

Approved: 3-31-95  
Date

MINUTES OF THE HOUSE COMMITTEE ON TAXATION.

The meeting was called to order by Chairperson Phill Kline at 9:00 a.m. on March 8, 1995 in Room 519-S of the Capitol.

All members were present except: Rep. Doug Lawrence - excused

Committee staff present: Chris Courtwright, Legislative Research Department  
Tom Severn, Legislative Research Department  
Don Hayward, Revisor of Statutes  
Ann McMorris, Committee Secretary

Conferees appearing before the committee: Listed after each bill heard.

Others attending: See attached list

Chair opened hearing on:

HB 2277 - Funding of Kansas silver haired legislature, portion of income tax on federal social security income

HB 2278 - State income tax checkoff donation for Kansas silver haired legislature

Proponents:

Rep. David Adkins (Attachment 1)

Chaplain Don Moses, Brewster Place, Topeka (Attachment 2)

Clarence Arndt, Overland Park (Attachment 3)

Peggy Neal, Pres., Kansas Council on Silver Haired Legislators (Attachment 4)

Julie Govert Walter, Pres., Ks. Assn. of Area Agencies on Aging (presented by Shirley Wickman) (Attachment 5)

Gordon Davis, Pres. OKIRSA (Older Kansans Information & Referral Services Association) (Attachment 6)

Nancy Trout, Johnson County Mental Health Center (Attachment 7)

Marjorie Rees, Johnson County Silver Haired legislator (Attachment 8)

Written testimony only presented by:

J. H. Sund, Merriam (Attachment 9)

Ralph Wagner, Treasurer, Kansas Silver Haired Legislature (Attachment 10)

Carol Sader, former Kansas State Representative (Attachment 11)

Dr. John Homlish, RSVP (Attachment 12)

Opponents:

Cedric Moege, Topeka, Former Silver Haired Legislator (Attachment 13)

Written testimony only:

Kansas Department of Wildlife and Parks (Attachment 14)

Chair closed hearing on **HB 2277** and **HB 2278**.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON TAXATION, Room 519-S Statehouse, at 9:00 a.m. on March 8, 1995.

Chair opened hearing on:

**HB 2228 - Apportionment of countywide retailers' sales tax in Reno County**

Proponent :

Porter Brown, City Attorney, Hutchinson.

In 1986 the City Commission of Hutchinson supported the passage of a countywide sales tax. The city pledged to use \$2 1/2 million proceeds of the sales tax distribution to reduce its property tax levy. Because the sales tax distribution formula is based 50% on population and 50% on property tax levy, this pledge has had a total unanticipated result. It has greatly reduced the anticipated sales tax income for the city. This legislation would correct the disparity in Reno County by changing the formula and place greater emphasis on population and decrease reliance on property tax mill levy.

Opponents:

Larry Tucker, Reno County Treasurer (Attachment 15)

Jim Perry, Chm., Reno Board of County Commissioners (Attachment 16)

Chair closed hearing on **HB 2228**.

Hayzlett announced meeting to consider **HB 2176**, **HB 2328** and **HB 2417** by subcommittee is scheduled for Thursday, March 9 in Room 526 S at 1:30 p.m.

Donovan will announce when meeting scheduled for subcommittee to consider **HB 2261**, **HB 2461**, **HB 2511** and **HB 2513**.

Request for committee bill introduction:

Moved by Mays, seconded by Larkin, introduce a committee bill regarding delinquent property tax foreclosure sale procedures. Motion carried.

Adjournment.

The next meeting is scheduled for March 9, 1995.

# TAXATION COMMITTEE GUEST LIST

DATE: MARCH 8, 1995

NAME	REPRESENTING
JAMES T. PERRY	RENO COUNTY
LARRY R. TUCKER	RENO COUNTY TREASURER
DON MOSES      Topeka, KS	KS Silver Haired Legislature
PORTER BROWN	CITY OF HUTCHINSON
Gordon Davis	Johnson County Area Agency on Aging
Shirley Wichman	North Central - Flint Hills Area Agency on Aging
NANCY TRAUT, LSBSW	JOHNSON Co. MENTAL HEALTH CTR.
Indetermin	KS Governmental Consulting
Boggy Neal	KS Council of Silver Haired Legislators
Margorie Rees	go. cnty Commission on Aging
Clarence Gandy	KS Silver Haired Legislature
Central Moeger	KS for Equal Prof & Pensions Tax
Harold Pitts	observer
Melodee Jones	VISITOR, OBSERVER
Anne Kimmel	AARP

HOUSE BILL No. 2277

By Representatives Adkins, Glasscock and Spangler

2-2

DRAFT OF AMENDMENTS TO HB 2277

For Consideration By Committee on Taxation  
( 3-8-95 )

9 AN ACT providing for funding of the Kansas silver haired legislature from  
10 income tax paid on social security income.

11

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

13 Section 1. (a) The director of taxation of the department of revenue  
14 shall determine annually the total amount of revenue collected from state  
15 income tax on federal social security income for each tax year commencing  
16 with tax year 1995, and shall report such amount to the state treasurer.

17 ~~The director shall remit an amount equal to the amount determined, but~~  
18 ~~not exceeding \$50,000, to the state treasurer who shall deposit the same~~  
19 ~~in the state treasury. The state treasurer shall deposit the entire remit-~~  
20 ~~tance in the state treasury and credit it to the Kansas silver haired legis-~~  
21 ~~lature trust fund.~~

22 (b) There is hereby established in the state treasury the Kansas silver  
23 haired legislature trust fund. All moneys deposited in such fund shall be  
24 used solely for the purpose of financing the Kansas silver haired legisla-  
25 ture. Except as otherwise provided in this section, all expenditures from  
26 such fund shall be made in accordance with appropriations acts upon  
27 warrants of the director of accounts and reports issued pursuant to vouch-  
28 ers approved by the secretary of aging.

29 Sec. 2. This act shall take effect and be in force from and after its  
30 publication in the statute book.

**Upon receipt of each such report, the state treasurer shall transfer an amount equal to the amount reported from the state general fund to the Kansas silver haired legislature trust fund, except that not more than an aggregate of \$50,000 shall be transferred in any fiscal year.**

**Upon the transfer of each amount to the Kansas silver haired legislature trust fund pursuant to subsection (a), but not more often than monthly, the secretary of aging shall pay the amount in the Kansas silver haired trust fund to the Kansas silver haired legislature.**

HOUSE BILL No. 2278

By Representatives Adkins, Glasscock and Spangler

2-2

DRAFT OF AMENDMENTS TO HB 2278

For Consideration By Committee on Taxation  
( 3-8-95 )

9 AN ACT providing for a state income tax checkoff donation for the pur-  
10 pose of funding the Kansas silver haired legislature.

11  
12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. (a) Each Kansas state individual income tax return form  
14 shall contain a designation as follows:

15 "Kansas Silver Haired Legislature. Check if you wish to donate, in addition to your tax  
16 liability, or designate from your refund, the amount of \_\_\_\_\_"

17 (b) The director of taxation of the department of revenue shall de-  
18 termine annually the total amount designated for use by the Kansas silver  
19 haired legislature pursuant to subsection (a) and shall report such amount  
20 to the state treasurer who shall transfer from the income tax refund fund  
21 the entire amount thereof to the Kansas silver haired ~~legislature fund. In~~

22 ~~the case where donations are made pursuant to subsection (a), the direc-~~  
23 ~~tor shall remit the entire amount thereof to the state treasurer who shall~~  
24 ~~deposit the same in the state treasury.]~~ The state treasurer shall credit the

25 amount certified by the director as the cost of collecting the amount of  
26 donations remitted and administering the provisions of this section, which  
27 cost shall not exceed 1% of the amount of donations remitted, to the state  
28 general fund and shall credit the balance of the donations remitted to the  
29 Kansas silver haired legislature fund.

30 (c) There is hereby established in the state treasury the Kansas silver  
31 haired legislature fund. All moneys deposited in such fund shall be used  
32 solely for the purpose of financing the Kansas silver haired legislature.  
33 Except as otherwise provided in this section, all expenditures from such  
34 fund shall be made in accordance with appropriations acts upon warrants  
35 of the director of accounts and reports issued pursuant to vouchers ap-  
36 proved by the secretary of aging.

