

Approved TUES. 2-25-92
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

The meeting was called to order by Senator Dan Thiessen at
Chairperson

11:00 a.m./~~pm~~ on Monday, February 24, 1992 in room 519-S of the Capitol.

All members were present except:

Committee staff present:

Bill Edds, Revisor's Office
Don Hayward, Revisor's Office
Chris Courtwright, Research Department
Tom Severn, Research Department
Marion Anzek, Committee Secretary

Conferees appearing before the committee:

Cindy Ball, Chairman-Butler County Commissioners
Judith A. Cunningham, Butler County Appraiser
Harry Austin, Superintendent of Schools of Andover USD #385
Bill Curtis, Executive Director-KS Association of School Boards
Pat Stuenkel, City Administrator-Andover, KS
Carlos Wells, President-KS Association of Police Chiefs
Representing KS Criminal Justice System Coalition
Cliff Hacker, Sheriff-Lyon County & Vice-Chrm.-KS Peace Officer's Association

Chairman Dan Thiessen called the meeting to order at 11:15 a.m. and said the agenda calls for a hearing on HB2381, SB591 and SB598, and he said there are a couple of bills requests.

Chairman Dan Thiessen said he has a bill request from Montgomery County Action Council, for an additional $\frac{1}{2}\%$ sales tax authority for industrial development, voted on by the people with a 5 year sunset.

Senator Audrey Langworthy, moved to introduce the bill, 2nd by Senator Phil Martin. The motion carried.

Senator Lana Oleen requested a bill be introduced dealing with the paging privileges in the paging industry, regarding how our neighboring state's value the paging privilege. She said she would like a bill to address the Radio Common Carriers treatment.

Senator Lana Oleen moved to introduce the bill, 2nd by Senator Audrey Langworthy. The motion carried.

Chairman Thiessen turned attention to HB2381.

HB2381:Cancellation of certain personal property taxes.

THE FOLLOWING CONFEREES ARE PROPONENTS OF HB2381.

Chairman Thiessen reminded the committee the bill has been amended with two bills that were passed in the Senate 40 to 0 in the last session. The Chairman recognized Cindy Ball, Chairman, Butler County Commissioners.

Cindy Ball, said she had experienced the devastation of (1) on the most powerful tornadoes ever to strike KS. She said, the net effect of Sections 2 and 3 of HB2381 will be an increase in property taxes, as tax abatement for one causes increases for all.

She said, the Butler County Board of Commissioners ask that Sections 2 and 3 be rejected by the committee. (ATTACHMENT 1)

Judith A Cunningham, Butler County Appraiser said Section 2 of the bill attempts to assist taxpayers who have suffered a loss of residential property, and she said, the bill would be another step in breaking away the foundation of their ad valorem tax system at a time when it is already financially overburdened. (ATTACHMENT 2)

Harry Austin, Superintendent of Schools of Andover USD #385 said his home was destroyed in the tornado of April, 1991.

He said, the intent of HB2381 is beyond reproach, and sections 2 and 3 are designed to bring some measure of relief to victims of natural disasters, and he said, he has some

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 519-S, Statehouse, at 11:00 a.m./p.m. on Monday, February 24, 1992

ramifications with the bill, as it is written.

He said he is close with the estimate of \$120,000 in lost revenue for the school district if full abatement is given by the county commissioners. He said this estimate deals only with the effects of the Andover tornado of April, 1991. He said, the bill as proposed, has the potential to render some taxing agencies incapable of performing their function.

He suggested, the committee consider some type of reimbursement from the State to help compensate for the loss of moneys to the local taxing districts. He said, it could be designed to be implemented whenever losses under this bill exceed 1% of the budget of individual taxing entities. He said Another option would be to provide for an adjustment to the definition of district wealth as applied in the school district equalization act which is the basis for distributing state moneys for schools. He said, this one item would help to spread the burden of this loss of income for the schools across the state. (ATTACHMENT 3)

Bill Curtis, Executive Director-KS Association of School Boards said HB2381 would permit any board of county commissioners to abate or provide credits against property taxes on residential property destroyed by fire, wind, or other calamity.

