

Approved April 2, 1991
Date

MINUTES OF THE SENATE COMMITTEE ON LOCAL GOVERNMENT

The meeting was called to order by Sen. Don Montgomery at
Chairperson

9:00 a.m. ~~p.m.~~ on April 1, 1991 in room 531-N of the Capitol.

All members were present except:

Senators Gaines and Steineger

Committee staff present:

Theresa Kiernan, Revisor of Statutes
Mike Heim, Legislative Research
Shirley Higgins, Committee Secretary

Conferees appearing before the committee:

Representative Nancy Brown
Senator Audrey Langworthy
Marlene Nagel, Mid-America Regional Council
Gerald Snider, Cultural Education at Johnson County Community College
Mike Kelly, Greater Kansas City Chamber of Commerce
C. Edward Peterson, Kansas City Consumers
Michael Koon, Lawyers and Fine Arts Committee

HB 2275 - Enacting and entering into the Kansas and Missouri metropolitan culture district compact.

Rep. Nancy Brown testified in support of the bill. (Attachment 1). She noted that this bill is similar to one two years ago that left the Senate but was stalled in the House, and she elaborated on the differences between that bill and HB 2275.

The Chairman asked why the bill is limited to cities of 50,000. Rep. Brown explained that this was done to allow more cities from Johnson County to be included.

Sen. Allen confirmed with Rep. Brown that the Missouri legislature plans to pass this bill also next year.

Sen. Audrey Langworthy followed with further support of the bill. She said that this is not a new idea and was actually begun in 1986 and came out of a study done in Kansas City. Sen. Langworthy had the bill reintroduced in 1989, and it was heard in the Tax Committee. It passed the Senate 35-5. This bill is a result of many meetings, the most recent having been in January.

The Chairman asked exactly what the bill is trying to promote that cannot be promoted now. Sen. Langworthy said it would provide additional and much needed money. A subcommittee would recommend distribution of funding. The recommendation would require a majority of both sides of the state line and would enhance existing projects and upcoming projects that help bring tourism to the area.

The Chairman noted that there is a provision that the budget be reviewed by governing bodies on Lines 34-35 of page 7, however, there is no mention of rejecting it. Sen. Langworthy said that it provides overseeing and is a good check and balance system because those reviewing the budget are elected.

Sen. Allen said that perhaps the provision for eight members on the commission should be changed to prevent a tie vote. Rep. Brown expressed her feeling that this would not be necessary as the same situation could occur when other counties entered into the compact.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON LOCAL GOVERNMENT,

room 531-N, Statehouse, at 9:00 a.m./~~p.m.~~ on April 1, 1991.

Marlene Nagel, Mid-America Regional Council, testified further in support. (Attachment 2).

Gerald Snider, Johnson County Community College, followed in support. (Attachment 3). Sen. Burke asked Mr. Snider for examples of Greater Kansas City cultural groups which are already cooperating. Mr. Snider named the Cultural Alliance of Greater Kansas City which is involved in networking and creating block bookings. He added that this would serve as a national model for metropolitan cultural cooperation and bring in culture that is affordable and constructive for communities.

Mike Kelly, Greater Kansas City Chamber of Commerce, stated his support for the bill as a support for cultural institutions to enhance the quality of life.

Ed Peterson, Kansas City Consumers, testified in support. (Attachment 4).

Sen. Daniels asked if parts of the taxes collected would be set aside for specific things. Mr. Peterson replied that he hopes certain categories will be established and portions of the fund be set aside for these categories. The funds would be granted on a competitive basis and not used for loans although this is authorized in the bill.

Michael Koon, Lawyers and Fine Arts Committee, gave final testimony in support. He said this bill is a unique concept to overcome 19th Century boundaries and deal with 20th Century problems. It will make present cultural institutions accessible as well as expand accessibility. He explained that it is becoming increasingly difficult to keep cultural institutions open without charging admission. Escalating price tags may make them become less profitable. The intent of the bill is to make present cultural institutions stronger.