37 Sec. 2. This act shall take effect and be in force from and after its  
38 publication in the statute book.

legislature trust fund, less the cost of collecting such donations as prescribed by this subsection

trust

Upon the transfer of each amount to the Kansas silver haired legislature trust fund pursuant to subsection (a), but not more often than monthly, the secretary of aging shall pay the amount in the Kansas silver haired trust fund to the Kansas silver haired legislature.

1-2

Honorable Chairman Kline, honorable members of the committee and ladies and gentlemen in attendance:

Today, I bring testimony before you regarding House Bills 2277 and 2278, which were forwarded to this House via the Kansas Silver Haired Legislature.

I am Chaplain Don Moses, an ordained Episcopal minister, and have been chaplain to the Brewster Place community here in Topeka since 1989. I have served on the Shawnee County Advocacy Council on Aging for over 5 years and retired as chairman of the Council in 1994. I served an appointment to the 12th Annual Session of the Kansas Silver Haired Legislature in October 1994 from Shawnee County and the Jayhawk Area Agency on Aging. I have recently been reelected and will be serving for another two years.

Today, I wish to address you regarding the funding of the Kansas Silver Haired Legislature. There was a time when funding for this important work was less difficult and more readily available. However, we are all aware of the tightening of available funds with monetary budget constraints and the shrinkage of tax monies from all sources.

The Kansas Silver Haired Legislature is part of a network of senior-oriented quasi-legislatures that began in California in the mid-70s. Our first Kansas Silver Haired Legislature was held in 1982.

Much of the work of the Silver Haired Legislature has been to assist the Kansas Legislature in presenting proposed legislation affecting Kansas seniors and the aging community and network. The accepted concept of keeping people in their homes with an adequate support system is just one major tenet of the Silver Haired Legislature.

One fact that seems easy to overlook is that now people who are 60 and older make up a large percentage of our population. By the year 2000 that figure is estimated at about 35% and by 2020, over 40%. Another fact - seniors vote as readily, or more so, than most other age groups.

Chairman Kline and members of the House Taxation Committee, we urge you to vote favorable on House Bills 2277 and 2278 in order that the Kansas Silver Haired Legislature may have an opportunity to go before the citizens of Kansas for adequate funding.

Thank you for your thoughtful consideration.

Chaplain Don Moses

MMITTEE: HOUSE TAXATION  
DATE: MARCH 8, 1995  
SUBJECT: HB 2277 and 2278  
TESTIMONY: CLARENCE W. ARNDT

Chairman Kline and Members of the Committee:

My name is Clarence Arndt. I am a resident of Overland Park. Thank you for the opportunity to speak in behalf of the two subject bills.

I am a charter member of the Kansas Silver Haired Legislature. I served as Speaker of the House in 1985-86; and as Treasurer in 1986-87-88.

During my years as Treasurer I made "Bare Bone Budgets" and struggled with low bank account balances. In 1988 our sixth session was almost cancelled because of inadequate funding. It was saved by the efforts of Dr. Bramble, our founder; and Boyd Davies of Pratt.

Boyd Davies established the Older Kansans Permanent Fund Foundation in October, 1988. Its goal was to provide funding for the Kansas Silver Haired Legislature plus other programs needed by the elderly of Kansas. Things were going well until Boyd's death in August of 1990. We could not find a permanent chairperson to succeed him; also a hired professional fund raiser failed to help us. Accordingly, the Foundation was dissolved in 1993. \$45,000.00 of the \$61,000.00 went to the Kansas Silver Haired Legislature. Incidentally this is the money on which they are currently operating!

I firmly believe had Boyd Davies lived, we would not be here today endeavoring to find a continuing and stable method of funding. The Older Kansans Permanent Fund Foundation would be doing that.

Turning now to HB 2277. The Legislative Research Department informed me prior to our October session that they estimated that approximately 18 million dollars of Kansas individual income tax receipts would be attributable to the taxation of Social Security Benefits in the year 1994.

This is a tax paid by older Kansans, and it would seem reasonable that a small portion of this fund could be used to finance the Silver Haired Legislature which deals with the issues of the elderly as well as other Kansans. As a retired accountant-auditor I calculated the percentage of \$50,000.00 to \$18,000,000.00 and came up with a

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AGE TWO

figure of .00277, something like 2 3/4 thousands of 1%. A very minute amount! I have since heard the Kansas Department of Revenue has estimated this figure to be \$14,000,000.00. The percentage of \$50,000.00 to \$14,000,000.00 equals .00357 or 3 1/2 thousands of 1%. Still a minute figure.

Now, referring to HB 2278, having to do with the check-off. This is about the fifth time the Silver Haired Legislature has sent a check-off bill to the Kansas Legislature. Until now, these bills have never received a committee hearing. We thank you Chairman Kline, and the committee for that opportunity today.

1995 marks the 14th year of the Chickadee Check-off. During the first ten years they received over 1 1/2 million dollars for an average of \$150,000.00 annually. I don't receive their publications now, so I don't know what their last four year average has been.

Forty states had some form of individual income tax check-off in 1990. Two states, Alabama and California had eight check-off programs each. Idaho and Rhode Island had six programs each. Our neighboring state of Missouri now has four. Two states, California and Louisiana currently have an income tax check-off for their "Silver Haired" Legislatures. Five states have state aid; and seven have state aid and donations. Enough of the statistics.

I believe there is room for both the Chickadees and the Kansas Silver Haired Legislature on the check-off. We, each, will attract a different type of donor.

We ask your permission to keep company with the Chickadees on the Kansas Tax Forms.

Thank you again. If there are questions, I will attempt to answer them.

Clarence W. Arndt  
8501 Glenwood  
Overland Park, KS 66212  
913-642-6233



KANSAS SILVER HAired LEGISLATURE, INC.

1995 BUDGET

7-11-T

OPENING BALANCE: JANUARY 1, 1995		\$ 32649.
INCOME:		
FUND RAISING	\$ 14500.	
OK TIMES DONATION	1900.	
BLUE CROSS/BLUE SHIELD	2000.	
INTEREST INCOME	1000.	19400.
INCOME PLUS OPENING BALANCE		\$ 52049.
DISBURSEMENTS:		
SESSION EXPENSE	\$ 19000	
ISSUES FORUM	2800	
LEADERSHIP ELECTION & TRAINING	5800	
PRINTING: BROCHURES, JOURNALS, ETC.	1500	
FUND RAISING EXPENSE	2600	
CHAIRMAN & BOARD OF DIRECTORS	1700	
SPEAKER & LEADERSHIP	900	
TREASURER	500	
SECRETARY SALARY, SUPPLIES, ETC.	6000	
TOTAL DISBURSEMENTS		\$ 40800
CLOSING BALANCE DECEMBER 31, 1995		\$ 11249

Clarence W. Aundt  
3-6-95

TESTIMONY - HB 2277 and HB 2278  
March 8, 1995

House Committee on Taxation

Chairman Kline and Members of the Committee:

My name is Peggy Neal. I live in Johnson County. I have a background in education and administration. I am president of the Kansas Council of Silver Haired Legislators. (The Council is the communications network and emeriti association of dues-paying past and present Silver Haired Legislators and associates.) I am here today to speak in favor of HB 2277 and HB 2278. It is a matter of survival because the silver Haired Legislature cannot continue as a truly representative and democratic organization without a stable source of income.

These bills ask for a funding process for the Kansas Silver Haired Legislature--not for the Kansas Council of SHLs.

Education ~~of~~ seniors is the primary goal and purpose of the Silver Haired Legislature--education about the state legislative process and policy development with the expectation that knowledgeable seniors will become interested, involved citizens. The "silver hairs" are to be a well-connected resource for legislators on matters of concern.