He said KASB is not opposed to the idea but they want to make sure the committee is aware of the consequences. He said for example, if a large percentage of the valuation of a school district was destroyed by some calamity, the school district would have no alternative to fund their budget except to issue no fund warrants. He said, by law those no fund warrants would have to be financed the following year by an increased mill levy upon all patrons of the school district. He said they would like language inserted in the bill to make it absolutely clear that only the portion of taxes on the property destroyed would be abated. He said, another concern is, if the provisions of HB2381 would have an impact upon district wealth. He said, the current definition of wealth includes the property valuation of a school district, and if that total were to be reduced because of this bill, then the school district would become poorer in the eyes of the state and receive more state aid at the expense of other school districts. (ATTACHMENT 4)

Pat Stuenkel, City Administrator-Andover, KS said with her handout she had a letter from Jack Finlason, Mayor of Andover, KS. and she read his testimony to the committee. (ATTACHMENT 5)

Pat Stuenkel said she would like to present some of the effects that HB2381 Sec. 2 and 3 would have on the Andover community. She went over her hand-out and pointed the effects on ASSESSED VALUE, BUDGET, DIRECT EXPENSES, INDIRECT EXPENSES, and UTILITIES. She said, the lost revenue created by HB2381 would directly be a factor in the community capabilities to continue the services and build infrastructures as necessary. She said with an aggregate tax lid on the city and no availability of utility fund transfers and additional tornado related expenses for 1992, their budget is stretched. She asked, the committee to consider the impact of the bill in it's present form. (ATTACHMENT 6)

Chairman Thiessen concluded the hearing on HB2381 and turned attention to SB591 recognizing Carlos Wells, President, KS Association of Police Chiefs representing KS Criminal Justice System Coalition.

SB591: Tax lid exemption for certain public safety expenses.

Carlos Wells said the tax lid which was imposed on local government in 1990 and has since been continued to 1993 is presenting a growing negative effect on public safety throughout the State of KS. He said, although this legislation was to limit the increasing tax burden on the public, the side effect may force public safety agencies to begin reducing services to the general public.

He said, it is the position of KS law enforcement that a public safety exemption must also be granted to allow agencies the ability to keep pace with the demands of the public. (ATTACHMENT 7)

Cliff Hacker, Sheriff of Lyon County and Vice-chair-KS Peace Officer's Association, said the problems law enforcement must deal with continue to grow at a rapid pace. He said both city and county law enforcement agencies are having to deal with increased prisoner costs, including medical costs, food costs, utility costs and most other areas.

He said in order to provide for continued public safety and meeting the required services as directed by statute, they must be able to obtain the additional funding needed

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION,

room 519-S, Statehouse, at 11:00 a.m.~~p.m.~~ on Monday, February 24, 1992.

to comply. He said, they believe the 10% increase will allow emergency services to maintain the level of services they have now and not cause law enforcement or fire departments to cut back any further. He said, it will also not deplete the other local governmental department funds so that they can operate properly. He said, they believe the 10% increase will provide for public safety and still maintain the integrity of the tax levy limit concept. (ATTACHMENT 8)

Chairman Dan Thiessen concluded the hearing on SB591 and he said we had run out of time and asked the conferees for SB598 to return tomorrow February 25, 1992 and the committee would receive testimony from them 1st. The Chairman asked for a motion on the minutes dated February 20, 1992.

Senator Sheila Frahm moved to adopt the minutes of Thursday, February 20, 1992, 2nd by Senator Janis Lee. The motion carried.

Chairman Thiessen adjourned the meeting at 12:03 p.m.

GUEST LIST

COMMITTEE: ASSESSMENT & TAXATION

DATE: 2-24-92

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Anne Smith	Topeka	Ks. Assoc of Counties
Sara F. WIMANN	FAIRWAY	KS Reg of Deeds
Ginda Finckham	Manryville	KS Reg. of Deeds
Jusie Pann	Leadsmuth	" " "
Jim McRide	Topeka	Observer
Nancy Hempen	Lawrence	Do. Co. Treas.
BEV BRADLEY	TOPEKA	KS Assoc of Counties
Barbara Butts	Topeka	Dept of Admin
MIKE BILLWGLER	HAYS	ELLIS CO. TREASURER
GARY WATSON	WAKEENEY	TREGO Co. TREASURER
Frances Ferguson	Kensington	Observer only
Ed Hasker	Topeka	Member of KS Municipal Assn
Julie Klein	TOP	Klein, Ebert & Rosen
M. Haave	"	Cap. Janni
X Francee	TOPEKA	KAR
Chuck Stom	"	KBA
Chris Steineger	K.C. KS.	K.C.K.S.
Bruce Frahm	Colby	nil
Janice & Jon Frahm	"	"
Bill Curtis	Topeka	KASB
Harry Anstam	Andover	USD 385
Dave Dunningham	Topeka	PVD
Bill Waters	Topeka	PVD
Judith A Cunningham	El Dorado	Buller Co. Appraiser
Cindy Bass Patricia M. Stuenkel	P.O. Box 295	Buller County Com City of Andover

