

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

The meeting was called to order by SENATOR PAUL "BUD" BURKE at  
Chairperson

11:00 a.m. ~~xxx~~ on February 29, 1984 in room 526-S of the Capitol.

All members were present ~~except~~:

Committee staff present: Wayne Morris, Research Dept.  
Tom Severn, Research Dept.  
Don Hayward, Revisor's Office

Conferees appearing before the committee:

- Carol Green, Judicial Center
- Morris Dozier, Sr., Chairman, Geary County Commission
- William Kelley, Geary County
- John Strain, CPA of Junction City, Auditor of Geary County
- Larry Plaggerman, Mayor of Junction City
- Dave Platt, Junction City City Attorney
- Richard Pinaire, Attorney (former City Attorney)

The committee held a hearing on SB 762 which concerns appeals from orders of the Board of Tax Appeals.

The chairman recognized Carol Green, representing the judicial administrator, who told the committee this bill clarifies some language from a bill passed last year as to when an appeal can be taken. As it is now, one could be lead to believe they can appeal a grant of a rehearing or a decision on rehearing. She said the language on page 3 had been vague.

The committee held a hearing on SB 797 which relates to the apportionment of the countywide retailers' sales tax receipts in Geary County. Senator Montgomery had requested introduction of the bill and described the background for his request that the Geary County status be returned to include the population of Fort Riley in the distribution formula. (Attachment #1)

The following persons appeared in support of SB 797:

Morris Dozier, Sr., Geary County Commission chairman, said that as the law now stands he feels the governing body is penalized by being denied the use of that portion of its unincorporated population which lies on the Fort Riley Military Reservation. (Attachment #2)

William Kelley said there is an atmosphere of cooperation between the city and county and the two commissions and the mayor and chairman, but there may be problems in future years should this law be on the books or not. There are needs and problems that border on Geary County that have to be solved, and any benefits derived from this have to go to that purpose.

John Strain, auditor, said he believed this bill is in the best interest of the county as a whole. He said the elimination in the past of part of the population of the county in allocating one-half of the revenue is not a valid method. He said he knew of no allocation scheme which singles out a county apart from others in allocating shared revenues or locally assessed taxes differently.

The following persons appeared in opposition to SB 797:

Larry Plaggerman, Junction City mayor, said the entire Geary County Commission was in Junction City on February 11 and discussed this issue. The word from Senator Montgomery was to work out an agreement, and they agreed to do that. He said this is a local issue and not one the legislature should be arbitrating. (Attachment #3)

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

room 526-S, Statehouse, at 11:00 a.m./p.m. on February 29, 1984

Dave Platt, City Attorney, told the committee that both sides aired their differences when they met, and he believes it possible to have a resolution. He thinks SB 797 will work as a sword over their heads. The main problem Commissioner Dozier stated today is that he is of the belief we should not proceed with any governmental agreement procedure until after the law is changed. He said Leavenworth and Wichita are allowed to annex adjoining military reservations, but Junction City is not allowed to annex the Fort Riley military reservation.

Senator Montgomery commented that he did not introduce this bill to hang a sword over their heads but simply because of a misunderstanding and a clarification that needed to be addressed by this committee. He said he was to be notified if an agreement had been reached and would not have introduced the bill if they had told him they had reached an agreement.

Richard Pinaire said the entire delegation was aware that the attempt to annex was because of the loss of the sales tax money that was anticipated. If the annexation were to be successful then the city was not to count the population; and if unsuccessful, the county didn't count them either. The commissioner worked against their attempt to annex. He said if you will check the record, the entire delegation from that area supported this. All of you voted for this legislation, and now you are asking to change the vote 2½ years later. He said there were commitments made, and this was the compromise. He said he was part of the discussion, and they want existing law to be maintained in effect. He further stated they do intend to work out something but have had only about two weeks to work on an agreement.

The chairman adjourned the meeting at 12:00 noon.

The committee will meet on March 1 at 11:00 a.m.

ASSESSMENT AND TAXATION

OBSERVERS  
(PLEASE PRINT)

DATE	NAME	ADDRESS	REPRESENTING
Feb. 29			
"	Janice Marum	Topeka	PVO
"	M. Hawn	"	Cap. Jowers
"	John A. Strang	Junction City	Geary Co.
"	Marion Ozier Jr.	" "	" "
"	Carol Grech	Topeka	Judiciary
"	John K. Blythe	Manhattan	K. F. B.
"	T. Swilder	Topeka	KLSI
"	Joan McBride	Topeka	United Way <sup>of Topeka</sup>
"	W. M. Kelly	Junction City	Deer & County
"	E. A. Gilbert	Topeka	Budget Div.
"	Richard A. Paine	Junction City	Private
"	David R. Platt	" "	Junction City
"	Dan S. Loar	" "	Chamber of Commerce <sup>J.C.</sup>
"	Kary & Raymond	" "	City of J.C.
"	James Smith	" "	" " "
"	Tom Higgins	Junction City	City of J.C.
"	Mary Harger	Healy, Ks	AAM
"	Harley Duncan	Topeka	Dept of Revenue
"	Bill Eads	"	"

## MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

Held in Room 526-S at the Statehouse at 11:00 A.M. 3/23/82

on March 23, 1982

Attachment #1

All members were present except Senator Hayden (Excused)

The next meeting of the Committee will be held at 11:00 A.M. 3/24/82

on March 24, 1982

These minutes of the meeting held on \_\_\_\_\_, 19\_\_\_\_ were considered, corrected and approved.



Chairman

The conferees appearing before the Committee were:

Staff present: Tom Severn - Research Dept.  
Don Hayward, Theresa Kiernan - Revisor's Office

Senator Merrill Werts

Senator Burke, chairman, called the meeting to order.

The committee considered HB 3084 which relates to the apportionment of the countywide retailers' sales tax receipts in Geary County. Senator Werts explained that countywide sales taxes are allocated one half on the basis of population and one half on the basis of total tangible property tax levies. In 1980 with the change from state to federal census figures, the population of military reservations was included in the county population for the first time. (If Ft. Riley's population is included in the county population, Junction City and other smaller cities would reap a windfall.)

Senator Werts also explained HB 3117 which he said was introduced to protect the cities of both Geary and Riley County on the allocation of the county and city revenue sharing fund in the event that the Fort Riley annexation was accomplished. This would eliminate that population from the formula which allocates the revenue sharing moneys. He told the committee both bills were introduced into the House Assessment and Taxation Committee at the request of the chairman, Representative James Braden, to assure that Junction City doesn't reap a windfall if Fort Riley is annexed.