Because it is felt so strongly that Silver Haired Legislators be truly representative and that NO one be prevented from participation due to financial constraints, there are NO DUES to belong to the Silver Haired Legislature. It's terribly important to keep it that way. However, the Silver Haired Legislature at this point is in grave danger of become "elitist". In fact, they will HAVE to be so if funding is not found. Already, for example, only 37 of the 125 Silver Haired Legislators asked for mileage reimbursement for the 1994 Silver Haired Legislature's session last October.

The SHLs do not have, nor ever have had, a single full-time staff person--so there's no stable means or real continuity with the waxing and waning of leadership. Nor is there money for much needed training. In the past, extremely dedicated and generous active and emeriti Silver Haired Legislators have traveled the state at their own expense to put on training sessions. It's asking too much to make that the norm.

Nor is there money to bring together SHLs to work on interim committees, or to do process in a meaningful way to surface issues of substance.

Nor has there ever been money for a newsletter to keep SHLs up to date on issues.

I hope you will agree that given the tremendous handicaps under which the Silver Haired Legislature labors, it has done remarkably well. With adequate funding and leadership, I believe it could reach its potential. Without it, all of us, including the half-million and growing number of seniors in Kansas, will lose the only truly representative grassroots organization to speak for the seniors of Kansas. Time has run out!

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To the House Taxation Committee

Wednesday, March 8, 1995

By Julie Govert Walter  
President, Kansas Association of Area Agencies on Aging

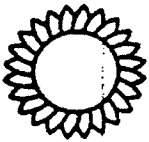
Good morning. My name is Julie Govert Walter. I am the president of the Kansas Association of Area Agencies on Aging and I appreciate the opportunity to testify today in behalf of the Kansas Silver-Haired Legislature. Our organization fully supports the SHL and believes it to be a valuable resource, not just for older people but all Kansans.

Governor Bill Graves, when he spoke in Hutchinson last month to the Kansas White House Conference on Aging, made a special point of saying that older Americans are an asset, and was quoted in the Hutchinson newspaper as saying, "Make sure you emphasize how valuable seniors are as a resource." He used the example of his own father who helped a trade mission for Kansas with his extensive knowledge of transportation. Our association and the area agencies on aging throughout the state have worked closely with the SHL and many other older Kansans and we could echo those sentiments of Governor Graves with hundreds of stories of the contributions older Kansans make every day to our state.

I can say that the SHL is definitely a volunteer organization. No one is making any money from their volunteer efforts to have additional citizen input to address the issues facing senior Kansans today from their unique viewpoint of many, many years of experience in living in Kansas. House Bill 2277 seems a very logical way to help fund the SHL by providing just a small portion of the taxes that older Kansans pay on their Social Security. This would be older Kansans providing the funding. Providing just this small bit of funding to help with the cost of mail, telephone and travel expenses would go a long way toward making this resource even more valuable. Most of this money would be spent in Kansas to cover the costs of gas and motels for meetings, so it would soon go back into the economy of our state.

We also support House Bill 2278 as a way of giving the SHL a source of voluntary contributions that all Kansans would at least be aware of. These contributions would be just that -- contributions.

The SHL is a organization of volunteers working hard to contribute their knowledge and experience to help all of us. The Kansas Association of Area Agencies on Aging urges favorable consideration of H.B. 2277 and H.B. 2278. Thank you.



**Johnson County  
Kansas**

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Testimony - HB 2277 and HB 2278

I am here to testify in favor of HB 2277 and HB 2278 regarding funding for the silver haired legislature. The Johnson County area agency on aging always depends on the expertise of SHL representatives to assist us in planning and implementing programs and services for Johnson County seniors.

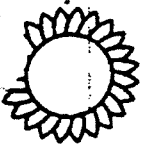
The SHLs provide education and outreach to a wide variety of community groups and bring back from those groups viewpoints and ideas that enable us to maximize the resources we have and to target those in most need.

One of the most important SHL initiatives during the past 10 years was prioritizing the need for in-home services for frail older adults and helping to pass the Kansas Senior Care Act.

Johnson County was one of the three pilot projects that began this program. implementing a sliding-scale fee for seniors to participate in paying for their services not only enables us to serve a larger number of homebound seniors, but also gives them the care. There have been annual reports to you about the cost savings that the Senior Care Act has provided. Those cost savings and this program would not have been so easily accepted and successful had it not been for the dedicated work of the SHLs in all parts of the state.

We have seen the results in Johnson County and now that the program has spread statewide, many Kansans are receiving needed services that allow them longer independence and dignity in their own homes.

The need to be "heard" is difficult especially for the homebound elderly and the work that the SHLs provide brings visibility to issues and concerns that need to be raised. SHL initiatives that have improved the lives of the frail elderly in Kansas over the past years include: division of assets, elder abuse law, "do not resuscitate" directives and the requirement for licensed nursing in adult care homes. the successful track record of the Kansas SHL over the past has demonstrated that they play a vital role in making government work especially for older people in Kansas.



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All year long, the SHLs partner with numerous community and human service groups and their involvement in the legislative process has benefited not just the senior adult population but others in need through review of existing legislation and advocacy for improving the efficiency and effectiveness of tax dollars for those in need.

The SHLs goals of outreach, education and advocacy cannot continue without assistance at the state level to stabilize their funding and allow them to do the work that they do best -- advocate plan, educate and assist with implementation of services and programs that benefit senior adults and their families.

Please make the right decision, and through a ballot check-off option, provide the SHL a foundation from which they can express the views and share the wisdom of older Kansans with the state's lawmakers, administrators and thought leaders.

Respectfully submitted by,

Sandy Medinger,  
Director, Johnson County Area Agency on Aging

and

Gordon Davis (OKIRSA)  
President,  
Older Kansans Information & Referral Services Association

## TESTIMONY ON HOUSE BILLS 2277 and 2278

My name is Nancy Trout, LSCSW. I am an aging specialist with Johnson County Mental Health Center and a member of the Statewide Special Populations Subcommittee of the Governor's Mental Health Planning Council. I am pleased to have the opportunity to present this testimony regarding House Bills #2277 and #2278 regarding funding for the Silver Haired Legislature.

According to the 1990 census there were 341,977 Kansans over the age of 65 and 41,832 Kansans over the age of 85. The percentage of elderly who suffer from symptoms of mental illness is traditionally estimated to be 15% - 25%. In Kansas this translates to 51,300 - 85,000 of those age 65+ and 6,300 - 10,500 of those age 85+ who can be identified as suffering from symptoms of mental illness. It is in support of the importance of the Silver Haired Legislature to these Kansans that I am addressing you today.

The limited amount of mental health programming specifically for the aging in Kansas has been an identified concern of the Silver Haired Legislature for a number of years. Repeatedly they have approached the legislature with resolutions requesting improvement in mental health services for the elderly. This is important because the elderly are at greater risk of emotional illness, and mental dysfunction than are younger people. On the other hand the elderly are reluctant to seek and do not advocate for the mental health services that they need.

Although the Kansas Legislature has not passed legislation requiring the mental health system to improve services, the request has not fallen on deaf ears. Centers across the state are struggling to find ways to make mental health services more accessible and/or more palatable by increasing the networking with referral agencies, providing more age-specific services for clients, educating staff to the specifics of mental health services to the elderly, and educating those within the aging service network to recognize symptoms of mental illness in the elderly. Over the last two years the number of workshops with mental health and aging issues on the agenda has increased dramatically; Pawnee Mental Health Center in Manhattan has hired two aging specialists; Iroquois Mental Health Center in Greensburg has begun a grant-supported caregiver support group; Family Life Center in Columbus has acquired a van to transport elderly clients to the center; the High Plains Area Agency on Aging granted monies to High Plains Mental Health Center in Hays to present programs on mental health issues for elderly throughout northwest Kansas. (These were heavily attended by older Kansans). Also at the 1994 Annual Meeting of the Committee of Mental Health Centers of Kansas, three workshops were devoted to problems of mental health and aging. Most recently, Lt. Governor Sheila Frahm, prior to her election and specifically in response to the concerns of the Silver Haired Legislature actively advocated for a newsletter devoted to Mental Health and Aging issues. With the support of a federal block grant, the first issue of *Perspectives: A Mental Health & Aging Newsletter* is currently being distributed to concerned Kansans.

