by cities has been the decline in federal drug abuse prevention funding through the Governor's Office for DARE and other local crime prevention programs. This decline in federal aid is similar to the recent experience of the state of Kansas with declining Medicaid funding.

(b) Continuing federal and state mandates. The growth in mandates from other levels of government actually escalated in the 1980s while federal aid declined. The burden has been especially heavy as a result of federal mandates, requiring increases in local taxes and user fees on almost an annual basis. While state government has been more careful in imposing unfunded mandates on its cities, cities have seen cost increases in recent years resulting from state legislation requiring the upgrading of animal shelters, improvements to criminal justice reporting, fingerprinting of municipal ordinance violators, underground facility

*Senate Assessor + Tax
Jan 31, 1994
att 10-1*

king, and other requirements.

(c) Loss of Property Tax and Motor Vehicle Tax Base. Changes in property tax assessment rates, increased property tax exemptions, and the loss of over \$65 million in motor vehicle tax revenue for all local units between 1991 and 1993 as a result of legislative and administrative actions have taken their toll on municipal budgets. The consequences of these actions has been less revenue, more limited services, and a public that wonders what happened.

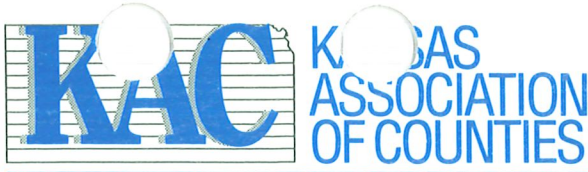
(d) Public safety service demands. This session the legislature is looking carefully at increasing its own spending in order to address the growth in crime and violence across the state. Since cities field police, fire and emergency medical services units involved in addressing the same problems, the need for additional municipal revenues to fight crime and reduce injuries and property loss has never been greater.

(e) Limits have been placed on the growth of state aid. Since 1991 cities have not received general state aid payments without reduction in the formula for making such payments by the state--resulting in an aggregate reduction in aid of \$11 million if the Governor's recommendations for FY 1995 are adopted. The cumulative effect of this loss along with the above revenue, mandate and service trends has been drastic for cities. While we urge the legislature to reinstate the traditional revenue sharing formulas with cities, our experiences over the past four fiscal years has told us not to hold out false hopes.

RECOMMENDATION

This session the Legislature has the opportunity to confront the public safety financing needs of the cities of Kansas, giving elected municipal officials the revenue powers they need to finance crime intervention, prevention and enforcement programs. SB 543 would be one positive step in that direction, and the League urges you to report it favorably..

sb543.tes



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Executive Director
John T. Torbert, CAE

TO: Senate Assessment and Taxation Committee
Chairman Audrey Langworthy

FROM: Anne Smith
Director of Legislation

RE: SB 543

DATE: 1/31/94

The Kansas Association of Counties is in support of SB 543. The bill would allow law enforcement, fire protection and emergency services to be exempted from the tax lid.

The KAC has for several years now, a membership-approved policy statement on exempting public safety items from the tax lid. This policy statement again appears in the 1994 KAC platform.

When a city or county is under a tax lid, it sometimes becomes very difficult to make enough money available for law enforcement to fight crime. With the increased crime occurring these days in our state, having the ability to properly budget for law enforcement needs is vitally important.

Thank you for your favorable consideration of this bill.

*Senate Assess + Tax
Jan 31, 1994
att 11-1*

KANSAS TAXPAYERS NETWORK
P.O. Box 20050
1081 S. Glendale
Wichita, KS 67208

316-684-1400
FAX 316-684-7527

31 January 1994

TESTIMONY ON SB 543
TO SENATE ASSESSMENT & TAXATION COMMITTEE
By Karl Peterjohn
Executive Director

Higher taxing authority is not the solution to solving the crime problem. Local government has adequate taxing authority and the ability to raise tax funds without gutting the property tax lid. Let local governments use their authority to charter out of the lid.

To make my case against SB 543 I'd like to discuss what happened in 1993 in Wichita and Sedgwick County.

In October, the City of Wichita held a mail in ballot to raise the sales tax in the city 1/4 of one cent. The city council endorsed this proposal. The Wichita Chamber of Commerce and the Wichita AFL-CIO endorsed this proposal. The Wichita Eagle ran almost daily articles endorsing this tax hike. The rest of the broadcast and weekly print media echoed the Eagle's endorsement.

As a Wichita based organization the Kansas Taxpayers Network was early and forthright in opposing this tax hike for numerous reasons. The Kansas Taxpayers Network distributed a flyer opposing this tax and it is attached. The Wichita Independent Business Association also opposed this tax hike.

