

Approved

*Keith Roe*

Date

3/22/90

MINUTES OF THE House COMMITTEE ON Taxation

The meeting was called to order by Representative Keith Roe at  
Chairperson

9:00 a.m./~~p.m.~~ on March 21, 1990 in room 519-S of the Capitol.

All members were present except:

Representative Wagnon, absent

Committee staff present:

Tom Severn, Research Department  
Chris Courtwright, Research Department  
Don Hayward, Revisor's Office  
Lenore Olson, Committee Secretary

Conferees appearing before the committee:

Senator Lana Oleen  
Representative Ginger Barr  
Pete Wanamaker, Rossville City Council Member  
Wilton Thomas, Riley County Commissioner

Representative Barr testified in support of SB 602, stating that with the possibility that lids could be placed on municipalities, it is important to give Rossville's citizens the opportunity to vote on a sales tax increase, if they so desire. (Attachment 1)

Pete Wanamaker, Rossville City Council Member, testified in support of SB 602, stating that it would allow his city to opt for an additional local sales tax to help pay off debt incurred by a flood control project upon approval of the electorate and not place the entire obligation upon personal property. (Attachment 2)

Chairman Roe concluded the hearing on SB 602.

The Chairman requested the Committee to turn to SB 657.

Senator Oleen testified in support of SB 657, stating that Riley County has grown in population and their present law enforcement facility does not adequately meet demands placed upon it. (Attachment 3)

Wilton Thomas, Riley County Commissioner, testified in support of SB 657, stating that other than the issuance of general obligation bonds, or the methods provided in SB 657, it is the belief of the Board of Commissioners that no feasible method of financing the project exists. (Attachment 4)

Chairman Roe concluded the hearing on SB 657.

A motion was made by Representative Spaniol, seconded by Representative Harder, to introduce a bill regarding hazardous waste fees on a new siting, and that the bill be referred to the Energy and Natural Resources Committee. The motion carried.

Chairman Roe turned to the original motion by Representative Guldner made March 20, 1990, to amend HCR 5055, to have a budget authority cap of 3 and 9 percent increase unless 2/3 of the Legislature votes to exceed this cap. The motion was seconded by Representative Shore.

A substitute motion was made by Representative Lowther, seconded by Representative Aylward to report HCR 5055 with no recommendation. The motion passed with a vote of 14 yeas. Representatives Dean and Grotewiel requested to be recorded as voting no.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Taxation,  
room 519-S, Statehouse, at 9:00 a.m./~~p.m.~~ on March 21, 1990.

Chairman Roe directed the Committee to turn to SB 602.

A motion was made by Representative Smith, seconded by Representative Roy, to report SB 602 favorable for passage. The motion carried.

The Chairman directed the Committee to turn to SB 657.

A motion was made by Representative Fuller, seconded by Representative Grotewiel, to report SB 657 favorable for passage. The motion carried.

The minutes of March 19 and March 20, 1990, were approved.

The meeting adjourned at 9:45 a.m.

HOUSE COMMITTEE ON TAXATION

DATE 3/21/90

NAME	ADDRESS	REPRESENTING
Almeda Edwards	R 2 Ottawa	Franklin Co Farm Bureau
Robert C. Davis	Ottawa	Mid Point Oil & Gas
Wesley Thomas	Manhattan	
Wilton B. Thomas	Manhattan	Riley County Commission
Norman McDonald	Topeka	KASB
Bob Corkins	Topeka	KCCI
Jackie Olyst	RC MO	Hallmark Card Co
Barbara Kirtzschmann	Topeka	Hallmark Cards
Kenneth Kelly	OP	Seun
ALAN STEPPAT	Topeka	Pete McGill & Associates
ART BROWN	K.C. MO	KS. Lumisee Station
Dee Likas	Topeka	KLA
Paul E. Fleener	Manhattan	Kansas Farm Bureau
Carl Carpenter	Great Bend	Centel
E. R. Mous	Topeka	KAPA
Ed WALBOURIN	Topeka	WASHBURN UN.
Chuck Stuart	Topeka	United School Adm's
Mark Hise	Topeka	Ks Community College
Helen Stephens	Primer Village	BV USD 229
JEFF RUSSELL	TOPEKA	UNITED TEL CO OF KS
TREVA POTTER	TOPEKA	PEOPLES NAT. GAS
Margaret P. Wall	"	Washburn University KS FOR ENH. TOPEKA
Anne Smith	Topeka	Ks. Assoc. of Counties