This concluded the hearing on HB 2275 and it was taken under advisement.

The minutes of March 28 were approved.

The meeting was adjourned at 9:50 a.m.



TOPEKA

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MEMBER: GOVERNMENTAL ORGANIZATION
INSURANCE
CHAIRMAN, COMMUNITY DEVELOPMENT
BLOCK GRANT ADVISORY COMMITTEE
MEMBER, STATE EMERGENCY RESPONSE
COMMISSION

HOUSE OF

REPRESENTATIVES

SUMMARY OF HB 2275 - METROPOLITAN CULTURE DISTRICT COMPACT

Article I - Agreement and Pledge: Kansas and Missouri

Article II - Policy and Purpose: to fully utilize and improve their cultural facilities, coordinate the services of their cultural organization, enhance the cultural activities of their citizens and achieve financial support for such cultural facilities, organizations and activities

Article III - Definitions

- a) Metropolitan culture district - a political subdivision of the state of Kansas and Missouri created under compact
- b) Commission - governing body of metropolitan culture district
- c) Cultural Activities - activities which contribute to enhance the aesthetic, artistic, historical, intellectual or social development or appreciation of members of public
- d) Cultural Organizations - nonprofit and tax exempt, social, civic or community dedicated to development, provision, operation, supervision, promotion or support of cultural activities
- e) Cultural facilities - those operated or used for participation or engagement in cultural activities

Article IV - The District

a) composition - 1) county population in excess of 300,000 adjacent to State Line. 2) county contains part of city with 400,000 population. 3) contiguous to any county described above.

Counties of Johnson (KS) and Jackson (MO) must participate in district

Other contiguous counties are also eligible to participate

- b) 1) the governing body may adopt by majority vote a resolution authorizing the creation, 2) a petition by qualified voters of county equal to 5% of last preceding gubernatorial election may request adoption by filing resolution with county, 3) implementation shall be conditioned upon approval of resolution by majority of qualified electors of county
- c) Request shall be made of voters within 36 months
- d) District is created when resolution authorizing creation and levying tax is approved by respective voters in Johnson and Jackson counties
- e) Withdrawal may occur by adoption of resolution and vote of people in same manner in which it was formed

Senate L.G.
4-1-91
Attachment 1

Article V - The Commission

- a) Membership of commission is member of governing body of each county in district, member of each city with population of at least 50,000, member of Kansas and Missouri arts commissions appointed by Governor.
- b) Commission shall elect chairperson, vice-chairperson, and treasurer (to be bonded)
- c) Commission may appoint officers, agents, employees, determine duties, and fix compensation
- d) Commission shall fix time and place for meetings open to the public with notice given
- e) Majority of commission from each state constitute quorum. No action binding unless quorum present and unless majority of commissioners from each state shall vote. 14 day notice prior to meeting must be given.
- f) Commissioners subject to each state's laws regarding conflict of interest. Disclosure provisions, and abstention from votes if any direct or indirect financial interest.
- g) Commissioners indemnified in whole and held harmless for any judgment or decree entered and defended at cost and expense of commission

Article VI - Powers and Duties of Commission

- a) adopt seal and by-laws governing management and procedures
- b) has power to contract and be contracted with, sue and be sued
- c) may receive contributions or moneys appropriated by counties or cities, may solicit and receive donations, grants of money, equipment, supplies, materials and services from any state, US, or agency, institution, foundation, organization, person, firm or corporation
- d) may provide donations, contributions and grants for aid of cultural organizations, facilities or activities, but shall consider following
 - 1) economic impact upon district
 - 2) cultural benefit to citizens of district and general public
 - 3) contribution to quality of life and popular image of district
 - 4) contribution to geographical balance of cultural facilities and activities within and outside district
 - 5) breadth of popular appeal within and outside district
 - 6) any other factor deemed appropriate by commission

e) Commission shall appoint advisory committee from members of public with interest, expertise, knowledge or experience in cultural organizations or activities

f) may provide for actual and necessary expenses of commissioners and advisory committee members

g) a report on operations and transactions shall be prepared annually and submitted to legislatures and governors, governing bodies of counties and cities in district; annual report shall be published in each county in district