Earlier in 1993 the Sedgwick County Republican Party passed a resolution opposing state and local tax hikes. This passed the central committee by an overwhelming margin. Under the leadership of County Chairman, Mark Gietzen, Sedgwick County Republicans said loudly, "Read Our Lips, No New Taxes," and joined the opposition to this tax hike. Gietzen took this position at some risk to his position as County Chairman too.

Naturally, WIBA, KTN, and the Sedgwick County GOP were all pilloried in the press. Tax advocates said that community policing and other safety measures could not start in Wichita without this additional tax.

Voters rejected this tax hike 55 percent to 45 percent.

In 1994 the City of Wichita has started a program of community policing without these additional tax funds or raising other taxes. A former city finance director has written an article pointing out how the original public safety program could be

*Senate Assess + Tax
Jan 31, 1994
att 12-1*

funded without having to raise a penny in new taxes. I'm enclosing his article on this subject.

At last Tuesday's meeting the fiscally strapped City of Wichita decided to go with the more expensive of two options to add parking at city hall. They had the money to spend over \$4 Million for a new parking garage. They also had money at this city council meeting to spend \$267,000 to buy the first mortgage on the Eaton hotel. They also authorized several million dollars in IRB's for a nursing home operation in Fort Scott!

Sedgwick County is seeking additional sales tax authority from you too. I guess they don't know the word NO!

I realize that Sedgwick County is one of 105 counties and Wichita is one of hundreds of cities yet KTN's supporters around Kansas indicate that these sorts of fiscal shenanigans by local governments are quite common.

I resent the fact that proponents of these measures are the taxpayer funded lobbies here in Topeka. When I pay my local property taxes I am not authorizing my local governments to spend my hard earned money for organizations whose goal include raising my taxes! There are a lot of Kansans who share this resentment.

Let me report that opposition to higher taxes is alive and well. A national poll conducted by the Harris organization and published Nov. 1, 1993 in Business Week states that 67 percent of citizens "have reached the breaking point" at current tax levels.

67 percent of this survey said that their taxes are either much too high or somewhat high.

When asked if a candidate advocating tax cuts would receive more support or less the survey found: 28 percent more likely or somewhat more likely to support that candidate and 15 percent somewhat likely or much more likely to oppose that candidate.

When asked the Mondale question about raising taxes, this survey found: 8 percent much more likely or somewhat more likely to support the candidate and 54 percent much more likely or somewhat more likely to oppose that candidate. I urge you to keep this survey in mind while you consider this bill. This seems to match the Wichita election data.

Passage of SB 543, and bills like it, places this committee on record as supporting bigger government and higher taxes. The Kansas Taxpayers Network urges you to reject this bill and other similar legislation before this committee.



EDUCATION IS A PRIORITY, SAY TAXPAYERS

TICKED OFF OVER TAXES

A BUSINESS WEEK/Harris Poll finds Americans angry and pessimistic

There's nothing politicians like to promise as much as a tax cut, but they shouldn't expect voters to believe them. A new BUSINESS WEEK/Harris Poll found that an overwhelming 87% of respondents say they expect their taxes to increase during the next few years. Maybe that's why a tax-cut pledge packs little political punch: 53% said such a vow would have no impact on their vote for a candidate.

On the flip side, though, 54% said they'd be less likely to vote for a candidate who intends to raise taxes. And small wonder: Fully 67% believe they have "reached the breaking point" on taxes. That's up from 65% in 1983 and the highest since Louis Harris & Associates began tracking the issue in 1969.

People don't think they're getting much for their money, either. Most Americans—69%—think their federal levies are too high considering what they get in exchange, while 67% feel the same way about state and local taxes. And, by a 2-to-1 margin, the public lacks confidence that money raised by past tax hikes was used efficiently.

But 73% say they'd be at least somewhat willing to accept higher taxes if they were certain that the money would be effectively spent. And they have some clear priorities for earmarked tax increases: Among those saying they'd be very willing to pay more for specific purposes, job creation ranked first, followed by education. Defense and welfare finished last.

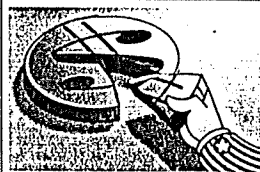
Voters seem to see higher levies for health as inevitable. Eight in 10 say Bill Clinton's plan for health-care reform will require more taxes than currently proposed. And 66% say they are at least somewhat willing to pay more.

THE LOWDOWN ON HIGH TAXES

THE BREAKING POINT

■ As far as you and your family are concerned, do you feel you have reached the breaking point on the amount of taxes you pay or not?

Reached breaking point	67%
Not reached breaking point.....	28%
Not sure.....	5%



likely, or would it have no impact on how likely you were to vote for that candidate?