House Bill 2381

Testimony
Senate Taxation Committee
February 24, 1992

I am Cindy Ball, Chairman of the Butler County Commissioners. As a resident of the City of Andover, I have experienced the devastation of one of the most powerful tornadoes ever to strike our State, and I understand the good intentions of H. B. 2381. But the disaster has passed and the effect of this bill on the future is what must be considered.

The net effect of Sections 2 and 3 of this proposed legislation on the communities of Kansas will be an increase in property taxes. This will come at a time when such an increase is very unpopular with the citizens of Kansas. Local governments, cities, schools, counties, will be forced, in some manner, to budget an allowance for the proposed "disaster abatements". Tax abatement for one causes increases for all.

This legislation is unclear as to the proposed effective date, but consideration must be given to the potentially disastrous effect abatement of property taxes on 300 residences would have on a city of 4,000 people. Mrs. Stuenkel has/will speak/spoken to the exact effect on Andover, but this legislation allows for the same financial disaster to occur in other communities in the future. Budgeting for the possible destruction of 1/3, 1/2 or all of your tax base will be impossible.

Small cities and counties will be affected the most.

At a time when consolidation of government agencies and services seems of great importance to this legislature, it seems that this proposed legislation duplicates the role of the Federal Disaster Management Administration in providing assistance. It creates additional administrative costs to the counties which will of course cause an increase in taxes. Taxpayers are already allowed income tax relief on casualty losses of the type set forth at both the federal and state level.

I am concerned with the vagueness of such terms as "destroyed" and "any and all property taxes". Without specific regulations, the subjectivity of these types of decisions will leave Boards of County Commissioners open to much public criticism and give rise to questions regarding a "fair and equitable system of taxation". Uniform application throughout the State will be impossible.

When someone sustains a tragic lose, such as the lose of their home or a loved one, it is our nature to help. It is part of what makes Kansas strong. A first glance, this proposed legislation would seem to be of help to someone in a time of need. But I'm asking that you consider the overall impact to the citizens of Kansas. This legislation will cause an increase in property taxes, State wide, the duplication of services provided by the Federal and State government, and increased administrative costs to counties. The Butler County Board of Commissioners is asking that Section 2 and 3 of House Bill 2381 and any similar legislation which may come before you, be rejected.

Thank you for the opportunity to speak to you today.

SENATE ASSES. & TAX

2-24-91

ATT. 1

PRESENTED BY:
JUDITH A. CUNNINGHAM
BUTLER COUNTY APPRAISER

RE: HOUSE BILL NO. 2381

Section 2 of this bill which attempts to assist taxpayers who have suffered a loss of residential property, after the appraisal date of January 1, may in the end create yet another calamity for an even LARGER number of taxpayers.

This bill would be another step in breaking away the foundation of our ad valorem tax system at a time when it is already financially overburdened.

Any community could of course handle the abatement of an occasional individual property, but what if a disaster occurs like that of the tornado in Butler County in April 1991. During a time of disaster a community has increased expenses, with the majority being paid from revenues from the ad valorem taxes, which this proposed bill would decrease. If we abate a persons taxes, then are forced to increase them the following year to make up for the deficit... would we be assisting the taxpayers?

As a county appraiser other areas of concern which I have are:

- * This bill addresses "residential property" only. I feel that some would consider this as unfair and inequitable taxation if you address only 1 class of property, when the State Of Kansas has 3 classes of real property. What about agricultural, commercial and industrial properties? Does not our constitution mandate that for taxation to be legal it must be fair and equal?
- * The State of Kansas ad valorem tax system is based on fair market value using acceptable appraisal procedures. In all appraisal procedures you MUST have one defined DATE that the appraisal is based on. For ad valorem taxes this date is set as January 1. This bill gives no consideration to a set appraisal date and could perceivable set a precedent for other appeals based on the date of the appraisal.