STATE OF KANSAS

GINGER BARR  
REPRESENTATIVE, FIFTY-FIRST DISTRICT  
SHAWNEE COUNTY  
P.O. BOX 58  
AUBURN, KANSAS 66402-0058



TOPEKA

HOUSE OF  
REPRESENTATIVES

March 21, 1990

COMMITTEE ASSIGNMENTS  
CHAIRMAN: FEDERAL AND STATE AFFAIRS  
MEMBER: ENERGY AND NATURAL RESOURCES

Chairman Roe and Members of the Committee:

I stand in support of SB 602. I have worked with the Rossville City Council for many years in trying to solve its flood control problem. The city fathers have been negotiating with the Federal Corps of Engineers on obtaining a federal flood control project. Some matching funds would be needed by the city. This bill is permissive legislation. There were no opponents in the Senate and it passed that chamber on a floor vote of 40-0.

With the current tax situation in our state, there is a possibility that lids could be placed on municipalities. Therefore, I feel it is important to give Rossville's citizens the opportunity to vote on a sales tax increase, if they so desire. I appreciate that the bill was introduced and narrowly written so that this particular increase in tax could only be dedicated to financing a flood control project.

If SB 602 is passed, the final decision would be made by the citizens of Rossville. I feel that they should have this opportunity.

3/21/90  
Attachment 1

*Wanamaker*

SENATE ASSESSMENT AND TAXATION COMMITTEE

MARCH 21, 1990

Mr. Chairman and members of the House Taxation Committee. I am Harold Irwin, mayor of Rossville, also present is Mr. Jim Stallbaumer, member of the Rossville Economic Development Committee. I am here today to testify in favor of Senate Bill #602, more specifically, the change this legislation would make in Section 1e of K.S.A. 12-187. Section 1e, if amended, would allow a Class B city, which includes Rossville, the same power to levy and collect a city retailer's sales tax that a Class A city is authorized to levy and collect and in addition, the governing body of any Class B city may submit the question of imposing an additional city retailer's sales tax in an amount not to exceed 1%, pledging the revenue collected from the additional tax for flood control projects to the electors. Any additional sales tax imposed and pledged for the purpose of flood control project would expire upon the payment of all costs incurred in financing such flood control projects.

Now I would like to briefly tell you why this amendment to K.S.A. 12-187 is being supported by a majority of the city council of Rossville. Rossville is a third class city in Shawnee County approximately 15 miles west of Topeka. It is situated on Cross Creek, a tributary to the Kansas River. Cross Creek flows

*3/21/90*

*Attachment 2*

along and through the western edge of Rossville and is prone to flooding when heavy rains are received in the watershed drained by Cross Creek above Rossville. In the last decade floods occurred in 1982, and twice in 1987, and in the fall of 1989 Cross Creek again almost left its bank, but luckily it did not.

Rossville is in the process of obtaining a flood control project through the U.S. Army Corp of Engineers Section 205 Small Flood Control Program.

The project has been declared feasible by the Army Corps of Engineers and the draft report on the project plan is in its final stages of preparation. The project will be a cost share plan with the local sponsor, in this case, the City of Rossville being responsible for at least 25% of the project costs. We are looking at a local cost of approximately \$1 million.

The language amending Section 1e of K.S.A. 12-187 contained in Senate Bill 602 would allow the city to opt for an additional local sales tax to help pay off debt incurred by a flood control project upon approval of the electorate and not place the entire obligation upon personal property.

I appreciate your time and ask for your support of Senate Bill #602. If you have any questions, I Will be happy to answer them. Thank You.