Much more likely.....	8%	Much less likely.....	6%
Somewhat more likely.....	20%	No impact.....	53%
Somewhat less likely.....	9%	Not sure.....	4%

GRIM EXPECTATIONS

■ In the next few years, do you expect that your taxes will go up, go down, or stay about the same?

Go up.....	87%	Stay about the same.....	9%
Go down.....	2%	Not sure.....	2%

FOCUSING ON WASHINGTON...

■ Considering what taxpayers get from the federal government, would you say your federal income taxes are much too high, somewhat high, about right, somewhat low, or much too low?	Much too high.....	28%
	Somewhat high.....	41%
	About right.....	24%
	Somewhat low.....	4%
	Much too low.....	2%
	Not sure.....	1%

...AND CLOSER TO HOME

■ Considering what taxpayers get from state and local governments, would you say your state and local income taxes and property taxes are much too high, somewhat high, about right, somewhat low, or much too low?	Much too high.....	31%
	Somewhat high.....	36%
	About right.....	27%
	Somewhat low.....	3%
	Much too low.....	1%
	Not sure.....	2%

FUMBLING ON THE HIKES

■ When your taxes have been increased in the past, how confident are you that the money was effectively spent on meeting public needs—very confident, somewhat confident, or not confident at all?

Very confident.....	2%	Not confident at all.....	66%
Somewhat confident.....	30%	Not sure.....	2%

REAGAN REDUX

■ During the Reagan Administration, federal tax rates were reduced, and some states also reduced their taxes. What effect, if any, do you think those tax reductions had on government services during the 1980s? Did government services become better, worse, or did the tax reductions have no impact on government services?

Better.....	12%	No impact.....	54%
Worse.....	29%	Not sure.....	5%

MONEY WELL SPENT?

■ If you were certain that an increase in taxes would be effectively spent on meeting public needs, how willing would you be to pay increased taxes—very willing, somewhat willing, or not willing at all?

Very willing.....	20%	Not willing at all.....	26%
Somewhat willing.....	53%	Not sure.....	1%

PROMISES, PROMISES

■ If a candidate for President of the U.S., governor of your state, or mayor of your town says that he or she will lower your taxes if elected, would that make you much more likely to vote for that candidate, somewhat more likely, somewhat less likely, much less

THE MONDALE FACTOR

■ Now, if a candidate for President of the U.S., governor of your state, or mayor of your town says that he or she will raise your taxes if elected, would that make you much more likely to vote for that candidate, somewhat more likely, somewhat less likely, much less likely, or would it have no impact on how likely you were to vote for that candidate?

Much more likely.....	2%	Much less likely.....	30%
Somewhat more likely.....	6%	No impact.....	36%
Somewhat less likely.....	24%	Not sure.....	2%

PICKING PRIORITIES

■ How willing would you be to pay higher taxes if you knew that all of the added taxes were being spent on each of the following—very willing, somewhat willing, or not willing at all?

	Very willing	Somewhat willing	Not willing	Not sure
Creating jobs.....	55%	36%	9%	0%
Education.....	52%	38%	9%	1%
Fighting crime.....	50%	40%	9%	1%
Fighting drug abuse.....	48%	39%	12%	1%
Health-insurance reform.....	37%	43%	18%	2%
Social security.....	32%	49%	18%	1%
Reducing the federal government's budget deficit.....	31%	46%	23%	0%
The environment.....	29%	51%	19%	1%
Homelessness.....	28%	53%	18%	1%
National defense.....	15%	49%	35%	1%
Welfare.....	9%	38%	52%	1%

CLINTON'S HEALTHONOMICS...

■ As you may know, a great deal of attention has been given recently to health-care reform. Under the President's proposal, everyone will be provided with health insurance, with the extra cost covered by savings from reforming the health-care system, plus an increase in cigarette taxes and a small tax increase on large companies. Do you think that these will be enough to pay for health-care reform, or do you think that other taxes will be necessary?

Will be enough.....	15%
Other taxes will be necessary.....	80%
Not sure.....	5%

...AND WHAT IF HIS NUMBERS ARE OFF?

■ If other taxes—such as an increase in your federal income tax—are necessary to pay for the President's health-care-reform proposal, how willing would you be to pay them in exchange for health-care reform—very willing, somewhat willing, or not willing at all?

Very willing.....	18%	Not willing at all.....	33%
Somewhat willing.....	48%	Not sure.....	1%

Edited by Mark N. Vamos

Survey of 1,252 adults conducted Oct. 14-18 for BUSINESS WEEK by Louis Harris & Associates Inc. Results should be accurate to within three percentage points.

COMMENT

Yes, there is room in city budget for police

During the City Council election of 1993, the principal issue was crime. In May of 1993, the City Council agreed to a goal of making Wichita one of the safest communities in this country. Subsequently, the City Council developed a Public Safety program to be implemented over

ital Improvement Program and the public perceives that these monies could be spent for public safety.