SENATE ASSES. & TAX
2-24-92
ATT. 2-1

Judith A. Cunningham
House Bill NO. 2381
page -2-

- * This bill does not address how to deal with the listing and assessment for taxation purposes of the new property constructed to replace that which was destroyed. As in the case of Butler County, a large portion of the residential property destroyed in the tornado was replaced within two to three months. A new mobile home could be replaced within a week. This bill does not allow for the new value to be added to the tax roll at that time. Would this be considered fair and uniform taxation to those taxpayers who would be forced to carry even a larger burden the next tax year?
- * The term "destroyed" is ambiguous. Is it the intent of this bill to be that only those residential properties that are 100% destroyed be considered. If so Section 3 is misleading in stating "...any such owner is entitled to an abatement of all or any portion of the property taxes levied...".
- * Section 3 allows only for the board of county commissioners to "inquire into and make findings regarding the property DESTROYED and the assessed valuation thereof. This appears to disallow the consideration of any new construction that replaced the results of the calamity.
- * If this section is enacted when does it apply? Section 1 states "all taxable years commencing after December 31, 1991. Section 4-14 states it takes effect and be in force from and after its publication in the statute book. What is the intent for Section 2 and 3?

I am in no way advocating that assistance not be given to anyone involved in a calamity, only that this body needs to be certain of what constitutes a calamity and investigate what alternatives are available. Our local, state and federal agencies have procedures to handle financial disasters. If we are certain that there is a need for additional financial assistance, is altering the local ad valorem tax system the correct way?

IN CONCLUSION IS THIS BILL OF ASSISTANCE TO THE TAXPAYERS, COMMUNITY OR ANY GOVERNING BODY OF THE TAXING DISTRICTS ????

HB 2381

February 24, 1992

Assessment and Taxation Committee

Comments by Harry Austin, Ed. D.

I would like to thank the members of the Assessment and Taxation Committee for the opportunity to make a presentation regarding some real and possible effects of House Bill 2381. I appear before you today wearing two hats. I am wearing the hat of superintendent of schools of Andover USD #385. I am also wearing the hat of a survivor of the Andover tornado of April 26, 1991, which destroyed my home as well as the homes of many other individuals.

When my family and I emerged from the closet in the basement where we had taken shelter that fateful day, I discovered the tornado had left absolutely nothing above the subfloor of the house over the basement. In fact, one fourth of the subfloor was pulled off and the tornado had gone into part of the basement and destroyed much of what was there. We walked away with only the clothes we were wearing. I understand the feeling that comes from having your life ripped apart by an event such as this.

As superintendent of schools, I have seen the anxiety in the lives of the young boys and girls in school and in the lives of some members of my staff who lost their homes in this storm. I can certainly empathize with them.

The intent of HB 2381 bill is beyond reproach. Sections two and three are designed to bring some measure of relief to victims of natural disasters. It is certainly hard to argue with this. I lost much on April 26, 1991, and would be eligible to apply for some type of property tax abatement under this bill.

At this point I want to emphasize that I am speaking for only myself when I say I do not feel the State owes me anything because of this natural disaster. Money cannot replace the things that mattered to me. We were not injured and still have our health. We did have good insurance. We had good friends who helped us. There was lots of outside help such as the Mennonite Disaster Relief Team. I feel fortunate beyond what mere words can adequately express. I realize everyone may not feel as I do. Some may not be as fortunate as I am.

SENATE ASSES. & TAX
ATT. 3-1
2-24-92

However, while I understand and empathize with the victims in our community, I also have some concerns about the full ramifications of this bill as it is written. In any community that is devastated by some type of calamity, the potential to have a substantial amount of the taxable property exempted by this bill is great. Without some replacement of the money lost, the taxing entities must either raise taxes on the remaining unscathed property owners or curtail services to correspond to the amount of money lost. Neither option is particularly endearing.

I do not know the amount of money potentially involved in the other taxing districts in Andover as a result of this bill. However, I believe I am close with the estimate of \$120,000 in lost revenue for the school district if full abatement is given by the county commissioners. This estimate deals only with the effects of the Andover tornado of April 26, 1991. To put this into some type of understandable comparison, this translates to a three mill levy for USD #385. In a much larger district, this would not have as large an impact. Conversely, in a much smaller district, it would have a much greater impact.

As proposed, this bill has the potential to render some taxing agencies incapable of performing their function. And yet, there is the natural desire to help people in need and to do what is right and fair.