Senator Werts said he introduced SB 850 in the event the annexation bill, which prohibits annexation of military reservations, failed to become enacted. He distributed balloon copies of SB 850 with amendments and requested this be amended into HB 3117.

Senator Angell moved and Senator Mulich seconded a motion to adopt the amended version of SB 850 and place as amended in HB 3117, with title of SB 850. The motion carried.

Senator Thiessen moved and Senator Angell seconded a motion to incorporate HB 3084 into HB 3117 with SB 850 title. The motion passed. Senator Angell moved and Senator Thiessen seconded a motion to report HB 3117 as amended favorable for passage. The motion passed.

The meeting was adjourned.

Atch. 1  
(2/29/84)

Testimony in Support of SB 797

Attachment #2

Morris Dozier, Sr., Chairman, Geary County Board of Commissioners

February 29, 1984

Mr. Chairman and members of the committee: My name is Morris Dozier, Sr., Chairman, Board of Commissioners, Geary County. I appear before you this morning in support of SB 797, a bill which, when passed and put into law, will restore the right of Geary County to use all of its unincorporated population in the distribution of county-wide sales tax, a right enjoyed by all other counties of this great state of Kansas. As the law now stands there is a provision therein which we, the governing body of Geary County, feel is discriminatory in that it singles out and penalizes Geary County, by denying the use of that portion of its unincorporated population which lies on the Fort Riley Military Reservation, without the consent of the county governing body (encl #1).

The history of this restrictive provision in the present law stems from the adoption of the 1980 federal census by the State of Kansas as the official population for all counties. This was a departure from the prior use of the agriculture census figures, which did not include the Fort Riley military population. The change became effective in the middle of the city/county budget year and resulted in a shift of approximately \$130,000 in the anticipated sales tax revenue from the cities to the county. The greatest impact was to be on the City of Junction City, which was to lose approximately \$120,000 per annum. The governing body of the City of Junction City was quite concerned over the anticipated loss of revenue in the middle of the budget year, and they voiced their concern to the governing body of the county. Consequently the governing body of Geary County, in a spirit of consideration and cooperation, supported legislation which in effect suspended the use of the unincorporated Geary County population of Fort Riley in the distribution of county-wide sales tax for the calendar years 1980 and 1981. The bill was enacted into law (see encls 2 & 3). This restrictive provision was to expire or "sunset" at

*Rich. 2  
(2/29/84)*

the end of 1981. The governing body of the county was confident at the time that their gesture of consideration was appreciated by the governing bodies of the cities, and that the right to use the full Federal census population, including the approximate 6,000 Fort Riley population would be regained, upon the expiration of the restrictive provision in the law. However, in an action bordering on a breach of trust, the City of Junction City annexed the Fort Riley military reservation, giving as their main purpose the recovery of the anticipated loss of revenue brought about by the population shift under the 1980 Federal census (encl #4).

I am assuming that most of you are familiar with the Fort Riley annexation issue, which was finally put to rest by the Kansas Supreme Court. The provision in the present law which denies Geary County the right to its Fort Riley population is nothing more than a hangover from the annexation issue. This restrictive provision was enacted in the waning hours of the 1982 legislature under the cloak of the annexation issue. I would like to emphasize here that the governing body of Geary County was not a party to the decision to enact this law. Any justification that may have existed for this restrictive provision under the cloak of the annexation issue died with that issue.

It is my hope that this committee, in addressing the bill before you, will ask this question: Can a county, any county, rightly be singled out and penalized by denying that county the use of its certified and official population, without the consent of the county governing body, at the whim of one of its cities? We are not asking for any retroactive recovery of revenue lost to Geary County after 1981. We are only asking for the removal of a provision in the law which, in my judgement, makes a travesty of justice.

There are those who will say that this matter should be settled at the local level. I say to you that the most important priority in this matter is the repeal of the unjust provision now existing in the law being addressed by this SB 797.

I feel that Geary County is entitled to the same population rights as the other 104 counties in this great State of Kansas. Once this is done, the county governing body is ready and willing to sit down with city officials and come to an agreement on sharing the revenue in question in a fair and equitable manner. As all of you are aware, I am sure, there are Kansas Statutes already in place to facilitate intergovernmental agreements where there has been a meeting of the minds on matters of mutual concern. As a matter of fact, we have already begun discussions in this regard, through our respective counselors, but we are determined to rid the law in question of an unfair and unjust provision before proceeding further.

Thank you. I have brought along a few others who might like to make a few comments in support of the bill.

  
Morris Dozier, Sr.



the county and each city located in such county in the following manner: (1) One-half of all revenue received by the county treasurer shall be apportioned among the county and each city located in such county in the proportion that the total tangible property tax levies made in such county in the preceding year for all funds of each such governmental unit bear to the total of all such levies made in the preceding year, and (2) except as provided by paragraph (3), 1/2 of all revenue received by the county treasurer from such countywide retailers' sales tax shall be apportioned among the county and each city located in such county, first to the county that portion of the revenue equal to the proportion that the population of the county residing in the unincorporated area of the county bears to the total population of the county, and second to the cities in the proportion that the population of each city bears to the total population of the county, except that no persons residing within the Fort Riley military reservation shall be included in the determination of the population of any city located within Riley county, or (3) one-half of all revenue received by the county treasurer of Geary county from countywide retailers' sales taxes levied in any year shall be apportioned among the county and each city located in such county, first to the county that portion of the revenue equal to the proportion that the population of the county residing in the unincorporated area of the county less the population residing on a military reservation bears to the total population of the county less the population residing on a military reservation, and second to the cities in the proportion that the population of each city bears to the total population of the county less the population residing on a military reservation. All revenue retained by the county shall be paid into the general fund of the county.

(b) For purposes of subsection (a), the term "total tangible property tax levies" means the aggregate dollar amount of tax revenue derived from ad valorem tax levies applicable to all tangible property located within each such city or county. The ad valorem property tax levy of any county or city district entity or subdivision shall be included within this term if the levy of any such district entity or subdivision is appli-

cable to all tangible property located within each such city or county.

(c) All revenue apportioned to the several cities of the county shall be paid to the respective treasurers thereof. Whenever the territory of any city is located in two or more counties and any one or more of such counties do not levy a countywide retailers' sales tax, or whenever such counties do not levy countywide retailers' sales taxes at a uniform rate, the revenue received by such city from the proceeds of the countywide retailers' sales tax shall be used for the purpose of reducing the tax levies of such city upon the taxable tangible property located within the county levying such countywide retailers' sales tax, except when the county which does not levy a countywide sales tax has within its bounds a portion of the Fort Riley military reservation, the city in the county which levies the tax shall be exempt from this requirement. In every other case, all revenue received by a city from the proceeds of a city or countywide retailers' sales tax shall be deposited in the general fund of such taxing subdivision.