Yet when the public seeks better law enforcement in Wichita neighborhoods, City Hall's answer is for a new tax. *It just won't wash with the public.*

Wichita's city government must rethink its priorities and move its resources to areas of citizen concern. From this will come a greater likelihood of broad support for future City Hall initiatives and programs.

A proposed public safety program

I have developed a reduced public safety program based upon the program that the public vetoed in October. I've attempted to preserve the police portion of the program with allowances for the courts and police-related neighborhood services.

This program will provide for an additional 100 police officers over a three-year period. The schedule for hiring is 25 officers in 1994, 55 in 1995 and 20 in 1996. I also propose that funds be provided to equip and train the police officers, provide some additional support staff and equipment enhancement, and an allocation for crime prevention to be administered by the police department.

The following program will cost an additional \$7,676,650 by the end of 1996:

	1994	1995	1996
Officers	\$1,020,000	\$1,967,460	\$774,690
Equipment	358,820	697,570	(208,070)
Support Staff	175,440	423,010	317,130
Training	100,000	100,000	100,000
Equip. Enhanc.	100,000	100,000	100,000
Misc. Crime Prev.	200,000	100,000	0
Police & Neigh. Serv.	200,000	0	200,000
Court & Pros.	250,000	250,000	250,000
Total	\$2,404,860	\$83,638,040	\$1,633,750

Financing for the program

I recommend that the following adjustments be made to the 1994 budget:

1. A 2 percent reduction to the following budgets:

City Council	\$ 5,204	Public Works	\$484,184
City Mgr.	10,487	Flood Control	6,490*
Personnel	16,631	Health	44,059*
Public Info.	1,621	Anim. Cont.	14,822
Inter. Govt.	1,932	Planning	12,112*
Finance	59,900	Parks	210,092
Law	22,030	MTA	44,100
Munic. Ct.	60,160	Cable TV	1,400
Comm. Facil.	40,610	Comm. Rel.	2,300
Library	97,721	WISE	5,000
Art Museum	22,915	Hist. Cowtown	2,324
Hum. Serv.	5,459	Memberships	1,312

Total 2 percent reduction — \$1,172,865

* City share of city/county budgets

2. Specific reductions as follows:

Property Management	— \$149,940
Snow and Ice Removal	— 147,500
City Mgr. Contingency	— 300,000
Board Support	— 5,000
Legislative Services	— 10,000
Office Automation	— 30,000
Finance Dept.	— 110,540
Tort Liability	— 300,000
Bicycle Progr.	— 10,000
Commer. Demo.	— 5,000
Microfilming	— 5,000
Other Cont. Serv.	— 15,000
Reforest. & Pub. Arts	— 100,000
Research & Dev.	— 50,000
Strategic Plan Update	— 5,000

Total proposed budget reductions — \$2,415,845
Proposed 1994 Public Safety Program — \$2,404,860

No reductions have been recommended for police and fire. The City Council may determine that both of these departments could also make further reductions which would not reduce their program efforts.

Conclusion

We can finance a Public Safety Program from existing funds within the 1994 budget without creating difficulties for public services.

I offer the following recommendations to the City Council to deal with this question of priorities and a Public Safety Program:

1. Take action within 30 days to finalize a reduced Public Safety Program and finance within existing 1994 budget.

2. Instruct the city manager to develop methods by which results can be measured in the Public Safety Program to determine success or failure of the program.

3. Establish a mayor's advisory committee to assist the City Council in developing and financing a Public Safety Program for the years beyond 1994.

This is just one way of financing a Public Safety Program through existing city budget. Obviously, there other alternatives that can be developed to meet the priorities established by the City Council. The point is to do it, and do it now.

Don Anderson is a local businessman and former housing and economic development director for the city of Wichita. He unsuccessfully ran for mayor of Wichita in 1993.



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Kansas State Bank—123 N Market	Vending Box
Railroad S & L—110 S Main	Vending Box
Rectors Book Store—206 E Douglas	In Store
Squeeks Donut Shop 734 N Waco	Vending Box
The Family Inn Kellogg & Broadway	Vending Box
The Wichita Eagle 825 E Douglas	Vending Box
Union National Bank 150 N Main	Vending Box
Watermark Books—149 N Broadway	In Store