I would like to suggest the committee consider some type of reimbursement from the State to help compensate for the loss of moneys to the local taxing districts. It could be designed to be implemented whenever losses under this bill exceed one percent of the budget of individual taxing entities. Another option would be to provide for an adjustment to the definition of district wealth as applied in the school district equalization act which is the basis for distributing state moneys for schools. This one item would help to spread the burden of this loss of income for the schools across the state.

I would like to remind the Committee that passing this bill as proposed will institutionalize some tax breaks that have potentially far reaching consequences for the communities involved today and in the future.

In closing, I would again like to thank the Committee for the opportunity to speak and urge consideration for modification in the areas noted.

KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS

5401 S. W. 7th Avenue Topeka, Kansas 66606
913-273-3600

Testimony on HB 2381
before the
Senate Committee on Assessment and Taxation
by
Bill Curtis, Assistant Executive Director
Kansas Association of School Boards

February 24, 1992

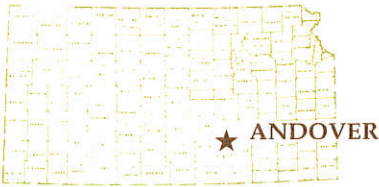
Mr. Chairman and members of the committee, we appreciate the opportunity to express some concerns on HB 2381 on behalf of the members of the Kansas Association of School Boards. HB 2381 would permit any board of county commissioners to abate or provide credits against property taxes on residential property destroyed by fire, wind, or other calamity.

While KASB is not opposed to this idea we do want to make sure the committee is aware of the consequences. If, for example, a large percentage of the valuation of a school district was destroyed by some calamity, the school district would have no alternative to fund their budget except to issue no fund warrants. Under Kansas law, those no fund warrants would have to be financed the following year by an increased mill levy upon all patrons of the school district. Also, we would like language inserted in the bill to make it absolutely clear that only the portion of taxes on the property destroyed would be abated. In other words, the taxes on the lot or land would still be payable. We would also suggest that the abatement or credit be prorated on the portion of time that the property is unavailable for residency. If the reconstruction of the destroyed property was completed within 90 days, then the abatement would be for 1/4 of the total taxes due.

Our last concern may seem to be stretching the point a bit but we are concerned if the provisions of HB 2381 would have an impact upon district wealth. As you know, the current definition of wealth includes the property valuation of a school district. If that total were to be reduced because of this bill, then the school district would become poorer in the eyes of the state and receive more state aid at the expense of other school districts. We would hope that this bill does not have any consequences in that regard. We would hope the committee has an answer to that question before passing the bill.

Thank you for your attention.

SENATE ASSES. TAX
2-24-92
ATT. 4



THE CITY OF ANDOVER

PO BOX 295
ANDOVER, KS 67002
(316) 733-1303

February 20, 1992

JACK FINLASON
MAYOR

The Honorable Dan Thiessen
Chairman, Assessment & Taxation Committee
State Capital Building
Topeka, Kansas 66612

Dear Senator Thiessen:


Thank you for the opportunity to testify on behalf of the taxpayers of Andover, Kansas regarding proposed House Bill 2381. The pressing needs of my employment prevent me from attending in person, but I am well represented in those appearing before you this morning.

Andover, Kansas suffered a tremendous loss on April 26, 1991. Because of the tribulations of that devastating tornado, we discovered something special about the people of Kansas. We found a spirit of courage and endurance that is unique to this part of these United States. We did not stand around looking for handouts or feeling sorry for ourselves, but we got on with our lives and immediately began to rebuild. Today we look with pride at a rebuilt community that stood the test and displayed to the world the durable and determined character of Andover.

House Bill 2381 proposes to abate the taxes of those owners of any residential property listed and assessed for taxation purpose which was destroyed due to fire, wind or other calamities. If that Bill becomes Law, it would deliver yet another misfortune to the taxpayers of Andover. The loss of BUDGETED revenue, estimated to be \$43,000 would have to be shared by ALL of the taxpayers of Andover.

In closing, we understand that the original intention of House Bill 2381 was to abate taxes for isolated personal disasters, but the impact of a wide-spread disaster would extend the burden to the entire community. We ask that you reconsider this Bill and do not pass it in its present form. Provisions must be made to cover the loss on a state-wide basis so as not to add another burden to a government already incurring many additional expenses above and beyond budgets.