(d) Prior to March 1 of each year, the director of taxation shall advise each county treasurer of the revenue collected in such county from the state retailers' sales tax for the preceding calendar year.

History: L. 1978, ch. 56, § 6; L. 1980, ch. 61, § 1; L. 1981, ch. 66, § 1; L. 1981, ch. 67, § 1; L. 1982, ch. 65, § 1; L. 1983, ch. 60, § 1; March 10.

**12-195.** Countywide and city retailers' sales taxes; use of proceeds for payment of bonds prohibited; exception. (a) Except as otherwise provided in subsection (b), no city or county shall commit any of the funds or proceeds derived from a retailers' sales tax as a guarantee for the payment of bonds issued by such city or county.

(b) The board of county commissioners of a county which imposes a countywide retailers' sales tax may issue revenue bonds payable from the proceeds thereof for the purpose of paying the state's share of the cost of highway improvement for which a federal share is to be received.

Any tax imposed pursuant to this subsection shall terminate whenever such revenue bonds and any interest thereon has been paid in full.

History: 227, § 1; J

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(d) For comment the coun

ENC #1



such county in the proportion that the total tangible property tax levies made in such county in the preceding year for all funds of each such governmental unit bear to the total of all such levies made in the preceding year and (2) except as provided by paragraph (3), one-half of all revenue received by the county treasurer from such countywide retailers' sales tax shall be apportioned among the county and each city located in such county, first to the county that portion of the revenue equal to the proportion that the population of the county residing in the unincorporated area of the county bears to the total population of the county, and second to the cities in the proportion that the population of each city bears to the total population of the county or (3) one-half of all revenue received by the county treasurer of Geary county from countywide retailers' sales taxes levied in 1980 and 1981 shall be apportioned among the county and each city located in such county, first to the county that portion of the revenue equal to the proportion that the population of the county residing in the unincorporated area of the county less the population residing on a military reservation bears to the total population of the county less the population residing on a military reservation, and second to the cities in the proportion that the population of each city bears to the total population of the county less the population residing on a military reservation. All revenue retained by the county shall be paid into the general fund of the county.

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(c) All revenue apportioned to the several cities of the county shall be paid to the respective treasurers thereof. Whenever the territory of any city is located in two or more counties and any one or more of such counties do not levy a countywide retailers' sales tax, or whenever such counties do not levy countywide retailers' sales taxes at a uniform

rate, the revenue received by such city from the proceeds of the countywide retailers' sales tax shall be used for the purpose of reducing the tax levies of such city upon the taxable tangible property located within the county levying such countywide retailers' sales tax. In every other case, all revenue received by a city from the proceeds of a city or countywide retailers' sales tax shall be deposited in the general fund of such taxing subdivision.

(d) Prior to March 1 of each year, the director of taxation shall advise each county treasurer of the revenue collected in such county from the state retailers' sales tax for the preceding calendar year.

**History:** L. 1978, ch. 56, § 6; L. 1980, ch. 61, § 1; L. 1981, ch. 66, § 1; L. 1981, ch. 67, § 1; May 13.

**Source or prior law:**  
12-177.

**12-193.** Same; continuation of taxes in effect on June 30, 1978; continuation of rules and regulations. Any class A city or any county levying a retailers' sales tax on June 30, 1978, is hereby authorized to continue the levy of its retailers' sales tax under the authority of and subject to the provisions of this act without reapproval of the electors of such city or county. All rules and regulations adopted by the secretary of revenue for the regulation of the levy of retailers' sales taxes by cities in effect on the effective date of this act, insofar as applicable, shall continue in effect and shall regulate the levy of retailers' sales taxes by counties and cities under the provisions of this act until amended or revoked by the secretary of revenue.

**History:** L. 1978, ch. 56, § 7; July 1.

**Source or prior law:**  
12-179.

#### CASE ANNOTATIONS

1. Mentioned in upholding imposition of city sales tax under 12-137. *Clark v. City of Overland Park*, 226 K. 609, 618, 602 P.2d 1292.

**12-194.** Same; other city and county excise taxes prohibited; prohibition construed. No city or county shall levy or impose an excise tax or a tax in the nature of an excise, other than a retailers' sales tax levied under and subject to the restrictions and provisions of this act, upon the sale or transfer of personal or real property, or the use thereof, or the rendering of a service, but

End #2

February 23, 1981

Mr. James D. Braden  
Representative 64th District  
House of Representatives  
Topeka, Kansas 66612

Re: House Bill #2468

Dear Representative Braden:

This is to advise you that the Geary County Commissioners have reviewed House Bill No. 2468 relating to the distribution of county wide retailers sales tax in Geary County.

This is to advise you that we have no objections to the Bill 2468, provided the bill covers or can include the following or they are covered elsewhere:

1. Who will make the certification of the population?  
We assume that the certification of population goes back to Chapter 56 of the session laws of 1980 which ammended KSA 11-201.
2. Does the population figure available from the Bureau of the Census list separately the population on Fort Riley attributable to Geary County?

If not, then it may be very difficult to deduct the military population in arriving at the county population for distribution purposes.

3. We ask that the bill be limited to the years 1980 and 1981, same being the budgets which were prepared on the old basis. It may be that we would want to work out an extension, next year. We would object to the proposed bill unless it has a termination date in it and is limited to 1980 and 1981 budgets.
4. The House Bill No. 2468 provides that it becomes effective upon publication.

House Bill No. 3051 (Chapter 61 of the 1980 Session Laws) took effect on its publication on April 11, 1980. We would recommend, if possible, that House Bill 2468 be worded so .

*Encl #3*

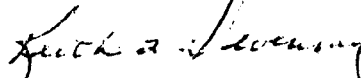
Mr. James D. Braden

-2-

2-23-81

that it would have a retroactive effect and that distribution for 1980 and for 1981 prior to the effective date of House Bill 2468 would be covered by the provisions of the new act and not by the provisions of Chapter 61 of the 1980 Session Laws.

Very truly yours,



The Board of County Commissioners  
Geary County, Kansas

1. Petition the U.S. Supreme Court to review the case. The City has 90 days from September 8, 1983 to file the action.
2. File original action in District Court to get the population counted. He said there was no appeal filed within the 30-day period with regard to the second or Creative Ordinance.
3. Create original action in Federal Court to seek recognition of the population at Fort Riley.