East Wichita

7-Eleven—5530 E Central	In Store
7-Eleven—Maple & Ridge	Vending Box
Bookstar—8113 E Kellogg	In Store
Dandurand—7732 E Central	In Store
Dillons—Harry and Edgemoor	In Store
Dillons—21st and Rock Road	In Store
Dillons—13th & Woodlawn	Vending Box
Dillons—21st & Rock	Vending Box
Eastgate Mall—Kellogg & Rock	Vending Box
Food Barn—3020 E Douglas	Vending Box
Food Barn—Harry & Woodlawn	Vending Box
George Porgie Central & Woodlawn	Vending Box
Gesslers—4701 E Douglas	In Store
Gesslers—6420 E Central	In Store
Gesslers—2132 N Rock Road	In Store
Hart Drug—6217 E 13th	In Store
Jimmie's Dinner 3111 N Rock Road	Vending Box
N Y Bagel—4618 E Central	Vending Box
Piccadilly—7728 E Central	In Store
Jeanne's Cafe—4733 E Douglas	Vending Box
Shoneys—Kellogg & Webb	Vending Box
Spears Pie Shoppe 1930 N Woodlawn	Vending Box
Waldenbooks—Town East Square	In Store
Warner Gift Shop—Hilton East	In Store
Watermark Books—7732 E Central	In Store

South Wichita

Dillons—31st & S. Seneca	In Store
Town Crier—2491 S. Seneca	In Store

West Wichita

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Dillons—Central & Malze	In Store
Gesslers—8203 W. Central	In Store
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Spears—Maple & Tracy	Vending Box
Waldenbooks—Town West Square	In Store

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VOTE NO IN OCTOBER!

There are 7 reasons to vote NO listed on the other side of this flyer. Please read them. Please help the Kansas Taxpayers Network spread the word against unnecessary government spending, economically crippling taxes, and stifling bureaucratic regulations.

The Kansas Taxpayers Network needs your support to inform Kansans that:

Taxes in Kansas are high in our region. Colorado, Missouri, Oklahoma, and Nebraska all have lower taxes than Kansas. Three of these states have tax lids in place to protect their taxpayers.

In 1992 Kansas had the highest per capita increase in state taxes according to the non partisan Tax Foundation. Kansas has the highest taxes and fees on cars in the country. KTN wants voter approval before all taxes in Kansas are increased.

Your contributions will help us continue our work on behalf of the Kansas taxpayer. Send your non tax deductible contributions to:

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P.O. Box 20050

Wichita, KS 67208

PH: (316) 684-0082

All donations are welcome and will receive KTN's tax flyers. Donors of \$15 or more will also receive KTN's quarterly newsletter for one year.

VOTE NO IN OCTOBER!

7 reasons to vote NO on the sales tax ballot:

1) The city spends \$236 Million, but only \$30 million on police. Millions more are spent on capital improvements. Why isn't there enough money to fight crime?

2) City property tax millage was raised 6.5% this year. Why isn't there enough money to fight crime?

3) A large part of the additional sales tax dollars won't be spent on police. The city council wants to spend sales tax money on the "fire department," "on nuisance abatement and related services," "housing and code enforcement," "youth training" and other activities unrelated to fighting crime. Why are taxes being raised for this?

4) The city spends millions on old town. The city wants to spend \$5 Million to make Main Street a two-way street. Why isn't there enough money to fight crime?

5) City fees increased more than \$5 Million for the city this year. Why isn't there enough money to fight crime?

6) The city council hired the Sedgwick Co. Democrat Vice Chairman at \$100 an hour as a "political campaign consultant" to convince voters to support this tax hike.

**7) Wichitans already pay higher property taxes than citizens in K.C., MO, Denver, St. Louis, Oklahoma City, Tulsa, and Little Rock. Why isn't there enough money to fight crime?
(Please flip over)**



Executive Offices:
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Topeka, Kansas 66611-2098
Telephone 913/267-3610
Fax 913/267-1867

TO: SENATE ASSESSMENT AND TAXATION COMMITTEE

FROM: KAREN FRANCE, DIRECTOR, GOVERNMENTAL AFFAIRS

DATE: JANUARY 31, 1994

SUBJECT: SB 543, PUBLIC SAFETY EXPENDITURES EXEMPTED FROM TAX LID

Thank you for the opportunity to testify. On behalf of the Kansas Association of REALTORS®, I appear today to oppose SB 543.

While public safety and crime are on everyone's minds these days, the method of paying for programs to handle these problems should still be approved by the voters. Both Wichita and Topeka have put sales tax increases on the ballot for police and safety related purposes. In both cases, the voters defeated the tax increases. While the exact reasons for the defeat are not clear, the voters had the opportunity to support such projects and chose not to. That right should be preserved in the property tax area. Local units have the ability under the current tax lid to exceed the tax lid by "chartering out" with voter approval. Yet, the local units continue to shy away from this option, choosing instead to circumvent the public vote by getting more exemptions from the tax lid from the legislators. If the property taxpayers knew this was going on, we believe they would be upset.