Sincerely,


Jack Finlason
Mayor

JF/dr

SENATE ASSES. & TAX
2-24-92
ATT. 5

HB 2381, Sections 2 and 3 and HB 2825
February 24, 1992
Assessment and Taxation Committee

We want to thank all the members of the Assessment and Taxation Committee for the opportunity to appear to present some of the effects that House Bill 2381, Section 2 and 3, as well as HB 2825 would have on the Andover community. After experiencing the tornado of April 26th, 1991 and the many unbudgeted expenses that the City had to absorb, there are more than one thought or idea that should be addressed with HB 2381 and also HB 2825.

1. ASSESSED VALUE: The Butler County Appraiser's Office provided the assessed value of the property damaged and/or destroyed. Based on this information the following tax dollars would be lost:

City Share	\$43,000	
School	90,000	(Just inside the city limit portion)
County	28,000	
Community College	20,000	

Perhaps \$43,000 does not sound like a large amount of money; however to a city with population of 4,047 and 1991 assessed valuation of \$17,234,716 this \$43,000 is equal to 2.49 mills. This is addressing only the year of 1991.

2. BUDGET: The City of Andover budgeted ad valorem funds exist of 4 funds: General, Library, Employee Benefits, and Bond & Interest.

Expenditures	\$1,185,966
Tax Levied	605,268

The ad valorem tax = 51.036% of these budgets.
Decrease of \$43,000 = 7.105% of the tax
Mills equates = 2.49 mills

3. DIRECT EXPENSES from Tornado: Disaster Survey Reports approved by FEMA were:

Total Direct Expenses	\$252,501.00
Federal Reimbursement - 75% =	189,375.75
State Reimbursement - 10%	<u>25,250.10</u>
City Share of Balance	37,875.15
Equates to 2.2 mills	

4. INDIRECT EXPENSES:

- a. Repair of street damage from all the heavy equipment
- b. Extra administrative costs
- c. General clean up and repairs required.

These costs will be quite high.

2-24-91
ATT. 6-1

5. UTILITIES:

The City of Andover DOES NOT have any utility funds, such as Gas, Electric, Water, etc. to transfer revenue to the General Fund. Other cities regularly use their utility transfers to offset the hardships under a tax lid. There are NO sources or funds for the city to use to offset loss of tax revenue. (Please review exhibits to see amounts of some of the cities transfer)

6. NON - ANTICIPATED COSTS OR LOSSES not in budget:

A.	HB 2381 revenue loss	\$43,000
B.	Direct Expenses	37,875
C.	Indirect Costs	? ?

7. CHOICES TO STAY WITHIN BUDGET RESTRAINS in 1991 as the results of expenditures incurred from the tornado:

A. Receipt of FEMA monies for 85% reimbursement of expenditures. However the city's share of \$37,875 still had to be raised somehow.

B. Cut services at a time there is need for more services and not less services. With only 26 employees for all the departments: street, sewer, park & recreation, police, dispatching, planning and zoning, building inspection, and administration, it would be extremely hard to lay off employees.

C. Looked for way to cover the additional expenses.

1. K.S.A 79-2939 (No fund warrants for emergency) - could not exceed aggregate limits. The city was already at maximum amount. So this was not viable.

2. K.S.A. 79-2939a (No fund warrants for extraordinary financial emergency) - City was not "Insolvent" under the definition in the statute. So this was not viable.

Financial Advisor Jerry Rayl researched methods for the city also.

(See letter in appendix 7.)

3. The City amended the budget to assist in covering some of the direct expenses with revenue from collection of Police Fines in excess of budgeted amount and more delinquent taxes collection from the Roe Messner's bankruptcy properties. This must be one of the few times that prior year delinquencies were most beneficial.