The Silver Haired Legislature has been an important partner to those of us in the mental health service delivery system who are actively involved in reaching elderly Kansans who struggle with mental health problems. The volunteers of the Silver Haired Legislature spend tireless hours at their own expense to support the needs of elderly Kansans. Their efforts in the mental health arena have directly influenced an improvement in services to elderly Kansans. The return on this is improved health, fewer hospitalizations, and fewer fatalities - a savings of cost and lives. This certainly justifies a funding process to keep the efforts of the Silver Haired Legislature alive.

Nancy Trout, LSCSW

NT/sf

March 8, 1995

TESTIMONY BEFORE THE HOUSE TAXATION COMMITTEE IN SUPPORT OF  
HB 2278 and HB 2277

My name is Marjorie Rees. I'm active in a number of organizations in the ageing network in Johnson County, and I served three terms as a Silver Haired Legislator. I believe the SHL is successfully fulfilling its mission of educating, informing, and involving older citizens in the political process. I also believe that an informed electorate is the foundation of democracy, and that the SHL should be enabled to continue its progress towards that goal.

During its twelve year existence in Kansas, the SHL has operated as a truly grass roots, representative organization, open to all who wish to run for election regardless of ability to assume the expenses of attending the legislative session, board and committee meetings, hearings, etc. But the initial grants and seed money that made that possible have been exhausted, and, if the organization is to survive, it must have a permanent source of income.

The Silver Haired Legislature not only promotes citizen involvement. It develops bills and resolutions based on its familiarity with the needs and concerns of its constituents. Over the years it has either initiated or been instrumental in the passage of some important legislation such as the Senior Care Act , the CARE project, Do Not Resuscitate Directives, elder abuse laws, mandatory seat belt restraints, transportation for the elderly and disabled, and funding for senior centers and nutrition sites. Many have saved the state money because they provided services enabling the elderly to remain in their homes instead of entering institutions.

There are 24 state SHLs throughout the country. A number of them are funded directly by the state or through an income tax check-off. Either of these bills, 2277 or 2278, would ensure the continuation of an organization that has made significant progress in both educating and representing the older citizens of Kansas. I urge your support and thank you for your consideration.

Marjorie Rees  
2811 W 66 Terr.  
Shawnee Mission, Ks., 66208

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February 23, 1995  
HB 2277  
HB 2278

HOUSE COMMITTEE ON TAXATION

My name is Jim Sund, from Merriam, Johnson County. Although I am no longer a Silver Haired Delegate, I served six years, 2 as speaker . I am currently active in several organizations interested in issues affecting older Kansans--The Kansas Coalition on Aging, the State Advisory Council on Aging, The Johnson County Commission on Aging, and the Greater Metropolitan Area Medicare Beneficiaries Advisory Board. All of these organizations are interested in the recommendations made by the Silver Haired Legislators.

When created 13 years ago, the Senate Concurrent Resolution stated that its purpose was to **Educate** older Kansans in the legislative process, **Inform** older Kansans and the public about issues affecting older Kansans, and to make **recommendations** to the Governor and the State Legislature. They offered no financial help, but made available on a "not to interfere basis", the use of the House Chambers, the committee rooms, and the help of the Revisors office. Individual members of the Legislature have been generous in giving time and help in training and in procedural matters.

Designed as a true grass roots organization with elected delegates from each County in Kansas and elected leadership, they meet for a three day session in Topeka. Patterned after the Kansas House, the Silver Hairs meet in the House Chambers, use committee rooms to hold public hearings, and convene in session to debate and vote on their bills. Those passed are submitted to the Governor and the State Legislators by means of the Silver Haired Journal. Individual members of the House and/or Senate are then solicited to sponsor a bill for hearing in the State Legislature.

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Certainly after 12 legislative sessions, the annual Silver Haired Legislative Session is contributing to the accomplishment of all three of their goals.

In the early days, funding was obtained from large corporations and organizations and solicitations from the Silver Haired Legislators. Much staff time and assistance was provided by The Kansas Department on Aging, the Jayhawk Area Agency on Aging and the Kansas Coalition on Aging. Now with increasingly scarce dollars, corporate donations are smaller and infrequent. And agencies are pressed for staff time and personnel.

In my view, the Silver Haired Legislature needs funding for three major purposes:

To conduct the annual three day legislative session in Topeka.

To conduct an annual orientation and training session.

To pay travel and subsistence for delegates.

(without financial help, it is feared some Kansans could not participate, and the organization might become an elitist group with only those participating who could afford the expenses)

Thank you for your attention.

J.H.Sund

Kansas Silver-Haired Legislature

March 8, 1995

Kansas State Legislature Committee:

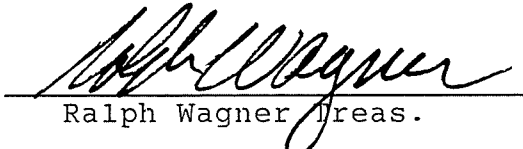
As Treasurer of the Kansas Silver-Haired Legislature for the past two years it is my opinion that without subsidy of greater amounts than are presently being realized, the organization will not be able to function past 1995, or at best into 1996.

The Finance Committee has put forth effort to solicit more funds from the Area Agencies for Aging, Meal Centers, and the membership its self. There were over 730 letters of appeal sent out with a result of a little over \$12,000.00 in contributions. Efforts have also been made to solicit funds from Commercial sources, without results due to "down sizing", etc. The exceptions are as following: Blue Cross in the amount of 2,000.00, Older Kansans publishers of Witchita in the amount of 1,900.00, as can be seen this is a far cry from what is need to meet a projected budget of \$36,000.00 for 1995.

It is worthy of mention that the membership is aware of this short fall and efforts have been made to cut expenses as much as possible. For example only 37 members submitted expense accounts for mileage to and from the 1994 Topeka session, out of over 110 in attendance. At the executive committee meeting at Great Bend in January the allowable for mileage was lowered from 22¢ to 17¢, and there was to be no allowance for meals. This is a departure from past allowables..

Even with all these efforts and adjustments the future looks bleak for an organization that is burdened for the needs of over 450,000, elderly Kansans

Respectfully submitted:

  
Ralph Wagner Treas.

House Taxation  
3-8-95  
Attachment 10

**CAROL SADER**

8612 Linden Drive, Shawnee Mission, KS 66207

To: House Taxation Committee  
From: Carol H. Sader  
Re: HB 2278 - State Income Tax Check-off Donation for Kansas Silver-Haired Legislature - Hearings on March 8, 1995  
Date: March 8, 1995

As a former Kansas State Representative and Chairperson, but more often Ranking Minority Member, of the House Public Health & Welfare Committee, I have first-hand knowledge of the beneficial work of the Kansas Silver-Haired Legislature and its significant value to our legislative process. For this reason, I strongly support HB 2278 and recommend its passage.

I have been advised that without the passage of HB 2278 and /or its companion bill, HB 2277, the very survival of the Silver-Haired Legislature is unlikely. It would be a real loss to all legislators who are intent upon representing the interests of the large and growing older adult population throughout our state to be without the valuable workproduct of the Silver-Haired Legislature which has proven so useful to so many of us for so many years.

HB 2278 would encourage and enable individual citizens voluntarily to provide the financial resources necessary for the continued operation of the Silver-Haired Legislature. It would make possible the on-going viability of this important volunteer adjunct to the legislative process with private sector support, thereby permitting the Silver-Haired legislators, themselves, to devote their time and energies to the legislative tasks they were elected to perform rather than be consumed with fundraising activities.

By providing a sufficient revenue source, HB 2278 would also eliminate the present and future reliance upon the personal financial resources of the Silver-Haired legislators, themselves, upon which the body has become so dependent. This is critical to encouraging the most qualified and capable candidates to run for office as Silver-Haired legislators regardless of their financial situation. Wouldn't it be nice if we could just as easily, by the passage of a simple bill such as HB 2278, eliminate the financial sacrifice and financial qualifications that have become practical pre-requisites for service in the Kansas Legislature? HB 2278 at least provides the opportunity to do so for service in the Silver-Haired Legislature.