We would like to point out that, while this may be a quick-fix solution to a problem, we propose another solution which has been introduced in the House, HCR 5017, the Government Cost Control Amendment.

The Government Cost Control Amendment would constitutionally control spending growth for state and local government. Spending growth would be limited to increases in the cost of living for the state. There are allowances for emergency situations for the state and could be added for local governments. But, outside of those emergency provisions, the only way this spending control can be exceeded is by a majority vote of the appropriate electorate. At the same time, the state is prohibited from requiring any new or expanded activities by taxing subdivisions or from shifting the tax burden to taxing subdivisions, without full state financing.

The Kansas Association of REALTORS® feels that this Government Cost Control Amendment is an idea whose time has come. Such an amendment serves three purposes.

*Senate Assess & Tax
Jan 31, 1994*

First, the amendment eliminates the need for tax lids. It restricts spending by local units of government without the utilization of any "loopholes" or exemptions. It is a straightforward way of limiting spending which would be in place from year to year, without having the property tax lid discussions which have become an almost annual event. Such a spending limitation for all levels of government takes away the complaint made by local governments that the legislature is advocating spending limits for local units of government without limiting state budgets.

Second, this government cost control amendment brings both fiscal responsibility and flexibility to the government budget making process. Because the growth of government spending would be fairly predictable from year to year, governments could establish long term planning methods, within the parameters of the cost limitations.

The logical fallout of this amendment would be that local units could be given legislative authority for alternative taxes, including additional sales tax authority, earnings tax authority or income tax surcharges. They could then alter their tax mix, as long as the total amount collected did not increase above the revenue limit provided by the amendment. By the same token, the state could change the current tax mix between income tax, sales tax, property tax etc., as long as the total amount collected did not increase above the revenue limit. Meanwhile, the tax base for all units of government could expand with new development plus increases in the cost of living and any federal revenues which may be given.

Third, this Government Cost Control Amendment would answer the demand of voters that government become more efficient and responsive. Taxpayers asks why government can't be run like a business. While we know it cannot be completely run like a business, a spending limitation would force the government to live within its means.

A business cannot continually raise its prices in order to cover increased costs. The market prevents it. Thus businesses must continually look to keeping their costs in line if they are to survive in the market place. A cost control amendment would be the equivalent of the "market place" competition for government. It would put a limit on the income side of the balance sheet, thus providing the "incentive" to keep costs in line. Government would have to prioritize its services in order to deliver the best product for the best prices.

In summary we believe this amendment provides many answers to questions which plague the legislature on an annual basis. We believe such an amendment would help return confidence to government without placing unreasonable restrictions on the hands of government officials. We believe the people would strongly support such an amendment if given the chance to vote. We ask that you consider this alternative, instead of passing SB 543.

level, as could have been collected at the existing authorized levy on the prior assessed value.

(2) The limitations of this subsection shall not apply to taxes imposed for the payment of principal and interest on bonds or other evidence of indebtedness or for the payment of assessments on contract obligations in anticipation of which bonds are issued which were authorized prior to the effective date of this section."

Sec. 2. The following statement shall be printed on the ballot with the amendment as a whole:

"Explanatory statement. This amendment would impose an aggregate limitation upon the levy of taxes by the state of Kansas and the taxing subdivisions thereof unless approved by the electors of the state in the case of state taxes and the electors of the taxing subdivision in the case of a taxing subdivision.

"A vote for the proposition would impose an aggregate limitation upon the levy of taxes by the state and its taxing subdivision unless approved by the electors of the governmental unit levying the tax.

"A vote against the proposition would continue the present constitutional authority for the levy of taxes without any constitutional aggregate limitation."

Sec. 3. This resolution, if approved by two-thirds of the members elected (or appointed) and qualified to the house of representatives and two-thirds of the members elected (or appointed) and qualified to the senate, shall be entered on the journals, together with the yeas and nays. The secretary of state shall cause this resolution to be published as provided by law and shall cause the proposed amendment to be submitted to the electors of the state at the general election in the year 1994 unless a special election is called at a sooner date by concurrent resolution of the legislature, in which case it shall be submitted to the electors of the state at the special election.

Session of 1993

House Concurrent Resolution No. 5017

By Representatives Shallenburger and King, Bradley, Cornfield, Cox, Crowell, Donovan, Flower, Graeber, Jennison, Lawrence, Lowther, Mason, Mays, Mead, Mollenkamp, Neufeld, Packer, Scott, Shore, M. Smith, Wagle and E. Wells

2-17

A PROPOSITION to amend article 11 of the constitution of the state of Kansas by adding a new section thereto, prescribing certain limitations upon taxation and spending by the state of Kansas and taxing subdivisions.