4. The 1992 budget will also be affected with the continuing repair and construction work required due to tornado. Also the assessed valuation for 1992 will probably be lower due to houses not 50% rebuilt by January 1, 1992, not being on the tax roll. Taxes will not be due on those houses not completed, even though the house will be occupied many months out of the current year. Therefore, with the proposed HB 2381, the city would not receive any taxes for a 2 year period on those houses.
5. The Disaster Survey Reports work which was postponed until 1992 will require the city to provide approximately \$7,500 of their share of the costs from the 1992 budget.
8. FEMA - Federal Emergency Management Agency
 - A. As referenced earlier the City's share of the direct expenses should be around \$38,000 and not \$252,501. However receiving the reimbursement has not been timely, to say the least.
 - B. NOT ONE CENT of money was received from FEMA until December 19, 1991. A partial payment was received of \$100,704. Several telephone calls were made to Senator Dole's Office in Washington, D. C. His office made calls directly to Kansas City FEMA office and the State Division of Emergency Preparedness to assist the city to finally get some reimbursement. Several approved Damage Survey Reports amounting to over \$50,000 have not even been started because there just was not monies available from our own local sources.
 - C. Receipt of monies in 1991 was very critical for the city to be able to offset the expenditures with revenues in the same year. Again, this was to stay within statute limitations.

9. STATE AID:

We realize this is a very emotional issue. However, when 1/4 to 1/3 of the town is destroyed, is not the time to reduce the revenue available to rebuild. It would be our recommendation that there be a provision for state aid to pay for this deficit and avoid another huge financial burden on the community that has just endured a disaster of this magnitude.

IN SUMMARY: Please address the needs and creation of burden on the total community. All of the total community residents have contributed many hours of volunteer time and out of pocket expenses to assist the tornado victims. Large amounts of donations, grants, individual FEMA assistance, insurance coverage were available. Absolutely, the actual victims did suffer tremendously. Also though, the total community has suffered a disaster or hardship. The lost of revenue created by the two proposed HB's will directly be a factor in the community capabilities to continue the services and build infrastructures as necessary. With an aggregate tax lid on the city, no availability of utility funds transfers, additional tornado related expenses for 1992, our budget is stretched. The direct costs = approximately 2.2 mills and HB's = approximately 2.49 mills. Please consider the impact of these two HB's bills in their present form would have on the Andover community.



Kansas Criminal Justice System Coalition

The tax lid which was imposed on local government in 1990 and has since been continued to 1993 is presenting a growing negative effect on public safety throughout the state of Kansas. Although the desire of this legislation was to limit the increasing tax burden on the public, the side effect may force public safety agencies to begin reducing services to the general public.

At a time of growing criminal activity and increasing demands for services, the present tax lid is forcing public safety agencies to reduce their services and, thus, their effectiveness. This situation will become intolerable to the general public and will force implementation of user fees on previously tax supported activities or complete elimination of the service.

Today's media headlines spotlight increases in violent crime, drug usage and trafficking. The 1990 Crime Summary for The State of Kansas show-violent crime alone increased to 11.5%. Property crimes increased 2.5%. Statistics for 1990 indicate violent crime affected 4.5 persons per thousand while property crimes affected 47.8 persons per thousand.

SENATE ASSES. & TAX
2-24-92
ATT. 7-1

Total arrests increased 16.3%. Juveniles were arrested most frequently for theft; adults for DUI. Assaults on Law Enforcement Officers increased to 7.3%.

The outlook for the coming year predicts more of the same. Yet because of the current tax lid municipalities are under pressure to keep spending to a minimum while police agencies are taxed to the maximum trying to combat crime.

The 1991 tax lid included the following exemptions:

1. Principal and interest payments on bonds, temporary notes, state infrastructure loans and no fund warrants.
2. Lease payments made to a public building commission.
3. Legal judgments and settlements.
4. Expenses for liability protection including special liability fund levies, public official and general liability insurance costs (including contributions to KCAMP - the KAC multi-line insurance pool).
5. Employer contributions for social security, workers compensation, unemployment insurance, health care costs, employee benefit plans, employee retirement and pension programs.

6. Expenses incurred for district court operations including expenses that may not be part of the actual court budget but are related costs such as witness fees, etc.

7. Juvenile detention costs.

8. Out-district tuition payments to community colleges and Washburn University.

9. Levies to offset expected loss of motor vehicle personal property tax revenue as a result of the new reappraised values.

10. County hospital expenses.

11. Mental health and mental retardation services.

It is the position of Kansas law enforcement that a public safety exemption must also be granted to allow agencies the ability to keep pace with the demands of the public.