For all of the reasons stated above, I would urge your positive consideration of HB 2278. Thank you.

House Taxation  
3-8-95  
Attachment 11



Southeast Kansas  
Retired and Senior Volunteer Program

(316) 431-3902

1500 West 7th

P.O. Box 62

Chanute, Kansas 66720

February 22, 1995

## National Senior Service Corp.

HB 2277 and 2278 Concerning Silver Haired Legislature Funding

Dr. John Homlish will provide my testimony to the House Taxation Committee,  
Wednesday, March 8th, 1995, Rm. 519 S., Capitol Bldg. 9:00 a.m.

My name is Maggie Harrod. I am Project Director for the Southeast Kansas Retired and Senior Volunteer Program. I am sorry that I cannot be present to testify in person today, but I thank you for allowing my testimony to be heard. I am a proponent for adequate funding for the Kansas Silver Haired Legislature.

Kansas is one of twenty-four states that has a Silver Haired Legislature. Our sister state of Missouri pioneered the movement when they held their first session in 1973.

In 1979 I was serving my undergraduate field placement in the Kansas Department on Aging. I was asked by then Secretary Sabol to attend and observe the Missouri proceedings and make a report with recommendations concerning the establishment of a Silver Haired Legislature in Kansas. My recommendation then was that if Kansas was going to address aging issues through a Silver Haired Legislature, it must be first and foremost, adequately funded.

As you know, the changing demographics of our aging population is exploding at a rate so fast it is beyond comprehension. Persons over the age of 65 are the fastest growing segment of our population and we need to be listening to the needs and concerns that the Silver Haired process allows us to.

The Center on Aging, University of Kansas Medical Center, produced the following information from the 1990 Census. There are 341,977 people aged 65 and over in Kansas. Of that number 38,303 people over the age of 65 live in poverty.

I bring that up because I am concerned about the following points:

- 1) There is a need for a grass roots advocacy for seniors with a state-wide perspective.
- 2) There is a need for low-income participation and input.
- 3) There is a need to provide a way to give validity for everyone in the policy making decisions that eventually effect us all.

You and I are aware that the Kansas Silver Haired Legislature will continue, whether it receives funding or not. But at present, decisions are starting to be made by the middle and upper income Silver Haired Legislators, because economics is not allowing all seniors to run for office. This in itself gives a false picture of Kansans when it comes to aging policies and programs.

Sponsored by Allen and Neosho County Commu

House Taxation

3-8-95

Attachment 12-1

Feb 22, 95 14:16 No.004 P.02

: 316-431-5055

pg. 2 Testimony

Proponent for Silver Haired Legislature Funding

My recommendation in 1979 and today is still the same. Silver Haired Legislature needs adequate funding in order to be a strong viable program that lends support to you, the elected officials of the state of Kansas.

Therefore, I support some form of state funding in order to guarantee that all aging citizens of Kansas have an opportunity to impact on the policies and programs from the local grassroots level.

This expanding population of people over the age of 65 cannot be ignored. Let's plan programs to work with them. I know there are many reasons for funding the Kansas Silver Haired Legislature, but to me the need for a cross-section representation of our seniors may be the greatest!

Thank you for allowing me the opportunity to address this hearing.

Cedric "Ced" & Wilma Moege

District Representative — Retired  
Aid Association for Lutherans

3045 Kentucky — Ph. 913-266-8922  
Topeka, KS 66605

FREE ADVICE given on TAXES, GOVT., GOLF,  
HUNTING, FISHING, GARDENING, ETC. ETC.

I was a member of the SHL for 4 YRS — 1986-1990

The SHL is a fine group of Senior Citizens from across the state and it deserves funding.

Many of the SH Legislators have lived thru the great Depression and WWII and therefore have a wealth of knowledge and experience. To share. The last 3 yrs I served, I tried to get the SHL to consider other pressing state issues, like taxes, education, prisons, crime, death penalty, abortion, etc rather than focusing only on Senior issues which of course should be their primary issue but not exclusively. It was to no avail, so I exercised my term limit option by not seeking reelection. As to finances, the SHL has had a problem of financing the 7 day session since its inception. I was asked to contribute to SHL expenses while serving as a legislator, which I did.

I do not favor public funding as proposed in HJR 2277 & 2278 because

- ① It sets a bad precedent for other groups to obtain funding.
- ② It does not apply to the entire state population <sup>except HJR</sup> welfare as club dees does!

I suggest the following be considered for revenue to fund SHL

- (A) Increased corporate Sponsorship (Southwestern Bell - Fruit Nite Party)
- (B) 125 X 200 (Motel, Meals, Shopping) for 3 day = 25,000  $\times$  11% Sales = 2,750<sup>00</sup> <sup>Cost</sup>
- (C) City Pays (SPENT) 6 Shawnee Co Legis @ 300<sup>00</sup> = 1,800 - 1,000 Profit <sup>City Income</sup>

- ③ County Pays — Most of 105 Co have only 1 SH Legislator  
Shawnee Co pays \$7,500 per year dues ~~with~~ tax payer money to belong to KAC  
Why can't the counties pay all or part of the \$700<sup>00</sup> cost per Legislator?

2. Frater - W. Va: Benet's State - Saw with a 1500 Tuffler  
When Tuffler was say - I'm banned - Give me another Tuffler?

STATE OF KANSAS



DEPARTMENT OF WILDLIFE & PARKS

OFFICE OF THE SECRETARY

900 SW Jackson St., Suite 502 / Topeka, Kansas 66612 - 1233  
(913) 296-2281 / FAX (913) 296-6953

**H.B. 2278**

Testimony Presented to: House Taxation Committee

Provided by: Kansas Department of Wildlife and Parks

February 23, 1995

H.B. 2278 would create an income tax check-off on the state individual income tax for funding of the Silver Haired Legislature.

Legislation which created the Chickadee Check-Off for nongame wildlife was enacted in 1980 and first appeared on the individual state income tax forms during 1981. 1995 will mark the 15th year of the check-off. Contributions to the nongame program in 1994 for the 1993 tax year were about \$150,000. The percent of individuals donating to the check-off is small, but the amount of individual donations has increased over the years and has been instrumental in maintaining a funding base.

This check-off is the sole dedicated funding source for nongame wildlife management efforts in Kansas and maintaining a funding base is critically important for continuing that type of work. While the amount is not large by some standards, any reduction in the amount available would noticeably affect nongame programs.

Nongame check-off funds are used for a variety of programs, such as providing bird feeders and bird food to retirement facilities, educational programs for children, eagle recovery efforts, etc. A more complete listing of some of our nongame activities is attached. We believe these are very important projects for all Kansans.

Our records indicate that there were 36 states with a nongame type check-off in 1993. In almost all cases, a nongame check-off was the first check-off authorized in those states. By 1987, 16 of those



states had enacted one or more competing check-offs and two states had six competing check-offs.

Based on reports and averages from other states, the following can be expected if a competing check-off is added in Kansas:

- Total donations would increase about 21%.
- A 20% reduction in donations to the Kansas nongame program.
- A slight increase in the number of donors.
- The dollar amount of individual donations would probably remain about the same.

Based on those estimates, the Silver Haired Legislature check-off could generate about \$61,500. However, the nongame check-off would only generate about \$120,000--a \$30,000 reduction which would have major impact on nongame wildlife programs in the state of Kansas.