In response to questions, he said a fourth option would be to do nothing.

In the presentation, Mr. Pinaire pointed out that a state law was enacted that saved the City about \$120,000.00 in Geary County sales tax money.

It was noted that Commissioner Smothers was absent and that a Commission meeting would not be held October 18, 1983.

Following other discussion, Mrs. Lesser moved to table the matter until October 25, 1983. Motion was seconded by Mr. McRae and approved by the following vote: Ayes: Mr. Plaggerman, Mr. Fegan, Mrs. Lesser and Mr. McRae.

Following bids for the Country Club Terrace Improvements were opened and publicly read aloud:

FIRM	AMOUNT
Bayer Construction Co., Inc. Manhattan, KS	\$177,848.72
Geo. M. Myers, Inc. Junction City, KS	102,931.70
Engineer's Estimate	106,037.65

The Commission agreed to delay action two weeks in order that the Staff could review the bids.

In reply to questions from Mrs. Lesser, the City Manager and City Engineer indicated a handicapped sidewalk ramp could be installed at the Post Office in connection with the Street Maintenance Program.

Mr. Fegan moved to adjourn the meeting. Motion was seconded by Mrs. Lesser.

Encl #4

R E S O L U T I O N 2-6-84

WHEREAS, though the official population of Geary County, including those persons residing in that portion of the Fort Riley military reservation lying in Geary County, as certified by the 1980 federal census, is recognized, accepted and used at the state and federal level, the governing body of the City of Junction City has officially challenged the use of this population in the distribution of the county wide Geary County sales tax.

and

WHEREAS, use of the federal census population figures represent a departure from previous methods, and amount to a shift in population weight in favor of Geary County, the resultant additional population is well deserved and justified, as relief for the direct impact of Fort Riley military personnel on the county courts, confinement facility and a host of other public services.

and

WHEREAS, at the outset of the use of the 1980 federal census population figures by the State of Kansas in the distribution of the county wide sales tax, it became apparent to the governing body of Geary County that the cities of the county were not prepared to absorb the anticipated loss of revenue, the change having taken effect in the middle of the budget year.

and

WHEREAS, in consideration for the concerns of the cities of Geary County, and, in the spirit of cooperation, the governing body of Geary County agreed to and supported an amendment to the Kansas county-wide sales tax distribution law, which, in affect, held in abeyance the inclusion of the Fort Riley military population for the budget years 1980 and 1981, thus preventing a shift in population from the cities to the county for those two years. The amendment was to "sunset" or expire at the end of 1981.

and

Encl #5

WHEREAS, the governing body of the City of Junction City, in an action bordering on a breach of trust, annexed the Fort Riley military reservation, and, in conjunction therewith, initiated action which resulted in a further amendment to the county-wide sales tax distribution law, amounting to the repeal of the "sunset" provisions leaving the law in its present form, and, under the cloak of annexation, tying the hands of the county commissioners until that issue was settled.

and

WHEREAS, the voters of the County of Geary County approved a one cent sales tax in 1978, which generates a million and a quarter dollars per annum exclusively for the city budget, an amount which is ten times the \$130,000 or so that would be lost to the county as a result of the beforementioned population shift.

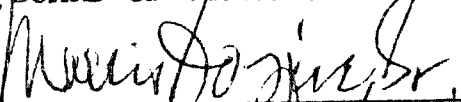
NOW THEREFORE BE IT RESOLVED THAT:

1. The governing body of Geary County is entitled to the same population rights as the other 104 counties of the State of Kansas, and will make every effort through the legislative process to repeal that portion of the law on the distribution of county-wide sales tax, which, as an outgrowth of the now "moot" annexation "issue", singles out and penalizes Geary County.

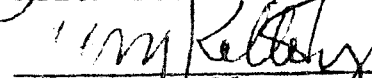
BE IT THEREFORE FURTHER RESOLVED THAT:

The governing body of Geary County commends the two third class cities of Geary County, namely, the City of Grandview Plaza and the City of Milford, for living up to their commitment with regard to honoring the original "sunset" amendment to the county-wide sales tax distribution law.

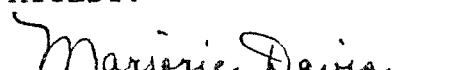
BOARD OF GEARY COUNTY COMMISSIONERS

  
Morris Dozier, Sr. Chairman

  
Keith Devenney

  
William Kelly

ATTEST:

  
County Clerk

October 25, 1983

PAGE TWO

It was also noted that the Engineer's estimate was \$106,037.65.

In response to question, the City Engineer said the memo from his office contained a typographical error, and the amount of the bid from George M. Myers was \$102,931.70.

Mrs. Lesser moved to award the bid to Geo. M. Myers, Inc., in the amount of \$102,931.70. Motion was seconded by Mr. Smothers and approved by the following vote: Ayes: Mr. Plaggerman, Mr. Fegan, Mrs. Lesser, Mr. McRae and Mr. Smothers.

The City Engineer opened following "requests for proposals" concerning odor control and reduction of maintenance costs for the Sewage Treatment Plant:

Professional Engineering Consultants  
Wichita, KS

KAW Valley Engineering & Development, Inc.  
Junction City, KS

Wells Engineering  
Omaha, NB

Black & Veatch  
Kansas City, MO

Burns & McDonald  
Kansas City, MO

In the discussion and in response to questions, the City Engineer said staff would summarize the proposals in report form for the Commission's consideration next week. Also, the engineers who were here recently at the invitation of Mr. Wunder, Health Department, would be contacted and asked for a written report with regard to their visit to the Sewage Treatment Plant.

The Commission again considered the Fort Riley Annexation Case.

Mr. Keith Devenney, Chairman, Board of Geary County Commission, met with the Commission with regard to the annexation issue. He mentioned the \$20,000 sales tax loss to Geary County as noted in the City Commission minutes of October 11, 1982 and asked the Commission to consider requesting the State to repeal the law that prohibits the inclusion of the 6,000 people at Fort Riley in the Geary County population count. He invited the Commission to meet with the County at any time.