Be it resolved by the Legislature of the State of Kansas, two-thirds of the members elected (or appointed) and qualified to the House of Representatives and two-thirds of the members elected (or appointed) and qualified to the Senate concurring therein:

Section 1. The following proposition to amend the constitution of the state of Kansas shall be submitted to the qualified electors of the state for their approval or rejection: Article 11 of the constitution of the state of Kansas is amended by adding a new section thereto to read as follows:

"§ 14. (a) Notwithstanding any other provision of this constitution, state taxation and spending and taxes levied by taxing subdivisions of the state shall not be increased above the limitations specified herein without the approval of a majority of the voters of the state or the taxing subdivision voting at an election held thereon, and the state is prohibited from requiring any new or expanded activities by taxing subdivisions without full state financing, or from shifting the tax burden to taxing subdivisions.

(b) As used in this section:

(1) "Total state revenues" includes all general and special revenues, excluding licenses and fees and federal funds, included in the budget report of the governor for fiscal year 1993. Total state revenues shall exclude the amount of any credits based on actual tax liabilities or the imputed tax components of rental payments, but shall include the amount of any credits not related to actual tax liabilities;

(2) "Personal income of Kansas" is the total income received by persons in Kansas from all sources, as defined and officially

reported by the United States Department of Commerce or its successor agency; and

(3) "General price level" means the consumer price index for all urban consumers for the United States, or its successor publications, as defined and officially reported by the United States department of labor, or its successor agency.

(c) (1) There is hereby established a limit on the total amount of taxes which may be imposed by the legislature in any fiscal year on the taxpayers of this state. Effective with fiscal year 1996, and for each fiscal year thereafter, the legislature shall not impose taxes of any kind which, together with all other revenues of the state, federal funds excluded, exceed the revenue limit established in this section. The revenue limit shall be calculated for each fiscal year and shall be equal to the product of the ratio of total state revenues in fiscal year 1993 divided by the personal income of Kansas in calendar year 1992 multiplied by the personal income of Kansas in either the calendar year prior to the calendar year in which appropriations for the fiscal year for which the calculation is being made, or the average of personal income of Kansas in the previous three calendar years, whichever is greater.

(2) For any fiscal year in the event that total state revenues exceed the revenue limit established in this section by one percent or more, the excess revenues shall be refunded pro rata based on the liability reported on the Kansas state income tax (or its successor tax or taxes) annual returns filed following the close of such fiscal year. If the excess is less than one percent, this excess shall be transferred to the general revenue fund.

(3) If responsibility for funding a program or programs is transferred from one level of government to another, as a consequence of constitutional amendment, the state revenue and spending limits may be adjusted to accommodate such change, provided that the total revenue authorized for collection by both state and its taxing subdivisions does not exceed that amount which would have been authorized without such change.

(d) The revenue limit prescribed by subsection (c) may be exceeded only if all of the following conditions are met:

(1) The governor requests the legislature to declare an emergency;

(2) the request is specific as to the nature of the emergency, the dollar amount of the emergency, and the method by which

the emergency will be funded; and

(3) the legislature thereafter declares an emergency in accordance with the specifics of the governor's request by the affirmative vote of two-thirds of all members elected (or appointed) and qualified to each house. The emergency shall be declared in accordance with this section prior to incurring any of the expenses which constitute the emergency request. The revenue limit may be exceeded only during the fiscal year for which the emergency is declared. In no event shall any part of the amount representing a refund under subsection (c) be the subject of an emergency request.

(e) Notwithstanding any other provision of this constitution, no expenses of state government shall be incurred in any fiscal year which exceed the sum of the revenue limit established in subsections (c) and (d) plus federal funds and any surplus from a previous fiscal year.

(f) The state is hereby prohibited from reducing the state financed proportion of the costs of any existing activity or service required of taxing subdivisions of the state. A new activity or service or an increase in the level of any activity or service beyond that required by existing law shall not be required by the legislature or any state agency of taxing subdivisions, unless a state appropriation is made and disbursed to pay the taxing subdivision for any increased costs.