## CHICKADEE CHECK-OFF PROJECT HIGHLIGHTS

The nongame program is funded through appropriation acts of the legislature during the annual budget process. The Fish and Wildlife Division of the Department administers the program. A nongame advisory council made up of 13 members from various conservation and agricultural organizations functions as an unofficial advisory group to the Department. A partial listing of projects funded and performed through the check-off is as follows:

- Threatened and endangered species research and management:
  - Least tern management and research at Quivira National Wildlife Refuge.
  - Research our habitat needs and sensitive aquatic species in southeast Kansas.
  - Special monitoring efforts for bald eagles, whooping cranes and other federal and state threatened and endangered species.
- Information and education programs:
  - Watching Kansas Wildlife book and program
  - Certified Backyard Wildlife Habitat Program
  - OWLS - Outdoor Wildlife Learning Sites program
  - 63 schools funded
  - Publications including Mammals in Kansas and Amphibians and Reptiles in Kansas.
  - Public information programs including Eagle Days and Walk With Wildlife, and the Kansas winter bird feeder survey.
- Nongame Wildlife Management:
  - Songbird habitat bundle (trees and shrubs) in cooperation with the Kansas State Extension Forestry.
  - Golden eagle restoration project at Wilson Reservoir.
  - Bluebird Nestbox Program.
- Urban Wildlife Program:
  - Urban Habitat Improvement Program - This is a small grants program that provides funds for wildlife habitat work and nature trail development to parks departments and other organizations. Examples include: Sedgwick County Zoo (Wichita), Lakewood Park (Salina), Winter Park (Topeka), Forest Park (Garden City), Merritt Horticultural Center (Kansas City), Sunflower Park (Olathe), and the Kansas State Historical Museum (Topeka).
  - Work with county planning agencies on incorporating wildlife concerns into county planning and zoning efforts - Wyandotte, Riley and Shawnee Counties.
  - Bird feeders, bird seed, and identification field guides provided to nursing homes and schools.

CHECK-OFF PERFORMANCE HISTORY

<u>Tax Year</u>	<u>Income</u>	<u>No. Contributors</u>	<u>Ave. Contribution</u>
1980	\$ 128,790	24,587	\$ 5.25
1981	130,290	22,063	5.91
1982	136,250	20,577	6.62
1983	134,630	19,026	7.08
1984	105,185	16,700	6.28
1985	130,890	20,516	6.38
1986	209,465	26,572	7.88
1987	177,055	19,895	8.90
1988	174,430	22,520	7.75
1989	171,705	21,716	7.91
1990	158,634	20,916	7.48
1991	154,022	19,670	7.83
1992	148,046	18,959	7.81
1993	148,515	18,191	8.16

## H.B. 2228

Mr. Chairman and Members of the Committee:

Thank you for taking time to hear a bill that attempts to correct a local problem. In 1986, the Hutchinson City Commission supported the passage of a county-wide sales tax. The City pledged to use two and one-half million dollars of the proceeds of the sales tax to reduce its property tax mill levy. Because the sales tax distribution formula is based 50% on population and 50% on property tax levy, however, this pledge has had a totally unanticipated result - it has greatly reduced the anticipated sales tax income to the City. In the year prior to the passage of the sales tax, the City would have received 52% of the sales tax revenue and the County would have received 37%. Because of the use of the proceeds of the sales tax the following year by the City to reduce property taxes, the City's share fell to 47% and the County's share increased to 42%. This disparity remains today. In 1994, the City received \$311,000 less and the County received \$250,000 more. Over the past eight years, the City has lost over \$2,000,000 in countywide sales tax revenues because of its efforts to reduce property taxes.

The City Commissioners of Hutchinson have made a conscious effort to prevent increases in the City mill levy. The rate in 1990 was 40.687 mills; the rate is year is 41.297 mills, an increase of .6 of a mill, or 1.4%. The County has increased its mill levy in the same period from 20.179 to 24.481, or 21.3%. The practical result of K.S.A. 12-192 is to penalize any city that attempts to reduce its property tax levy or to hold it constant, while County or other city governing bodies increase their levies. H.B. 2228 would correct this disparity in Reno County by changing the formula to place a greater emphasis on population and to decrease the reliance upon property tax mill levies. The City of Hutchinson urges your favorable consideration of

H.B. 2228.

House Taxation  
3-8-95  
Attachment 15-1

**CITY OF HUTCHINSON**  
**1986 SALES TAX DISTRIBUTION SUMMARY**  
(1985 Tax for 1986 Budget)

17-Feb-95

TAXING ENTITY	VALUATION	MILL LEVY	LEVY \$	LEVY SHARE %
<b>Hutchinson</b>	<b>\$102,972,401</b>	<b>41.785</b>	<b>4,302,702</b>	<b>41.52%</b>
Abbyville	292,493	25.963	7,594	0.07%
Arlington	818,563	14.626	11,972	0.12%
Buhler	2,796,219	58.297	163,011	1.57%
Haven	2,487,035	16.728	41,603	0.40%
Langdon	79,607	9.369	746	0.01%
Nickerson	1,516,645	70.945	107,598	1.04%
Partridge	373,870	15.456	5,779	0.06%
Plevna	132,980	68.58	9,120	0.09%
Pretty Prairie	955,121	23.941	22,867	0.22%
South Hutchinson	13,551,872	15.940	216,017	2.08%
Sylvia	571,528	19.079	10,904	0.11%
Turon	795,922	16.203	12,896	0.12%
Willowbrook	482,568	42.101	20,317	0.20%
<b>Subtotal</b>	<b>\$127,826,824</b>		<b>\$4,933,125</b>	
<b>Reno County</b>	<b>\$247,138,030</b>	<b>21.973</b>	<b>\$5,430,364</b>	<b>52.40%</b>
<b>TOTAL</b>			<b>\$10,363,489</b>	

FORMULA: % of Population + Levy Share % / 2 = % of Sales Tax Received				
	Pop %	Levy \$ %	Sales Tax %	
Hutchinson	63.27%	41.52%	52.39%	
Reno County	23.13%	52.40%	37.76%	

15-2

**CITY OF HUTCHINSON**  
**1987 SALES TAX DISTRIBUTION SUMMARY**  
 1986 Tax for 1987 Budget

17-Feb-9

23.1258 = the effect of the \$2,500,000 of Sales Tax in Mills

TAXING ENTITY	VALUATION	MILL LEVY	LEVY \$	LEVY SHARE	MILL LEVY	LEVY \$	LEVY SHARE
		W/SALES TAX REDUCTION		%	W/O SALES TAX REDUCTION		%
<b>Hutchinson</b>	<b>\$108,104,389</b>	<b>23.244</b>	<b>\$2,512,778</b>	<b>30.70%</b>	<b>46.370</b>	<b>\$5,012,778</b>	<b>46.91%</b>
Abbyville	289,304	28.237	8,169	0.10%	28.237	8,169	0.08%
Arlington	832,900	14.244	11,864	0.14%	14.244	11,864	0.11%
Buhler	3,119,481	53.976	168,377	2.06%	53.976	168,377	1.58%
Haven	2,667,571	17.406	46,432	0.57%	17.406	46,432	0.43%
Langdon	83,963	6.284	528	0.01%	6.284	528	0.00%
Nickerson	1,513,907	46.539	70,456	0.86%	46.539	70,456	0.66%
Partridge	385,487	16.184	6,239	0.08%	16.184	6,239	0.06%
Plevna	134,107	58.781	7,883	0.10%	58.781	7,883	0.07%
Pretty Prairie	996,384	12.592	12,546	0.15%	12.592	12,546	0.12%
South Hutchinson	12,311,458	17.737	218,368	2.67%	17.737	218,368	2.04%
Sylvia	564,478	17.171	9,693	0.12%	17.171	9,693	0.09%
Turon	788,452	15.947	12,573	0.15%	15.947	12,573	0.12%
Willowbrook	479,898	43.682	20,963	0.26%	43.682	20,963	0.20%
<b>Subtotal</b>	<b>\$132,271,779</b>		<b>\$3,106,869</b>			<b>\$5,606,869</b>	
<b>Reno County</b>	<b>\$246,895,423</b>	<b>20.571</b>	<b>\$5,078,886</b>	<b>62.05%</b>		<b>\$5,078,886</b>	<b>47.53%</b>
<b>TOTAL</b>			<b>\$8,185,755</b>			<b>\$10,685,755</b>	

FORMULA: % of Population + Levy Share % / 2 = % of Sales Tax Received

	<--- with \$2,500,000 Reduction --->			<--- without \$2,500,000 Reduction --->		
	Pop %	Levy \$ %	Sales Tax %	Pop %	Levy \$ %	Sales Tax %
Hutchinson	63.27%	30.70%	46.98%	63.27%	46.91%	55.09%
Reno County	23.13%	62.05%	42.59%	23.13%	47.53%	35.33%