Enc #6



KANSAS STATE SENATE ASSESSMENT & TAXATION COMMITTEE

Attachment #3

Paul Burke, Chairman

James Allen  
Charles Angell  
Bert Chaney  
Roy Ehrlich  
Leroy Hayden

Michael Johnston  
Fred Kerr  
Don Montgomery  
Wm. Mulich  
Dan Thiessen

WEDNESDAY - FEBRUARY 29, 1984 - 11:00 A. M. - ROOM 526 SOUTH - STATE CAPITOL - TOPEKA

OPPONENTS TO SENATE BILL NO. 797

Mark Edwards, Chairman of the Board, Junction City Chamber of Commerce  
(former Geary County Republican Chairman)

John Higgins, Junction City City Manager

Dan B. Loeb, President, Junction City Chamber of Commerce

Richard Pinaire, Attorney (former City Attorney)  
(Geary County Democratic Chairman)

Larry Plaggerman, Mayor of Junction City

David Platt, Junction City City Attorney

James A. Smothers, Junction City Commissioner (former Mayor)

Roy Westover, Junction City Chamber of Commerce Vice Chairman of the Board

1. Resolution #1070 adopted by the City of Junction City January 24, 1984.  
(to be addressed by Mayor Larry Plaggerman).
2. Resolution unanimously adopted by the Board of Directors of the Junction City Chamber of Commerce February 10, 1984. (to be addressed by Mayor Larry Plaggerman).
3. Junction City Daily Union article of February 12, 1984, whereby area Legislators Senator Merrill Werts, Senator Don Montgomery, Representative James Braden and Representative Ed C. Rolfs request that the Junction City Commission and the Geary County Commission resolve their sales tax dispute with having it done in the Legislature. (to be addressed by David Platt).
4. House Bill #3117 adopted by the State Legislature April 15, 1982, permanently excluding the Fort Riley population from the sales tax distribution formula.  
(to be addressed by Richard Pinaire).

File #3  
(2/29/84)

A RESOLUTION CONCERNING THE DISTRIBUTION OF SALES TAX REVENUES WITHIN  
GEARY COUNTY, KANSAS.

WHEREAS, It is understood that the Geary County Commission is requesting that the Kansas Legislature modify the distribution formula of sales tax within Geary County to include approximately six thousand (6,000) people who reside on the military reservation at Fort Riley; and

WHEREAS, The County does not provide services to those approximately six thousand (6,000) people in Fort Riley; and

WHEREAS, The Kansas Legislature adopted legislation to provide the present distribution of the sales tax; and

WHEREAS, If the additional population were included in Geary County, the the cities of Junction City, Grandview Plaza and Milford would lose substantial revenue to Geary County; and

WHEREAS, Junction City's population is 80% of the total Geary County population; and

WHEREAS, Junction City's valuation is 70% of the total Geary County valuation; and

WHEREAS, Junction City also has a one (1) cent City Sales Tax, which will reduce the demands on the County-wide Sales Tax, that will allow distribution to the other incorporated cities within Geary County and also the County Government; and

WHEREAS, As an illustration, the City of Junction City reduced the 1983 Tax Levy to allow the distribution of \$60,000.00 to the other incorporated cities and County Government of Geary County for the year 1983; and

WHEREAS, Although approximately ninety-one percent (91%) of the revenue from sales tax comes from Junction City, only approximately sixty-three (63%) is returned to Junction City; and

WHEREAS, If the proposed change is adopted by the Kansas Legislature, and the County is unjustly enriched by the inclusion of approximately six thousand (6,000) people to its population, the City of Junction City would receive only about fifty-five percent (55%) of the sales tax revenue; and

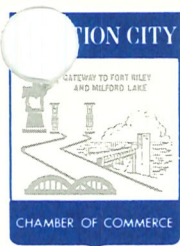
WHEREAS, If Junction City's sales tax distribution is reduced, it will become necessary to place an additional burden on its citizens by increasing the Tax Levy to Junction Citians by approximately four (4) mills.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CITY OF JUNCTION CITY, KANSAS:

That the present formula for the distribution of sales tax within Geary County not be modified by the Kansas Legislature, to the detriment of the cities within Geary County, Kansas.

This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED THIS 24th DAY OF January, 1984.



# JUNCTION CITY

## Chamber of Commerce

JUNCTION CITY, KANSAS 66441

<u>1983 TOTAL SALES TAX COLLECTED FROM 1¢ SALES TAX IN GEARY COUNTY</u>	<u>1983 TOTAL SALES TAX COLLECTED FROM 1¢ SALES TAX IN JUNCTION CITY</u>	<u>1983 TOTAL SALES TAX COLLECTED FROM 1¢ SALES TAX IN GRANDVIEW PLAZA</u>	<u>1983 TOTAL SALES TAX COLLECTED FROM 1¢ SALES TAX IN MILFORD</u>	<u>1983 TOTAL SALES TAX COLLECTED FROM 1¢ SALES TAX BY FIRMS LOCATED IN COUNTY</u>
\$1,616,590	\$1,503,428 (93%)	\$64,664 (4%)	\$32,332 (2%)	\$16,166 (1%)
<u>1983 TOTAL SALES TAX DISTRIBUTED BY GEARY COUNTY</u>	<u>1983 TOTAL SALES TAX DISTRIBUTED TO JUNCTION CITY</u>	<u>1983 TOTAL SALES TAX DISTRIBUTED TO GRANDVIEW PLAZA</u>	<u>1983 TOTAL SALES TAX DISTRIBUTED TO MILFORD</u>	<u>1983 TOTAL SALES TAX DISTRIBUTED TO REMAINDER OF COUNTY</u>
\$1,616,590	\$1,032,193 (64%)	\$43,648 (3%)	\$20,932 (1%)	\$519,817 (32%)
<u>1983 TOTAL SALES TAX DISTRIBUTED BY GEARY COUNTY IF 6,000 INCLUDED</u>	<u>1983 TOTAL SALES TAX DISTRIBUTED TO JUNCTION CITY IF 6,000 INCLUDED</u>	<u>1983 TOTAL SALES TAX DISTRIBUTED TO GRANDVIEW PLAZA IF 6,000 INCLUDED</u>	<u>1983 TOTAL SALES TAX DISTRIBUTED TO MILFORD IF 6,000 INCLUDED</u>	<u>1983 TOTAL SALES TAX DISTRIBUTED TO REMAINDER OF COUNTY IF 6,000 INCLUDED</u>
\$1,616,590	\$902,057 (56%)	\$38,152 (2%)	\$18,429 (1%)	\$657,952 (41%)
	<u>LOSS ON SALES TAX DISTRIBUTION TO JUNCTION CITY IF 6,000 INCLUDED</u>	<u>LOSS ON SALES TAX DISTRIBUTION TO GRANDVIEW PLAZA IF 6,000 INCLUDED</u>	<u>LOSS ON SALES TAX DISTRIBUTION TO MILFORD IF 6,000 INCLUDED</u>	<u>GAIN ON SALES TAX DISTRIBUTION TO REMAINDER OF COUNTY IF 6,000 INCLUDED</u>
	\$130,136	\$5,496	\$2,503	\$138,135