Article VII - Finance

a) moneys shall be appropriated to commission by counties in district raised by levy of taxes as authorized

b) shall not incur any indebtedness or obligation, nor can credit be pledged; budget shall be prepared, adopted and published as provided by law; no budget shall be adopted until submitted to and reviewed by governing bodies of cities and counties in districts

c) accurate records of receipts and disbursements shall be kept and audited yearly and shall be part of annual report

d) accounts are open for inspection

Article VIII - Entry into Force

a) enter into force and become effective when enacted into law

Article IX - Termination

a) compact remains binding until legislature enacts statute repealing

Article X - Construction and Severability

Provisions of tort claims act shall apply to metropolitan culture district and to Kansas members of commission; members shall be reimbursed for actual and necessary expenses; county commissioners after authorization by voters shall adopt resolution imposing countywide retailer's tax fixed at amount not to exceed .25%.

Provisions of act shall expire upon nullification and voidance of Kansas and Missouri Metropolitan culture district pursuant to either article IX or X. Act shall take place after publication in statute book.

Testimony

Kansas Senate Local Government Committee

Senator Don Montgomery, Chairman

Good morning. My name is Marlene Nagel. I am community development director for the Mid-America Regional Council, a voluntary association of local governments serving the bi-state Kansas City metropolitan area. MARC is the Kansas City area's regional planning organization, delivers key services to elderly residents and businesses, and serves as a forum for the discussion of community issues.

Since 1985, a task force co-chaired by Councilwoman Ailie Speer of Overland Park, Kansas, has been considering the issue of building regional support for the area's cultural institutions. The MARC task force and those in support of the bi-state cultural district broadly define cultural institutions to include not only the performing and visual arts, but also museums and historic sites, scientific and educational efforts like zoos, botanical gardens and aquariums, and arts education.

The area's cultural institutions are important to the metropolitan area and to the state of Kansas for a number of reasons:

- * like businesses, cultural institutions employ persons, pay salaries, and purchases goods and services
- * these institutions attract visitors to the region from outside the local area and from outside the state

Senate L.G.,
4-1-91
Attachment 2

- * these institutions enhance the quality of life for residents of the community

- * the presence and strength of these institutions is a key factor in attracting and retaining businesses to the metropolitan area, an important economic development factor

In 1985, MARC's task force surveyed major metropolitan areas across the country. We found that the Kansas City area compares favorably with regions of similar size with respect to the type and variety of cultural offerings - performing and visual arts, museums and historic sites, multi-discipline groups and special attractions. However, the MARC task force found that the support, both volunteer and financial, for the area's cultural institutions was very narrow. In particular, financial support from public sources is extremely limited and private support comes from few large corporate and foundation sponsors.

The task force issued a report and a series of recommendations encouraging MARC and others to work toward building regional support for the area's cultural institutions. As part of the effort to build regional support, the task force suggested that MARC prepare an economic impact study to help document the economic contribution that these organizations and facilities make to the community.

Early last year, the MARC task force released a report on the economic impact of not-for-profit and governmental cultural organizations in the 8-county region, including Johnson, Leavenworth and Wyandotte counties. The survey contacted over 200

organizations in the 8-county region and 70 groups responded. Twenty-one of the 70 responding organizations were located on the Kansas side of the state line, including Johnson County Museum and Ft. Leavenworth Army Museum, Theatre for Young America, Carnegie Arts Center, Overland Park and Olathe Community Orchestras, and the Granada Theatre.

These organizations contribute over \$85 million annually to the Kansas City area's economy. The majority of that economic impact or \$65 million, comes from 950,000 out-of-town visitors as they spend the night at area hotels, patronize restaurants and shops, and use transportation and other services.

