

Approved On: _____

Minutes of the House Committee on Assessment and Taxation. The meeting was called to order by E. C. Rolfs, Chairman, at 9:00 a.m. on March 25, 1986 in room 519 South at the Capitol of the State of Kansas.

All members of the Committee were present.

Committee staff present:

Tom Severn, Legislative Research
Melinda Hanson, Legislative Research
Don Hayward, Reviser of Statutes
Millie Foose, Committee Secretary

Stan Basler, Commissioner Montgomery County, spoke as a proponent for SB-688, an act concerning the financing of county courthouse, jail, or law enforcement center facilities; authorizing the imposition of a county-wide retailers' sales tax for such purpose; exempting revenue bonds issued for such purpose from the county bonded indebtedness limitation. (Attachment 1) Fred Allen, representing Association for Counties, also spoke as a proponent. He said he thinks a sales tax is the most fair way to finance law enforcement facilities since all people benefit from installations such as this and sales tax has a broad tax base and is paid by everyone. This concluded the public hearing on SB-688.

SB-406, an act amending the open records act; excepting certain information required by county appraisers therefrom, was considered. Mr. Don Schnacke, representing Kansas Independent Oil & Gas Association, spoke as a proponent. There was considerable committee discussion concerning "open records" and whether disclosure of certain information might be damaging to the person being appraised. Committee members had many questions about this which they discussed with Dr. Severn and Don Hayward.

HB-2934, an act relating to taxation; concerning the imposition of the severance tax upon oil; concerning the rates of the state retailers; sales and compensating taxes, has been re-referred to this committee. Chairman Rolfs appointed a sub-committee consisting of Representatives Rolfs, Roe, Moomaw, Leach, and Fry to review proposals and report back to the committee.

The minutes of March 24 were reviewed by the committee and were approved.

There being no further business, the chairman adjourned the meeting.



Ed C. Rolfs, Chairman

COUNTY COMMISSIONERS
MONTGOMERY COUNTY

INDEPENDENCE, KANSAS 67301

March 25, 1986

Statement in Support of Senate Bill 688

I am writing you in my capacity as a Montgomery County Commissioner in regard to Senate Bill 688. Please be advised, that this bill was born from the interest of Montgomery County and the predicament we find ourselves in regarding our present county jail.

In my opinion, Senate Bill 688 would not only be a benefit to our county in our present circumstances but would also be a benefit to other county governments around the State. I would remind you that county governments are the only governments within the State of Kansas who must live under a tax lid. Heretofore, a primary source of funding that we have had to take care of any unbudgeted capitol improvements has been revenue sharing. We will probably receive our last revenue sharing payment in September of this year.

Furthermore, it is my belief that tax payers in our county and in other counties around the State would be more willing to pay for jail construction if a group larger than simply property owners pays for the construction of the jail and law enforcement facility. Certainly, within the county other than the property owners benefit and use both the jail facility and law enforcement and judicial facilities.

Under the present law, city governments get a windfall if a county wide sales tax is levied. Bill 688 allows a county, through the electoral process only, to impose a sales tax for the specific purpose of constructing jails, law enforcement facilities and judicial centers. All of the proceeds from the sales tax go directly to that project. Cities, do not, as under present law receive any of the funds. This is a better system. I see no reason for cities to receive a share of a county wide sales tax which they have not even asked the electorate to approve. Any governmental entity who benefits from a tax increase should be forced to go forward and ask the public for the increase or at least take responsibility for the existence for the increase.

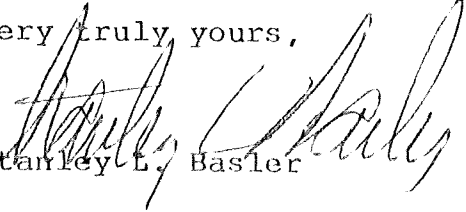
Furthermore, Senate Bill 688 requires that once the project has been paid for then the sales tax will disappear. I do not see how a piece of legislation could be drafted in a less

controversial fashion. In summary, this legislation allows a county wide sales tax for the specific purpose of extraordinary building projects and requires that the tax itself disappear when the project is completed.

Since our county borders Oklahoma and is also near Missouri, I don't beleive a one cent sales tax would pass. I think this is especially true if the State increases the sales tax by a penny. However, a half cent sales tax would be more than adequate to build the facility that we are planning. The public would likely accept a half cent sales tax, in my opinion. Under existing law, a half cent sales tax would have to be divided among the incorporated cities within the county and therefore would no longer be adequate for the project we are planning. For all the reasons set forth above I believe Senate Bill 688 will not only benefit Montgomery County but in these difficult economic times for both the private sector and public sector within the State of Kansas, this bill will be beneficial to all counties within the State, who, like Montgomery County, are looking for alternate means of funding.

Thank you for your attention of this matter.

Very truly yours,


Stanley L. Basler

SLB:ksc