WHEREAS, It is being considered that a request be made of the Kansas Legislature to consider the modification of the distribution formula of sales tax within Geary County to include 6,000 people who reside on the military reservation at Fort Riley, and

WHEREAS, Business firms located within the boundaries of Junction City, generate 93% of the receipts collected from the 1¢ sales tax in Geary County, and

WHEREAS, Junction City would receive 8% less money if this distribution formula were changed, with approximately \$130,000 less revenue based on 1983 receipts, and

WHEREAS, Geary County does not provide services to those approximately 6,000 persons in Fort Riley, and

WHEREAS, This \$130,000 loss of revenue would necessitate an additional burden on business firms and individuals in Junction City, amounting to over three (3) mills.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE JUNCTION CITY AREA CHAMBER OF COMMERCE, JUNCTION CITY, KANSAS:

That the present formula for the distribution of sales tax within Geary County not be modified by the Kansas Legislature, to the detriment of the cities within Geary County.

PASSED AND ADOPTED UNANIMOUSLY THIS 10TH DAY OF FEBRUARY, 1984.

*Mark Edwards*  
MARK EDWARDS  
CHAIRMAN OF THE BOARD

*Dan B. Loeb*  
DAN B. LOEB  
PRESIDENT & CEO



# Sunday Union

Published in the Best City of its size in the Whole Wide World

Beirut evacuation  
disrupted — Page 32

Founded Sept. 12, 1861

50 CENTS

JUNCTION CITY, KANSAS SUNDAY, FEBRUARY 12, 1984

Sixty-Four Pages

No. 23

## Legislators referee city, county dispute

By BOB HONEYMAN  
Daily Union staff writer

Sharp differences between the Junction City and Geary County Commissions over the inclusion or exclusion of 6,000 Fort Riley residents in the county sales tax distribution formula were aired before Geary County's legislation delegation on Saturday morning.

The legislators asked the two commissions to get together and resolve their dispute without having it done in the Legislature.

State law excludes the use of the Fort Riley residents in the county's population, as it pertains to the formula, which is based 50 percent on population and 50 percent on tax levies.

### First of two parts

County Commissioners have asked the legislators to include those residents in the formula, which would result in the county gaining approximately \$150,000 annually in sales tax revenue — at the expense of its three incorporated cities.

City Commissioners are opposed to that request because it would cost Junction City approximately \$130,000 annually in revenue.

Legislators taking part in the meeting at the Harvest Inn were State Sens. Merrill Werts, R-Junction City, and Don Montgomery, R-Sabetha, and State Reps. Ed C. Rolfs, R-Junction City, who didn't speak, and Jim Braden, R-Clay Center.

Speaking for the county were Commission Chairman Morris Dozier Sr. and Commissioners Keith Deveney and William M. "Bill" Kelley. Speaking for the city were Mayor Larry Plaggerman, City

Attorney David Platt and former City Attorney Richard Pinaire.

Werts traced the roots of the dispute to a 1979 state law which adopted the federal census as Kansas' official population, along with Junction City's unsuccessful attempt in 1982 to annex Fort Riley.

The senator said when the federal census was implemented in 1980, Geary County received credit for the 6,000 Fort Riley residents, which hadn't been included before in the annual enumeration conducted by the county appraiser.

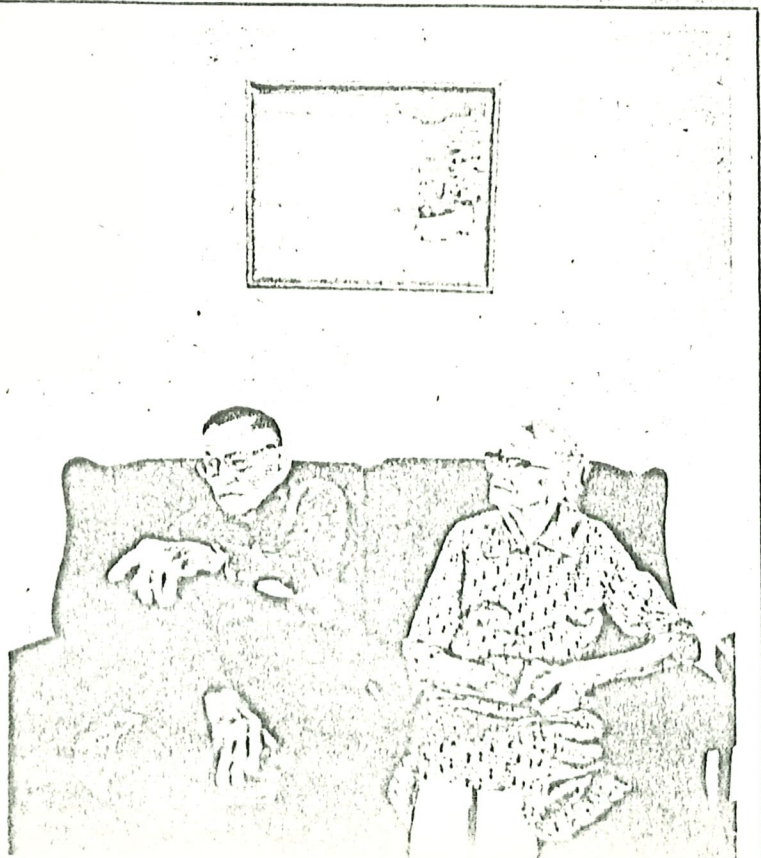
City and county commissioners, according to Werts, worked out what he described as a "temporary" agreement, whereby the Legislature in 1980 passed a special law which excluded the military residents from the distribution formula for the 1980 and 1981 budget years.

The law expired Dec. 31, 1981.

The legislative delegation's understanding was that the annexation attempt was an effort by the city to regain the 6,000 Fort Riley residents (which the county started counting in the formula on Jan. 1, 1982). Werts said, "in order to result in what they perceived to be a more equitable distribution of the sales tax funds."

"The annexation did have an impact on it. It tended to cloud the issue and tended, I'm afraid, to develop more of a schism between the city and county commissions than was in existence at the time," he added.