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Lawrence, Kansas 67504

CLIFF HACKER, President-Elect
Lyon County Sheriff
Emporia, Kansas 66801

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Wichita, Kansas 67202

ALVIN THIMMESCH,
Secretary-Treasurer
Kansas Peace Officers' Assn
Wichita, Kansas 67201

BOARD OF GOVERNORS

GOVERNORS

(At Large)
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Chief of Police

Arkansas City, Kansas 67005

CHARLES RUMMERY
Chief W.S.U. Police

Wichita, Kansas 67208

DENNIS TANGEMAN
Kansas Highway Patrol

Topeka, Kansas 66603

BOB SCHUMAKER
Santa Fe R.R. Police

Topeka, Kansas 66612

DISTRICT 1

FRANK P. DENNING
Johnson Co. Sheriff's Office

Olathe, Kansas 66202

DAVE SMAIL
Paola Police Department

Paola, Kansas 66071

DARRELL PFLUGHOF
Kansas Lottery Security

Kansas City, Kansas 66103

DISTRICT 2

DANA KYLE
Riley County Police Department

Manhattan, Kansas 66502

RANDALL THOMAS
Lyon County Sheriff's Office

Emporia, Kansas 66801

DOUGLAS PECK
Kansas Highway Patrol

Emporia, Kansas 66801

DISTRICT 3

JIM HUFF
Chief of Police

Ellsworth, Kansas 67439

CARL McDONALD
Dickinson County Sheriff's Office

Arlene, Kansas 67410

ALLEN BACHELOR
Kansas Highway Patrol

Salina, Kansas 67401

DISTRICT 4

LAWRENCE YOUNGER
Chief of Police

Hays, Kansas 67601

JOHN PROSS
Ft. Hays State University Police

Hays, Kansas 67601

FRANK REESE
Ellis County Sheriff's Office

Hays, Kansas 67601

DISTRICT 5

KENT NEWPORT
Holcomb Police Department

Holcomb, Kansas 67851

CAMERON HENSON
Kansas Bureau of Investigation

Liberal, Kansas 67901

RAY MORGAN
Kearny County Sheriff's Office

Lakin, Kansas 67860

DISTRICT 6

DAVE SMITH
Herington Police Department

Herington, Kansas 67594

JIM DAILY
Barton County Sheriff's Office

Great Bend, Kansas 67530

DICK BURCH
Kansas Law Enforcement Training Ctr.

Hutchinson, Kansas 67504

DISTRICT 7

DELBERT FOWLER
Chief of Police

Derby, Kansas 67037

BOB ODELL
Cowley County Sheriff

Winfield, Kansas 67156

LARRY WELCH
Ks. Law Enforcement Training Center

Hutchinson, Kansas 67504

DISTRICT 8

ALLEN FLOWERS
Chief of Police

Coffeyville, Kansas 67337

LOWELL PARKER
Greentown County Sheriff

Eureka, Kansas 67045

TINY WILNERD
Ks. Dept. Wildlife & Parks

Honora, Kansas 67349

SERGEANT-AT-ARMS
KENNETH McGLASSON
Kansas Highway Patrol

Wakezey, Kansas 67672

Kansas Peace Officers' Association

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Mr. Chairman

Members of the Committee

I am Clifford Hacker, Sheriff of Lyon County and Vice-chair for the Kansas Peace Officer's Association.

The Kansas Peace Officers Association strongly supports Senate Bill No. 591.

The problems law enforcement must deal with continue to grow at a rapid pace. Some of the problems are well publicized, such as gangs, drugs, and drive-by shootings, but most of the problems do not receive as much attention by the media. Most crimes have increased sharply over the last 5 years, but the cities and counties have been limited by the current and prior tax levy limitations, making it difficult to properly address the law enforcement needs of the communities. As the local governments have shifted funds from the other departments, it has caused problems for most city and county services. Current state and federal laws require a certain level of services to be provided, especially in the area of jail inmates. Both city and county law enforcement agencies are having to deal with increased prisoner costs, including medical costs, food costs, utility costs and most other areas. Cities and counties are having increased numbers of prisoners for DUI, domestic violence, and other mandated jail sentences. We have also seen a trend in the last couple of sessions of more services being provided at the local level with more jail sentences and increased mental health services. In order to provide for continued public safety and meeting the required services as directed by statute, we must be able to obtain the additional funding needed to comply.

We believe the 10% increase will allow emergency services to maintain the level of services we have now and not cause law enforcement or fire departments to cut back any further. It will also not deplete the other local governmental department funds so that they can operate properly. We believe the 10% increase will provide for public safety and still maintain the integrity of the tax levy limit concept.

SENATE ASSES. & TAX

In Unity There Is Strength

2-24-92

ATT. 8