15-3

**CITY OF HUTCHINSON**  
**1994 SALES TAX DISTRIBUTION SUMMARY**  
 1993 Tax for 1994 Budget

17-Feb-

19.5727 = the effect of the \$2,500,000 of Sales Tax in Mills

TAXING ENTITY	VALUATION	MILL LEVY		LEVY SHARE %	MILL LEVY		LEVY SHARE %
		LEVY \$	W/SALES TAX REDUCTION		LEVY \$	W/O SALES TAX REDUCTION	
<b>Hutchinson</b>	<b>\$127,728,835</b>	<b>41.373</b>	<b>\$5,284,525</b>	<b>39.54%</b>	<b>60.95</b>	<b>\$7,784,525</b>	<b>49.07%</b>
Abbyville	309,508	21.848	6,762	0.05%	21.848	6,762	0.04%
Arlington	1,013,979	9.555	9,689	0.07%	9.555	9,689	0.06%
Buhler	3,684,026	45.662	168,220	1.26%	45.662	168,220	1.06%
Haven	2,992,006	27.643	82,708	0.62%	27.643	82,708	0.52%
Langdon	116,845	10.587	1,237	0.01%	10.587	1,237	0.01%
Nickerson	2,051,158	68.322	140,139	1.05%	68.322	140,139	0.88%
Partridge	459,789	14.250	6,552	0.05%	14.250	6,552	0.04%
Plevna	153,857	46.55	7,162	0.05%	46.55	7,162	0.05%
Pretty Prairie	1,175,705	21.529	25,312	0.19%	21.529	25,312	0.16%
South Hutchinson	12,453,006	30.014	373,765	2.80%	30.014	373,765	2.36%
Sylvia	489,802	17.654	8,647	0.06%	17.654	8,647	0.05%
Turon	752,942	22.426	16,885	0.13%	22.426	16,885	0.11%
Willowbrook	728,436	34.768	25,326	0.19%	34.768	25,326	0.16%
<b>Subtotal</b>	<b>\$154,109,894</b>		<b>\$6,156,929</b>			<b>\$8,656,929</b>	
<b>Reno County</b>	<b>\$280,772,249</b>	<b>25.669</b>	<b>\$7,207,143</b>	<b>53.93%</b>		<b>\$7,207,143</b>	<b>45.43%</b>
<b>TOTAL</b>			<b>\$13,364,072</b>			<b>\$15,864,072</b>	

FORMULA: % of Population + Levy Share % / 2 = % of Sales Tax Received

	< --- with \$2,500,000 Reduction --- >			< --- without \$2,500,000 Reduction --- >		
	Pop %	Levy \$ %	Sales Tax %	Pop %	Levy \$ %	Sales Tax %
Hutchinson	63.27%	39.54%	51.41%	63.27%	49.07%	56.17%
Reno County	23.13%	53.93%	38.53%	23.13%	45.43%	34.28%

h-51

**CALCULATION OF REVENUE LOSS  
DUE TO CITY SALES TAX REDUCTION**

1987 TOTAL COUNTY 1% \$ COLLECTED

\$4,949,662

	W/ SALES TAX REDUCTION		W/O SALES TAX REDUCTION		\$ DIFF
	\$	%	\$	%	
CITY \$	2,325,351	46.98%	2,726,769	55.09%	\$401,418
COUNTY \$	2,108,061	42.59%	1,748,716	35.33%	(\$359,345)
OTHER \$	516,250	10.43%	474,178	9.58%	(\$42,072)
<b>TOTALS</b>	<b>\$4,949,662</b>	<b>1.00</b>	<b>\$4,949,662</b>	<b>1.00</b>	

1994 TOTAL COUNTY 1% \$ COLLECTED

\$6,535,012

	W/ SALES TAX REDUCTION		W/O SALES TAX REDUCTION		\$ DIFF
	\$	%	\$	%	
CITY \$	3,359,650	51.41%	3,670,716	56.17%	\$311,067
COUNTY \$	2,490,493	38.11%	2,240,202	34.28%	(\$250,291)
OTHER \$	684,869	10.48%	624,094	9.55%	(\$60,776)
<b>TOTALS</b>	<b>\$6,535,012</b>	<b>1.00</b>	<b>\$6,535,012</b>	<b>1.00</b>	

**COUNTY SALES TAX DISTRIBUTION FORMULA ISSUE:**

At issue is the method of distribution for the countywide retailer's sales tax. According to K.S.A. 12-192 one half of the sales tax collected is based on the mill levy rate within government's jurisdiction, and the other half is based on population. The statute specifies that one half of the revenues are to be apportioned among the county, and each city within the county, in the same proportion the local tangible property tax levy, for all funds, for each government unit within the county bears to the total of all such levies made within the county for the preceding year. The second half is distributed based on the proportion that the unincorporated population bears to the total county population and the proportion of each city's population to the total population.

The major concern regarding this formula is that it penalizes those communities that have made a conscious effort to hold the line on property taxes. If one city has a high mill levy rate in to other communities within the county, it will fare better under this sales tax formula than those which keep property tax mill levies down. This formula is a disincentive for local units of government to minimize property tax mill levies.

**HB 2228 RECOMMENDED ACTION:**

- 75% based on Population %
- 25% based on Mill Levy \$ %

FY 1994					
ENTITY	POP %	MILL LEVY	% SHARE	\$ SHARE	1994 \$ DIFF
HUTCHINSON	189.81%	39.54%	57.34%	\$3,747,013	\$387,363
RENO COUNTY	69.39%	53.93%	30.83%	\$2,014,744	(\$475,749)

15-5



James T. Perry, Reno County Board of Commissioners Chairman  
 Larry Tucker, Reno County Treasurer

COMMITTEE ON TAXATION

HOUSE BILL 2228

This testimony is presented to the Committee in opposition to House Bill 2228.

Passage of this bill as presented will result in a negative impact on revenues and services provided. During calendar year 1994, the Reno County Treasurer received \$2,629,000 in local county sales taxes. This represented approximately 39% of the sales tax collected for the entire county. Under the apportionment formula, the breakdown of local county sales tax and the impact of House Bill 2228 using 1994 data on Reno County funds would be as follows:

Formula Apportionment	Current Law	Per HB2228	Net Loss
Tax \$ Levied	\$1,840,000	\$1,184,000	
Population	<u>\$ 789,000</u>	<u>\$ 920,000</u>	
Total	\$2,629,000	\$2,104,000	\$525,000

Previous years:

	ACTUAL RECEIPTS	LOSS
1994	2,629,000	525,000
1993	2,333,288	466,657
1992	2,057,269	411,454
1991	1,914,226	382,845
1990	2,190,949	438,190
1995 (Budgeted)	2,050,000 (Budgeted)	410,000

Reno County has levied tax dollars in 1994 to support the following funds for 1995:

FUNDS	TAXES LEVIED	MILL LEVY
General	724,140	2.44
Road & Bridge	2,690,726	9.05
Noxious Weeds	174,477	0.59
Elderly	354,029	1.19
Historical	179,012	0.60
Mental Health	252,442	0.85
Mental Retardation	307,461	1.03
Liability	61,898	0.21
Employee Benefits	1,884,212	6.34
Bond & Interest	306,278	1.03
Health	369,120	1.24
	<b>\$7,303,795</b>	<b>\$24.57</b>

The total budget for all county funds for 1995 totals \$23.1 million. Property taxes support 32%, sales tax 11%, state, federal and miscellaneous sources the balance or 57% of the 1995 budget. Any loss in sales tax revenue would have to be made up in higher property taxes or reduced services.

#### IMPACT ON SERVICES

To suggest the county reduce services is not practical. The county's mill levy is one of the lowest in the state, currently 6th according to the latest issue of the League of Municipalities' GOVERNMENT JOURNAL. In fact, with new federal and state legislation, the county is faced with many new requirements to fund through higher property taxes and other sources of revenues.

