

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 17, 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
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 continued hearing on:

HCR 5023 - Constitutional amendment imposing aggregate limitations upon expenditures by the state and its taxing subdivisions (Glasscock)

HCR 5006 - Constitutional amendment imposing aggregate limitations upon levy of taxes and expenditures by the state and its taxing subdivisions ; and

HCR 5007 - Constitutional amendment limiting state general fund appropriations and mandates on local government.

Proponents:

Karl Peterjohn, Kansas Taxpayers Network, Inc. (Attachment 1)

Bob Corkins, Kansas Chamber of Commerce & Industry (Attachment 2)

Opponents:

Bev Bradley, Association of Counties (Attachment 3)

Chair closed hearings with continuation at the next meeting on March 20.

Moved by Larkin, seconded by Kirk, amend **SB 41** to change the interest rate from 12% to 6%

Moved by Shore, seconded by Pottorff, substitute motion that **SB 41** be passed favorably. Motion carried. NO vote recorded by Rep. Pat Pettey.

Moved by Graeber, seconded by Larkin, **SB 194** be passed favorably. Motion carried.

Moved by Welshimer, seconded by Graeber, **SB 275** be passed favorably. Motion carried.

Moved by McKinney, seconded by Graeber, **SB 203** be passed favorably.

Moved by Mays, seconded by Wilson, substitute motion amend **HB 2232** into **SB 203**. Motion carried.

Moved by McKinney, seconded by Mays, **SB 203** be passed favorably as amended. Motion carried.

The next meeting is scheduled for March 20, 1995.

Adjournment.

TAXATION COMMITTEE GUEST LIST

DATE: March 17, 1995

NAME	REPRESENTING
BEV BRADLEY	KS Assoc of Counties
Anne Spiess	Ks. Assoc of Counties
KAREN FRANCE	Ks. Assoc of REALTORS
Matthew Martin	KAR
JANET STUBBS	KBIA
Karen Lowery	KASB
Rick Shepard	
Rich McKee	KS Livestock Assoc
Jordan T. Ganett	CPAK
Trudy Perkins	CPAK
Art Brown	mid-m Lumbermen's Assn
Ken Peterson	KS Petroleum Council
STEVIE KEARNEY	KS OIL MARKETERS ASSN
Dominique Wae	KCUA
Karl Peterjohn	KS Taxpayers Network

KANSAS TAXPAYERS NETWORK
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15 March 1995

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HCR 5023 SPENDING LID PROPOSAL
HOUSE TAXATION COMMITTEE

Chairman Kline and members of the House Taxation Committee, my name is Karl Peterjohn, I am the Executive Director of the Kansas Taxpayers Network. Under KTN's mission statement I have continuously testified in support of tax or spending lid legislation. In the last session of the legislature I testified in support of Speaker Shallenburger's HCR 5017. Today, I am here to testify in support of Rep. Glasscock and Wilk's HCR 5023.

Voters in three of the four states surrounding Kansas have approved statewide lids on state or local governmental bodies. These states have approved either tax or spending lids. Nationally, according to one recent study, 18 states have a binding tax/expenditure lid (TEL) of one sort or another. This legislation attempts to provide Kansas with a similar, broadbased protection for taxpayers. This proposal is attempting to provide a brake to prevent government from growing faster than the underlying private sector which pays the bills. A spending lid was a major point that Governor Graves used in his campaign.

I know the detailed, painstaking work which was undertaken by the sponsors of this legislation to draft equitable, clear, and most importantly fair provisions to apply this spending lid to the state, cities, and counties.

Recently, Dean Stansel at the Cato Institute conducted a study of TEL's for a variety of criteria. The proposal before you today meets these items identified for effective TELs in this study:

1) This proposal would limit growth to the increase in personal income. This is the criteria most commonly used among other states with these TELs. I would add that an alternative criteria for high growth counties and cities would be to tie the increase to population and Consumer Price Index (CPI) growth. Stansel prefers population and CPI instead of personal income.

2) Can the TEL be easily circumvented? This proposal can be circumvented but not easily. It provides a clear limit to spending growth and clear, accountable ways for it to be superseded.

3) Does the TEL allow for growth and changing circumstances? This proposal provides for growth and has a provision which specifically applies to high growth cities and counties.

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4) Is there a provision to prevent cost shifting onto local governments? No, but this could be handled through the legislative language which this proposal allows whereby any shift in function to the local level would also come with program financing attached to it.

5) How is the TEL enforced? This proposal has a specific provision which would provide for enforcement and incentives for governmental bodies to follow these provisions.