TOPEKA

SENATE CHAMBER

LANA OLEEN  
 SENATOR, 22ND DISTRICT  
 RILEY AND GEARY COUNTIES

LEGISLATIVE HOTLINE  
 1-800-432-3924

COMMITTEE ASSIGNMENTS  
 CHAIRMAN: GOVERNMENTAL ORGANIZATION  
 VICE-CHAIRMAN: CONFIRMATIONS  
 LABOR, INDUSTRY AND SMALL  
 BUSINESS  
 MEMBER: ASSESSMENT AND TAXATION  
 ECONOMIC DEVELOPMENT  
 JUDICIARY  
 LEGISLATIVE EDUCATIONAL PLANNING  
 COMMITTEE  
 CHILDREN AND YOUTH ADVISORY COMMITTEE  
 JOINT COMMITTEE ON ARTS AND  
 CULTURAL RESOURCES

## HOUSE OF REPRESENTATIVES TAXATION COMMITTEE

REMARKS REGARDING **SB 657**

March 21, 1990

Chairman Roe and Members of the Committee:

Thank you for the opportunity to appear before you today on SB 657. This piece of legislation affords Riley County two options of financing a needed law enforcement center. Representative Katha Hurt and I had been contacted prior to the session by our county commissioners with the options of bonding and sales tax considerations as methods of financing. We have merged the two bills which address these considerations.

Contrary to what the state census reflects, Riley County has grown in population and our present facility does not adequately meet the demands placed upon it. Since Riley County has the only consolidated city/county law enforcement program, we believe the sales tax option which would need voter approval-is a viable method of finance. Montgomery County has used this option successfully, and the Department of Revenue is the decision-maker for stoppage of the tax once the obligation has been met. The bonding option would operate similar to other bonding programs, again upon approval of the voters.

Representative Hart and I ask your favorable consideration of **SB 657**. We have asked one of our county commissioners to appear before you today, and we would be pleased to respond to any questions you might have.

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Attachment 3



TESTIMONY OF THE HONORABLE WILTON B. THOMAS,  
MEMBER, BOARD OF COMMISSIONERS OF RILEY  
COUNTY, KANSAS, BEFORE THE SENATE COMMITTEE  
ON ASSESSMENT AND TAXATION CONCERNING  
SENATE BILL NO. 657

Mr. Chairman, members of the Committee:

My name is Wilton B. Thomas. I am a Member of the Board of Commissioners of Riley County appearing here in support of Senate Bill No. 657. This Bill would authorize Riley County to submit the question to the electors of imposing a countywide retailers sales tax and pledging the revenue received to finance the construction or remodeling of a jail or law enforcement facility. This Bill would also authorize Riley County to issue general obligation bonds for the purpose of financing and construction or remodeling of a combination law enforcement facility and jail, without including the bonds in computing the total bonded indebtedness for purposes of limitation. I wish to make it clear at the outset that it is not the intention of the Board of Commissioners to issue nor will this legislation enable the issuance of any such bonds without a vote of the taxpayers of Riley County.

To provide you with some background concerning the problem, I would offer the following:

In 1972 enabling legislation was adopted which allowed Riley County to submit the question to Riley County voters of whether to establish a countywide law enforcement agency. The proposition was submitted to Riley County voters in 1972 and adopted. The agency was

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Attachment 4

established in 1974 and has continued with a great degree of success since that time. It is the only county law enforcement agency operating in Kansas. At the time of the establishment of the countywide law enforcement agency the office of the sheriff was housed in our current jail which was built in 1935. In 1974 a building to house the consolidated agency was erected near the existing Riley County Jail. That building was designated to be utilized as a garage for the law enforcement agency when the building became too small for an operational headquarters. At the time the agency was established, there was some remodeling of the county jail since it was no longer to be used as a headquarters or offices for the sheriff.

After the remodeling of the county jail in 1974, at which time an inmate population between 40 and 50 inmates was normal and acceptable, the state adopted certain standards applicable to local jails. After the adoption of the standards, the maximum number of adult inmates for the Riley County Jail was reduced to 21. The population history within the past year regularly averages in excess of 30 inmates with not uncommon increases to between 35 and 40 inmates on weekends.