The total attendance attracted to these 70 institutions is over 4 million visitors annually, or over two and one-half times the metropolitan area's total population and one and one-half times the attendance at the Kansas City Chiefs and Royals games combined. Kansas residents represent over one-third of the total attendance at cultural facilities and events.

Total revenues of the organizations surveyed totalled \$41.4 million in 1989. Of that total, 20 percent came from federal, state and local government sources and 43 percent from the organization's earned income. Grants and gifts represented the remainder of revenues. Most of the government revenues, however, were directed to institutions owned and/or operated by government agencies such as Theatre in the Park in Johnson County or the Starlight Theater in Kansas City, Missouri, or the Harry S. Truman Library in Independence.

The MARC study did not try to estimate the additional economic impact that the resources from this bi-state cultural district fund would have on area cultural institutions. One-fourth of one cent in Johnson and Jackson counties would raise about \$19 million annually. These funds would be available to improve existing organizations and facilities, both large and small; expand programs and services now offered to residents and visitors; and establish new cultural efforts and facilities. In turn, these new dollars will enhance the current economic return realized to the Kansas City region and to the state of Kansas.

The MARC task force has been discussing the bi-state cultural district concept for the Kansas City area with area legislators, local officials, arts organizations and area business leaders for several years. The task force recognizes the passage of this enabling legislation as an important step in allowing the metropolitan Kansas City area to consider increased support for these important institutions. The provisions of this Senate Bill as a companion to House Bill No. 2275 represent the consensus of a wide range of metropolitan area interests on this issue.

To assist the community in ensuring that these funds would be spent appropriately to address the most critical needs and institutions broadly supported by area residents, MARC is now in the process of initiating a needs assessment and cultural plan for the metropolitan area. MARC hopes that the findings and recommendations of that study would prove valuable for the bi-state cultural district commission when formed.

I appreciate the opportunity to speak on behalf of this bill with you this afternoon.

Thank you.

Good morning.

My name is Gerald Snider. I am Program Director for Cultural Education at Johnson County Community College. I also serve on the Mid-America Regional Council's Cultural Amenities Task Force and the bi-state cultural district sub-committee. I am a member of the Cultural Alliance of Greater Kansas City, the advisory board of Two Trails West, the Plains Presenters Consortia, the Cultural Development Coordinating Committee of Johnson County and the Art in County Buildings Citizens Coordinating Committee. And so on...

This bi-state cultural thing is certainly a challenge. Thank you for staying with it. I have to remind myself from time to time that what we're really dealing with here today is enabling legislation and not taxation. What we are trying to work out and to demonstrate is local need and governmental accountability; who determines who gets how much for what project and who doesn't. We look to you for your wisdom, vision and leadership in structuring a workable plan.

I am not interested in a lump sum account to be spent by one elitist cultural organization. Nor am I interested in developing programming that will not impact the constituency of its local tax base.

I am intested in a bi-state cultural district which supports

1. Grassroots community arts development at the local level
2. Social rehabilitation

senate L.G.
4-1-91
Attachment 3

3. Arts in Education
4. Cultural Tourism

A short list of local community needs in Johnson and Wyandotte Counties might interest you.

1. The Agricultural Hall of Fame
2. Johnson County Museum System
3. Two Trails West
4. An Ethnic Center in Wyandotte County
5. Theatre for Young America
6. A Children's Museum
7. The Cultural Education Center
8. Wonderscope
9. Shawnee Mission Theatre in the Park
10. Various local Arts Festivals

Thank you for your support and attention to this issue.

I applaud your concern for accountability and ask for your positive support in the success of this enabling legislation.

COMMENTS OF C. EDWARD PETERSON IN SUPPORT OF HOUSE BILL 2275

April 1, 1991

before the

Senate Local Government Committee

Senate L.G.
4-1-91
Attachment 4

SUMMARY OF THE BI-STATE METROPOLITAN CULTURAL DISTRICT

The purpose of my remarks is to provide background information on why this legislation is before you and to provide a brief overview of the legislation.