1. Landfill mandates.
2. Overcrowded detention facilities for adults and mandated facilities for juvenile detention.
3. Increased demands for local health care services. During the 3 year period that Reno County received a federal grant for Primary Care, 88% of the clients provided services were from the City of Hutchinson.
4. Aging road and bridge infrastructure.
5. New "get tough" with criminals legislation requiring expanded law enforcement and prosecution.
6. Reduced revenue from motor vehicle taxes over the next ten years, estimated to be \$482,000.

These requirements are services that can only be provided by county government as a whole. Any effort to reduce sales tax revenue, under the current county budget tax lid formula, would reduce county services by more than \$5 million over the next ten years. How will this revenue be replaced if the tax lid is retained? If the tax lid is removed, it is certain to raise the mill levy to fund services that are not only expected but demanded by all residents of Reno County as well as the City of Hutchinson. Many of the services provided by Reno County are primarily utilized by residents of the City of Hutchinson, yet are funded by Reno County. In 1994, ridership on the Reno County Golden Express/General Public Transportation service was 83% from residents of Hutchinson, with 17% from South Hutchinson and the remainder from surrounding area. The total budget for Department of Aging for 1995 is \$536,573. At the Reno County Landfill, for a 7 month period (June through December) in 1994, Hutchinson residences and businesses contributed 79% of solid waste delivered to the landfill. The revenue received from Hutchinson residences and businesses amounted to only 65% of the total revenue generated at the landfill. Are the percentages of use versus revenue fair? ***Committee members, can you see why Reno County cannot afford to have this proposed legislation passed?***

To propose changing the formula from the present statute, is both short sighted and detrimental to the citizens of the county, regardless of whether they live in an incorporated area or not.

Session of 1995

## HOUSE BILL No. 2228

By Representative O'Neal

1-30

9 AN ACT relating to countywide retailers' sales taxation; concerning the  
10 apportionment of revenue received therefrom; amending K.S.A. 1994  
11 Supp. 12-192 and repealing the existing section.  
12

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

14 Section 1. K.S.A. 1994 Supp. 12-192 is hereby amended to read as  
15 follows: 12-192. (a) Except as otherwise provided by subsection (b), (d)  
16 or (h), all revenue received by the director of taxation from a countywide  
17 retailers' sales tax shall be apportioned among the county and each city  
18 located in such county in the following manner: (1) One-half of all reve-  
19 nue received by the director of taxation shall be apportioned among the  
20 county and each city located in such county in the proportion that the  
21 total tangible property tax levies made in such county in the preceding  
22 year for all funds of each such governmental unit bear to the total of all  
23 such levies made in the preceding year, and (2) except as provided by  
24 paragraph (3), ½ of all revenue received by the director of taxation from  
25 such countywide retailers' sales tax shall be apportioned among the county  
26 and each city located in such county, first to the county that portion of  
27 the revenue equal to the proportion that the population of the county  
28 residing in the unincorporated area of the county bears to the total pop-  
29 ulation of the county, and second to the cities in the proportion that the  
30 population of each city bears to the total population of the county, except  
31 that no persons residing within the Fort Riley military reservation shall  
32 be included in the determination of the population of any city located  
33 within Riley county, or (3) one-half of all revenue received by the director  
34 of taxation from countywide retailers' sales taxes levied in Geary county  
35 in any year shall be apportioned among the county and each city located  
36 in such county, first to the county that portion of the revenue equal to  
37 the proportion that the population of the county residing in the unincor-  
38 porated area of the county less the population residing on a military res-  
39 ervation bears to the total population of the county less the population  
40 residing on a military reservation, and second to the cities in the propor-  
41 tion that the population of each city bears to the total population of the  
42 county less the population residing on a military reservation. All revenue  
43 apportioned to a county shall be paid to its county treasurer and shall be

credited to the general fund of the county.

(b) (1) As an alternative and in lieu of the apportionment formula provided in subsection (a), all revenue received by the Johnson county treasurer from a countywide retailers' sales tax imposed at the rate of 1% after the effective date of this act may be apportioned among the county and each city located in such county in the following manner: ~~(1)~~ (A) One-half of all such revenue shall be apportioned in the manner prescribed by subsection (a) and ~~(2)~~ (B) one-half of all such revenue shall be apportioned as follows: ~~(A)~~ (i) One-fourth 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 ~~(B)~~ (ii) one-fourth 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 and ~~(C)~~ (iii) one-half shall be retained by the county for its sole use and benefit.

(2) *In lieu of the apportionment formula provided in subsection (a), all revenue received by the Reno 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: (A) One-fourth of all revenue received by the director of taxation 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 (B) ¾ of all revenue received by the director of taxation 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.*

(c) (1) Except as otherwise provided by paragraph (2) of this subsection, for purposes of subsections (a) and (b), 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

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

2 (2) For the purposes of subsections (a) and (b), any ad valorem prop-  
 3 erty tax levied on property located in a city in Johnson county for the  
 4 purpose of providing fire protection service in such city shall be included  
 5 within the term "total tangible property tax levies" for such city regardless  
 6 of its applicability to all tangible property located within each such city.  
 7 If the tax is levied by a district which extends across city boundaries, for  
 8 purposes of this computation, the amount of such levy shall be appor-  
 9 tioned among each city in which such district extends in the proportion  
 10 that such tax levied within each city bears to the total tax levied by the  
 11 district.

12 (d) (1) All revenue received from a countywide retailers' sales tax  
 13 imposed pursuant to paragraphs (2) or (6) of subsection (b) of K.S.A. 12-  
 14 187, and amendments thereto, shall be remitted to and shall be retained  
 15 by the county and expended only for the purpose for which the revenue  
 16 received from the tax was pledged.

17 (2) Except as otherwise provided in paragraph (5) of subsection (b)  
 18 of K.S.A. 12-187, and amendments thereto, all revenues received from a  
 19 countywide retailers' sales tax imposed pursuant to paragraph (5) of sub-  
 20 section (b) of K.S.A. 12-187, and amendments thereto, shall be remitted  
 21 to and shall be retained by the county and expended only for the purpose  
 22 for which the revenue received from the tax was pledged.

23 (e) All revenue apportioned to the several cities of the county shall  
 24 be paid to the respective treasurers thereof and deposited in the general  
 25 fund of the city. Whenever the territory of any city is located in two or  
 26 more counties and any one or more of such counties do not levy a coun-  
 27 tywide retailers' sales tax, or whenever such counties do not levy coun-  
 28 tywide retailers' sales taxes at a uniform rate, the revenue received by  
 29 such city from the proceeds of the countywide retailers' sales tax, as an  
 30 alternative to depositing the same in the general fund, may be used for  
 31 the purpose of reducing the tax levies of such city upon the taxable tan-  
 32 gible property located within the county levying such countywide retail-  
 33 ers' sales tax.

34 (f) Prior to March 1 of each year, the secretary of revenue shall advise  
 35 each county treasurer of the revenue collected in such county from the  
 36 state retailers' sales tax for the preceding calendar year.

37 (g) Prior to December 31 of each year, the clerk of every county  
 38 imposing a countywide retailers' sales tax shall provide such information  
 39 deemed necessary by the secretary of revenue to apportion and remit  
 40 revenue to the counties and cities pursuant to this section.

41 (h) As an alternative and in lieu of the apportionment formula pro-  
 42 vided in subsection (a) and if the same is approved by the electorate, all  
 43 revenue received by the Montgomery county treasurer from a countywide

1 retailers' sales tax imposed at the rate of 1% after the effective date of  
 2 this act shall be apportioned among the county and each city located in  
 3 such county, first to the county that portion of the revenue equal to the  
 4 proportion that the population of the county residing in the unincorpor-  
 5 ated area of the county bears to the total population of the county, and  
 6 second to the cities in the proportion that the population of each city  
 7 bears to the total population of the county. The provisions of this sub-  
 8 section shall only apply for the five-year period of time next following the  
 9 date upon which it is authorized.

10 Sec. 2. K.S.A. 1994 Supp. 12-192 is hereby repealed.

11 Sec. 3. This act shall take effect and be in force from and after its  
 12 publication in the statute book.

16-5