Penalty measures adopted by the Kansas Legislature have impacted greatly upon the agency and Riley County because of substantially increased numbers of criminal and traffic offenders that are being required by state law to actually serve time in jail. By far the greatest number of those involve individuals convicted of DUI

where even the first conviction requires mandatory jail sentencing. Second or third offense convictions for driving on a suspended license also require mandatory jail sentences. Recently the Legislature, in an apparent attempt to relieve some of the pressure on the state penal system, directed that sentences for certain felonies be served at the county jail for minimum period of 90 days. Under new state and federal regulations, juveniles may not now be housed in the same building as adult offenders. The natural growth of the community coupled with the required jail sentences dictated by the state, have caused the buildings that house the law enforcement agency and the jail to become inadequate to permit the agency and Riley County to carry out the statutory duties imposed. The agency has changed substantially in the first 15 years of its existence, both in terms of number of personnel and also in the methods used in accomplishing their duties. Programs that were not anticipated at the inception of the agency such as extensive law enforcement computerization and the responsibility of the countywide "911" Emergency Communication Service have required substantial space within the facility. Presently there is insufficient space to provide privacy for investigators, suspects and victims during the investigative process. New legal concepts concerning the right of those accused and prisoners place both the agency and County at risk because of the size and design of the existing jail. Substantial cost to the taxpayers of Riley County is



being incurred because of the necessity of housing female inmates and juvenile detainees outside of Riley County.

In the assessment report concerning the jail and law enforcement center prepared by Abend Singleton & Associates of Kansas City and Voorhis Associates of Lafayette, Colorado, both specialists in penal needs and design, the following conclusion concerning the jail is stated:

"The existing Riley County Jail can be characterized in the following ways:

(a) It lacks sufficient housing space for its current inmate population - particularly when modern correctional standards and associated square footage requirements are considered.

(b) It lacks the required program and support spaces required by correctional standards.

(c) It is old and wearing out. Maintenance and replacement of equipment as well are becoming more and more expensive."

Riley County has the statutory responsibility to provide quarters and facilities for the agency pursuant to K.S.A. 19-4437. Riley County also has the statutory responsibility to provide a county jail pursuant to K.S.A. 19-1901.

K.S.A. 1989 Supp. 10-306 limits the bonded indebtedness of all Kansas counties, with the exception of Wyandotte County which has a

30% limitation, to 3% of the assessed value of all tangible taxable property within the county unless specifically exempted from the limitation by other statutes. No statute appears to exempt bonds issued by Riley County for the purpose of building a jail and facility for the Riley County law enforcement agency from the limitations imposed.

The current assessed valuation of all taxable, tangible property located in Riley County is \$196,007,698.00, which would place a limitation of bonded indebtedness of Riley County of \$5,880,230.00. Riley County has been extremely conservative in the issuance of non-exempt bonds, having bonds issued at the present time in the amount of only \$900,000.00. This leaves the county with the ability to issue future non-exempt bonds in an amount not to exceed \$4,980,230.00.

It appears that Riley County will be required to make a substantial expenditure in addition to the law enforcement facility in the immediate future. The state has licensed and designated the location of the county operated solid waste disposal landfill for many years. The Kansas Department of Health and Environment has ordered Riley County to close the landfill by July of 1991. Closure costs plus a new site and the expenses in connection with the new site are anticipated to be several million dollars.

Extensive preliminary plans and specifications prepared by Abend Singleton and Voorhis Associates project that costs for the law

enforcement facility will be between \$6 and \$8 million dollars. This amount is substantially in excess of the limitation.

Other than the issuance of general obligation bonds, or the methods provided in Senate Bill 657, it is the belief of the Board of Commissioners that no feasible method of financing the project exists. Existing law provides that bonds issued for the purpose of financing the construction or remodeling of a jail or law enforcement center facility, which are payable from the proceeds of a county wide retailers sales tax are exempt from the 3% limitation. Riley County has a countywide retailers sales tax which was adopted in February, 1983, in the amount of 1/2 of 1%. The revenue from the countywide sales tax has traditionally been utilized to reduce ad valorem tax requirements for the county general fund. For example in 1989, the countywide sales tax generated \$706,000.00 and was for the most part utilized in the county general fund. In 1989 the sales tax was approximately 30% of the receipts of the county general fund. Any reduction in sales tax receipts for the county general fund would simply have to be made up by the only other source available, property taxes.

We sincerely appreciate the opportunity to present these facts to you and request your favorable consideration and action on Senate Bill 657.