As a consequence, Werts said, he had a bill introduced which would do a number of things, among which provided that the population would remain with Geary County. The bill didn't move in committee. This was because the panel was waiting to see Legislators, Page 2



# Sunday Union

Published in the Best City of its size in the Whole Wide World

## Two JCHS wrestlers compete in state finals

See story, photo on Page 9

Founded Sept. 12, 1861

50 CENTS

JUNCTION CITY, KANSAS SUNDAY, FEBRUARY 26, 1984

One Hundred and Thirty-Six Pages

No. 25

## Truce dissolves; U.S. ships fire

By FAROUK NASSAR

Associated Press Writer  
BEIRUT, Lebanon (AP) — President Amin Gemayel's administration appealed Saturday for speedy U.N. intervention as the first full Marine combat unit withdrew from Lebanon and a day-old truce collapsed in a hail of shellfire.

State-run Beirut radio and privately owned stations said U.S. Navy warships opened fire Saturday night at artillery positions in the Syrian-controlled central mountains.

The ships fired for about 20 minutes, the radios said. U.S. officials and Marine spokesmen in Lebanon could not be reached for comment, and a Pentagon spokesman in Washington said he could not confirm the reports.

State radio said Gemayel's office had asked Saudi Arabia and Syria to help arrange a new start for the truce, which reduced fighting for only a few hours.

The reports of U.S. naval shelling came after Lebanese army troops in the strategic mountain town of Souk el-Gharb suffered a heavy barrage of artillery and rocket fire from Druse gunners in the nearby town of Aleq. Mountain battles the previous night killed at least 20 people and wounded 39, police said.

During the day, the Druse insurgents lobbed shells and rockets into east Beirut's Christian neighborhood of Ashrafieh, police said.

The army battled Moslem militiamen across the mid-city "greenline" dividing Beirut into Moslem west and Christian east. They traded fire with tank cannons and rocket-propelled grenades.

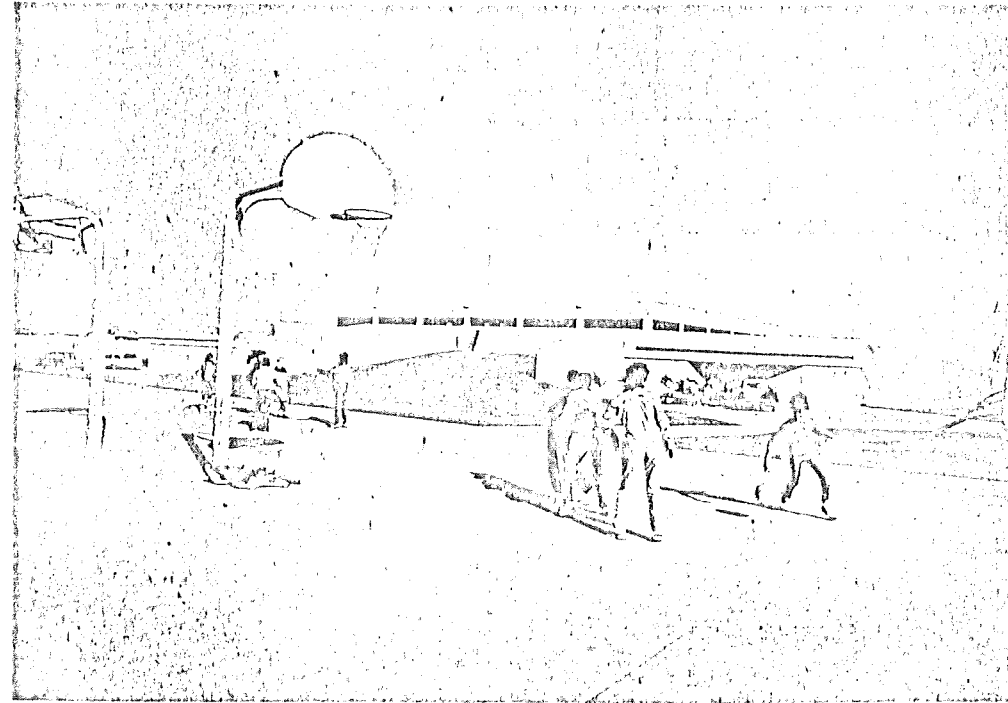
Fuad Tork, undersecretary in the Lebanese Foreign Ministry, called in the ambassadors of the United States, the Soviet Union, Britain, France and China — the five permanent members of the U.N. Security Council.

A ministry statement said Tork explained Lebanon's position on the French draft resolution to replace the Multinational Peacekeeping Force with a U.N. contingent. It said Tork told the ambassadors in separate meetings that Gemayel's administration wants the U.N. force's peacekeeping powers to extend over all of Lebanon.

Gemayel's office approves of the French proposal that U.N. troops take up peacekeeping duties in "greater Beirut, but it wants them also to control highways linking the Lebanese capital with other occupied parts of the country," according to the statement.

As a means of speeding up the U.N. deployment, it said, Tork suggested that advance units be drawn from another U.N. force, known as UNIFIL, which has been stationed in southern Lebanon since 1978.

Tork said Lebanon would not object to U.N. troops handling the security of Palestinian refugees. See Fire, Page 2



Photography: Sam Van Leeuwen

## Outlook '84

Students enjoy recess on a recent spring-like afternoon at Ware Elementary School at Fort Riley. Enrollment in public schools in Geary County, which includes Fort Riley schools, is down from last year.

The reasons are explained on Page 4B of the government and social services section of Outlook '84 in today's Sunday Union.

## Cooperation goal of city, county

By BOB HONEYMAN  
Daily Union staff writer

Fostering of greater cooperation between the Junction City and Geary County Commissioners is a major 1984 goal of County Commission Chairman Morris Dozier Sr. and Mayor Larry Plaggerman.

"I hope the cooperation shown between the city and county in the reconstruction of the North Washington Street Bridge will be a stepping stone to better relations," said Plaggerman in an interview Friday. "I intend to arrange a joint meeting between the two commissions to discuss mutual concerns, including the resolving of the sales tax controversy."

Dozier said in a recent interview that

the county and city have a lot of "mutual concerns" which should be discussed in a joint meeting of the commissions.

He noted that attention will need to be paid to peripheral roads, especially adjacent to developing areas west of the city.

"We also need to look into the problems created in the county (by city expansion), particularly law enforcement, fire protection and traffic safety," said Dozier.

The city and county commissioners have entered into an agreement to equally share the local costs for the widening and reconstruction of the county-owned North Washington Street Bridge, a \$559,483 project, for which 80 percent of the construction

costs will come from federal matching funds.