1. Background.

This legislation originated through a study of cultural amenities completed by Kansas City Consensus in 1985. Kansas City Consensus is a citizens group composed of volunteers who come from all walks and geographic areas of the Kansas City metropolitan community. This group is dedicated to studying issues of concern to the metropolitan area.

The conclusion of the study on cultural amenities was that Kansas City's cultural institutions compared well with similar institutions in other comparable communities; however, the study found that the Kansas City area was lacking in two important elements:

1. Adequate funds for long term capital needs of cultural institutions;
2. Public sector funding of cultural and recreational amenities;

Since the study was completed, additional developments have underscored the need for a solution to the funding problems faced by cultural institutions. Budget problems at the federal and state level have reduced the funds available from non-local sources for these activities. Traditional funding sources such as community foundations are receiving an increasing number of requests for assistance in other fields such as health care, care for the homeless, low income assistance, etc. It is apparent that if cultural institutions are to grow and prosper in this area, public sector funding must be increased significantly.

2. The Metropolitan Cultural District Concept.

House Bill #2275 before you would allow the Kansas City Metropolitan area to create an entity responsible for developing cultural amenities on a metropolitan-wide basis. This entity would be funded with proceeds from a fraction of a cent sales tax; funds would be distributed through grants or loans for such purposes as capital improvements, program development, and operations. The bill provides a procedural framework for creating the commission. The Bill also provides certain general operating guidelines and protections to ensure that the interests of the metropolitan area as a whole are met without disenfranchising the individual communities that make-up the metropolitan area.

The original concept included the counties of Wyandotte and Johnson in Kansas and Clay, Platte and Jackson counties in Missouri. This bill requires that at a minimum Johnson County in Kansas and Jackson County in Missouri agree to participate in the district. Counties contiguous to Johnson and Jackson counties are eligible to join at the option of such contiguous counties.

The general procedure for creating the district requires that the counties first affirmatively choose to participate in the District. This choice can be made by the governing body of the county or by petitions signed by five percent of the electors who voted in the last gubernatorial election in that county. In addition to this choice, the matter must be submitted to a vote of a county and approved by a majority of the voters of that county.

When the issue is placed before the voters, the voters will also be asked to approve a 1/4 cent sales tax to fund participation in the district. Therefore, both the decision to participate and the decision to impose the tax will be made by the voters, not by either the legislature or the county officials.

Once created, the District would be governed by a board that would be composed of representatives of the counties, the larger cities within participating counties, and representatives of the governor as follows:

Each participating county is represented by one member of the elected governing body of that county;

Each city with a population in excess of 50,000 is represented by one member of the city council/commission of that city;

Each governor appointments one member.

If all five counties participate, a twelve member commission would be created; each of the five counties would have one representative, the cities of Kansas City, Kansas, Kansas City, Missouri, Independence, Missouri, Overland Park, Kansas, and Olathe, Kansas, would each have a representative and each governor would have an appointee.

To protect against one state or county dominating, the bill requires that all expenditures receive a majority vote of the total commission and of each state's respective delegation on the commission. Thus, a majority of Kansans would have to approve of any expenditure in Missouri and vice versa, before the expenditure is authorized.

The Bill contains general guidelines governing the conduct of the commission. These include requirements that the commission considered geographic diversity of its activities, that it weigh the interest of the entire Metropolitan Community in its decisions, and so forth. The Bill anticipates the use of advisory panels of experts in the decision making process much like the states' arts and humanities commissions now function.

If all five counties choose to participate, approximately twenty-five million dollars per year could be raised through the imposition of a one-quarter cent sales tax.

I urge your prompt consideration and approval of House Bill #2275. This Bill represents a compromise among Kansas and Missouri supporters, and as you will hear from other speakers today, enhancement of this sector of the Kansas City Metropolitan economy is very important to sustaining growth. Thank you for your consideration.