(g) (1) Notwithstanding any other provision of this constitution, taxing subdivisions of this state are hereby prohibited from levying any tax, not authorized by law, charter ordinance, ordinance or resolution, when this section is adopted or from increasing the current levy of an existing tax above that current levy authorized by law, charter ordinance, ordinance or resolution when this section is adopted without the approval of a majority of the qualified voters of that taxing subdivision voting at an election held thereon. If the definition of the base of an existing tax is broadened, the maximum authorized current levy of taxation on the new base in each taxing subdivision shall be reduced to yield the same estimated gross revenue as on the prior base. If the assessed valuation of property as finally equalized, excluding the value of new construction and improvements, increases by a larger percentage than the increase in the general price level from the previous year, the maximum authorized current levy applied thereto in each taxing subdivision shall be reduced to yield the same gross revenue from existing property, adjusted for changes in the general price

GOVERNMENT COST CONTROL AMENDMENT

GENERAL DESCRIPTION

The Government Cost Control Amendment would constitutionally control spending growth for state and local government. Spending growth would be limited to increases in the cost of living for the state. There are allowances for emergency situations for the state. But, outside of the emergency provisions, the only way this spending control can be exceeded is by a majority vote of the appropriate electorate. At the same time, the state is prohibited from requiring any new or expanded activities by taxing subdivisions or from shifting the tax burden to taxing subdivisions, without full state financing. Missouri, Oklahoma and Colorado each have similar constitutional provisions.

SPECIFIC PROVISIONS

A. STATE LEVEL

{Section 14 (c)(1)}

1. The state cannot collect more taxes in a given year than what was collected the previous year plus a cost of living increase allowance, plus any permissive "reserves", plus any federal funds. This limitation is referred to as the "revenue limit" in the amendment.
2. The revenue limit applies to all taxes collected. The state could change the current tax mix between income tax, sales tax etc., as long as the total amount collected did not increase above the revenue limit."
3. In the event revenues exceed the revenue limit by 1% or more, the excess must be refunded on a pro rata basis, using the state income tax liability as the process for rebating dollars back to the taxpayers. If the excess is less than 1%, the excess can be transferred to the state general fund and becomes part of the "acceptable" revenue limit for the next fiscal year.
4. If, by constitutional amendment, responsibility for funding programs is transferred between levels of government, i.e. from the school districts to the state, the state revenue and spending limits can be adjusted accordingly.

5. **EMERGENCY PROCEDURE** The amendment permits the state to exceed the revenue limits if and only if the following conditions are met:
- a. The Governor requests the legislature to declare an emergency.
 - b. The request is specific in the nature of the emergency, the dollar cost of the emergency, and the method of funding the emergency.
 - c. The Legislature declares an emergency by two-thirds vote.
 - d. The emergency must be declared before any expenditures are made to handle the emergency.
 - e. The increases in the revenue limit can only occur during the fiscal year when the emergency is declared.
 - f. An emergency request cannot be made which would include any part of a refund pursuant to the excess revenue provisions of the amendment.

B. LOCAL UNIT LIMITS
{Section 14 (g)}

1. Local units of government are permitted to collect the same amount of taxes that they collected in the previous year plus allowances for additional valuation due to new construction and improvements plus an allowance for increases in CPI (referred to as the general price level in the amendment.)
2. If the assessed valuation of property is greater than the base plus new construction and improvements plus CPI, then the levy must be reduced in each taxing subdivision in order to yield the same revenues as the previous year.
3. The state is prohibited from reducing state funding for any mandates to local governments. The state is also prohibited from mandating any additional responsibilities to local governments unless the state gives the local governments the money to carry it out.
4. Payments of principal and interest on bonded indebtedness or payments of assessments on ~~contract~~ obligations in anticipation of which bonds are issued which were in place prior to passage of the amendment are exempt.

Kansans For Fair Taxation
1132 S.W. Wanamaker Road
Topeka, Kansas 66604

January 31, 1994

Kansans For Fair Taxation supports strong law enforcement, fire protection and emergency services, but strongly oppose SB 543 for the following reasons :

1. Police, fire and emergency employee benefits are already exempt from the property tax lid.
2. All cities currently have the authority to exempt public safety from the property tax lid -
 - A) TEMPORARILY through K.S.A. 79-5029
 - B) PERMANENTLY through a Charter Ordinance
3. Local sales tax is an alternative to more property tax.

Topeka has a total 1% local sales tax earmarked specifically for police and fire spending.

In 1993 this sales tax revenue raised appr. \$17 million which equates to 55% of the police and fire budgets.
4. 93% of Topeka's \$125 million budget for 1994 is exempt from the property tax lid.

\$8 million of the \$125 million budget is all that remains under the property tax lid.
5. Two thirds of the \$24 million that Topeka will receive in 1994 through property taxes is currently exempt.
6. The sole result created by the passage of SB 543 will be the elimination of the public's right to vote guaranteed by K.S.A. 79-5029 or a Charter Ordinance vote by means of petition.

We ask that you not support this effort to gut what little is left under the tax lid. We ask that you not support any effort that will deny the people the right to vote on issues such as this. The voting public has approved sales tax increases for public safety purposes. Who recognizes the value of public safety better than the public.

Thank you for your time and consideration,

Board of Directors
Ellen Ross
Larry Fischer, DVM
Jack Bengé

Senate Assess + Tax
Jan 31, 1994
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