The sales tax controversy mentioned by Plaggerman involves the county's request to the Geary County legislative delegation for repeal of a state law which excludes the 6,000 Fort Riley residents on the Geary County portion of the military installation from the county's population in the sales tax distribution formula.

Junction City is opposed to the repeal because, according to the city commission, the increased county population would take approximately \$130,000 annually from the city's share of the sales tax proceeds distributed on the basis of See Cooperation, Page 2

## Bramlage awarded low bid for EPA office building

By SCOTT CAHNS

Daily Union correspondent  
Sen. Bob Dole, R-Kan., and  
Morris Kay, the Environmental

Great for Kansas

application, and exemptions therefrom, to the Kansas retailers' sales tax act and all laws and administrative rules and regulations of the state department of revenue relating to the retailers' sales tax shall apply to such local sales tax insofar as such laws and regulations may be made applicable. The state secretary of revenue is hereby authorized to administer, enforce and collect such local sales taxes and to adopt such rules and regulations as may be necessary for the efficient and effective administration and enforcement thereof. Upon receipt of a certified copy of an ordinance or resolution authorizing the levy of a local retailers' sales tax, the state director of taxation shall cause such taxes to be collected within the boundaries of such taxing subdivision at the same time and in the same manner provided for the collection of the state retailers' sales tax. All moneys collected by the director of taxation under the provisions of this section shall be credited to a "county and city retailers' sales tax fund" which fund is hereby established in the state treasury. Any refund due on any county or city retailers' sales tax collected pursuant to this act shall be paid out of the sales tax refund fund and reimbursed by the director of taxation from collections of local retailers' sales tax revenue. All local retailers' sales tax revenue collected within any county or city pursuant to this act shall be remitted at least quarterly by the state treasurer, on instruction from the director of taxation, to the treasurer of such county or city.

Sec. 4. K.S.A. 1981 Supp. 12-187 and 12-189 are hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its publication in the statute book.

Approved April 23, 1982.

## CHAPTER 65

House Bill No. 3117

AN ACT relating to municipal finance; concerning the distribution and allocation of certain revenues to cities and counties; amending K.S.A. 79-2961 and K.S.A. 1981 Supp. 12-192, 79-2966 and 79-3425c and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 1981 Supp. 12-192 is hereby amended to read as follows: 12-192. (a) All revenue received by any county treasurer from a countywide retailers' sales tax shall be apportioned among the county and each city located in such county in the following manner: (1) One-half of all revenue received by the county treasurer shall be apportioned among the county and each city located in such county in the proportion that the total

tangible property tax levies made in such county in the preceding year for all funds of each such governmental unit bear to the total of all such levies made in the preceding year and (2) except as provided by paragraph (3), one-half of all revenue received by the county treasurer from such countywide retailers' sales tax shall be apportioned among the county and each city located in such county, first to the county that portion of the revenue equal to the proportion that the population of the county residing in the unincorporated area of the county bears to the total population of the county, and second to the cities in the proportion that the population of each city bears to the total population of the county or (3) one-half of all revenue received by the county treasurer of Geary county from countywide retailers' sales taxes levied in 1980 and 1981 any year shall be apportioned among the county and each city located in such county, first to the county that portion of the revenue equal to the proportion that the population of the county residing in the unincorporated area of the county less the population residing on a military reservation bears to the total population of the county less the population residing on a military reservation, and second to the cities in the proportion that the population of each city bears to the total population of the county less the population residing on a military reservation. All revenue retained by the county shall be paid into the general fund of the county.

(b) For purposes of subsection (a), the term "total tangible property tax levies" means the aggregate dollar amount of tax revenue derived from ad valorem tax levies applicable to all tangible property located within each such city or county. The ad valorem property tax levy of any county or city district entity or subdivision shall be included within this term if the levy of any such district entity or subdivision is applicable to all tangible property located within each such city or county.

(c) All revenue apportioned to the several cities of the county shall be paid to the respective treasurers thereof. Whenever the territory of any city is located in two or more counties and any one or more of such counties do not levy a countywide retailers' sales tax, or whenever such counties do not levy countywide retailers' sales taxes at a uniform rate, the revenue received by such city from the proceeds of the countywide retailers' sales tax shall be used for the purpose of reducing the tax levies of such city upon the taxable tangible property located within the county levying such countywide retailers' sales tax, *except when the county which does not levy a countywide sales tax has within its bounds a portion of the Fort Riley military reservation, the city in the county which levies the tax shall be exempt from this requirement.* In every other case, all revenue received by a city from the

proceeds of a city or countywide retailers' sales tax shall be deposited in the general fund of such taxing subdivision.

(d) Prior to March 1 of each year, the director of taxation shall advise each county treasurer of the revenue collected in such county from the state retailers' sales tax for the preceding calendar year.

Sec. 2. K.S.A. 79-2961 is hereby amended to read as follows: 79-2961. (a) *The county clerk shall certify to the county treasurer when budgets are made under pursuant to K.S.A. 79-2960, and tax levies are filed with the county clerk; the county clerk shall so certify to the county treasurer. Thereupon, and. Prior to crediting the proper amounts under subsection (c) of this section, the county treasurer shall divide the amount paid by the state treasurer to the county treasurer among the county and all of the tangible property tax-levying political other taxing subdivisions of the county (including the county as one such political subdivision); except school districts and any incorporated city within which any portion of the Fort Riley military reservation is located and which would otherwise be a participant in the Riley county allocation, that shall which comply with the requirements of this act, in the proportion that the product of the last preceding total tangible tax rate of each subdivision, times its equalized tangible assessed valuation for the preceding year, is to the sum of such products of all the tangible tax-levying political subdivisions, except school districts and any incorporated city within which any portion of the Fort Riley military reservation is located and which would otherwise be a participant in the Riley county allocation, exclusive of the levy by the county for any deficiency for state purposes.*

(b) No political subdivision shall be entitled to participate in the distribution of any money appropriated to carry out K.S.A. 79-2960, and this section, unless and until such political subdivision ~~shall have~~ has adopted and certified a budget for the ensuing year which shows as a separate item the amount of the distribution to one or more tax levy funds of general application within such subdivision (except bond and interest funds); and ~~shall have~~ has certified a tax levy for each such fund that will produce a sum of money less than the amount which a maximum levy would produce for each such fund, in an amount equal to or in excess of the amount of such distribution. The budget of each such political subdivision also shall show that the aggregate levies made by such tangible property tax-levying political subdivisions will produce a sum less than the amount which aggregate levy would produce in an amount equal to or in excess of the aggregate amount of the budget items of such distribution shown in the aggregate levy.