6) Is this proposal constitutional instead of statutory? Yes it is. This is critically necessary criteria according to this study.

7) Voter approval for abrogation is a positive feature according to this study. Voter approval would play a role in the city and county provisions.

Areas where this proposal could be strengthened according to the study of TEL's around the country indicate that: voter approval at the state level is preferable to legislative authorization to exceed the lid, and it should not require any additional action by the legislature.

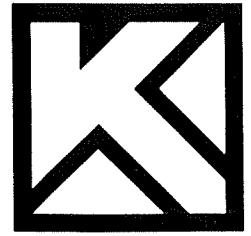
The 3/5 provision might be viewed by some of you as too stringent a restriction on spending growth. Current constitutional provisions in Oklahoma and Arizona both apply a much more stringent 2/3 majority requirement.

In conclusion I would like to quote from this Cato study, "TELS, as we know them, are no silver bullet. Even their staunchest supporters will admit that TELs have not the growth of taxes and spending as much as their advocates would have liked. Some TELs, in fact, have been clearly ineffective. However, the ineffective TELs tend to be the ones that are plagued by specific elements of poor design."

The bipartisan Glasscock/Wilk proposal you have in front of you avoids the poor design features. This proposal would also remove the continually contentious property tax lid and millage limits off the legislative agenda once this has gone into effect. On behalf of Kansas Taxpayers, KTN urges this committee to approve this spending lid.

LEGISLATIVE TESTIMONY

Kansas Chamber of Commerce and Industry



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HCR 5006, 5007 & 5023

March 16, 1995

KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the
House Committee on Taxation

by

Bob Corkins
Director of Taxation

Honorable Chair and members of the Committee:

My name is Bob Corkins, director of taxation for the Kansas Chamber of Commerce and Industry. KCCI truly appreciates this opportunity to present our case for the concept of government spending restraint contained in these resolutions. We introduced a proposal identical to HCR 5007 two years ago and are pleased to see the idea has finally gained momentum.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 3,000 businesses which includes 200 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 55% of KCCI's members having less than 25 employees, and 86% having less than 100 employees. KCCI receives no government funding.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

The differences between these plans may be considered substantial by some, but the common thread is summarized in three words: **ability to pay**. Each is premised on the principle that government spending should not climb faster than Kansans' ability to pay for that spending. Consequently, while KCCI supports each of these resolutions (with a few minor reservations in some cases), I will address my

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remarks to HCR 5023. It is a hybrid of the other two and constitutes a very workable compromise between the language of each.

The state provision within HCR 5023 is virtually identical to the proposal KCCI drafted in 1993. I mention this to highlight the substantial effort we undertook in crafting it. We assembled a bi-partisan task force of business leaders, school board representatives, former legislators, current legislators, and two former state secretaries of revenue. In sum, we spent months of research and internal negotiating in employing the expertise of everyone involved to arrive at this product.

We also commissioned a public opinion poll which was performed by a prominent Kansas firm that specializes in such work. It will probably surprise none on this committee that the poll showed enormous and broad based public support for our idea to restrain state spending. The results are summarized in an attachment to this testimony.

Because the primary elements of this issue are state spending and personal income, I have also attached a few documents which show their historic relationship. These comparisons are intended to illustrate how overdue the reform of HCR 5023 is even if it were magically implemented tomorrow. However, they offer no insight into how lenient or egregious this measure would have been if it had been enacted earlier. The "base year" from which calculations are made will skew the results substantially. Furthermore, nobody can say with certainty how the earlier imposition of this restraint would have affected each year's spending outcome.

The part of HCR 5023 which differs from KCCI's previously sponsored bill is the inclusion of cities and counties within its scope. We support this expansion of the measure. We participated in the drafting of HCR 5023. Unfortunately, personal income is not a workable yardstick for local government spending although it is the state government. This is due to a shortcoming in the detail of statistical tracking. Other local measurements were considered, each having their own merits and drawbacks. Sales tax growth prevailed as the most reliable index considered, although personal income growth would likely be the most predominant benchmark used.

KCCI's support for the local restraint in HCR 5023 displays our belief that this should be an overriding philosophy of government in general. Spending should be based on ability to pay. Spending, not taxing, is the root problem. Caps on taxation address the symptom rather than the illness itself.

Therefore, we believe the HCR 5023 constraint over local jurisdictions would be based on more fundamentally sound principles than those constraints set by current statute. The existing property tax lid and the antiquated, but ever present, fund levy limits could be abolished if HCR 5023 were adopted. I suspect that trade-off would be appealing to many cities and counties.

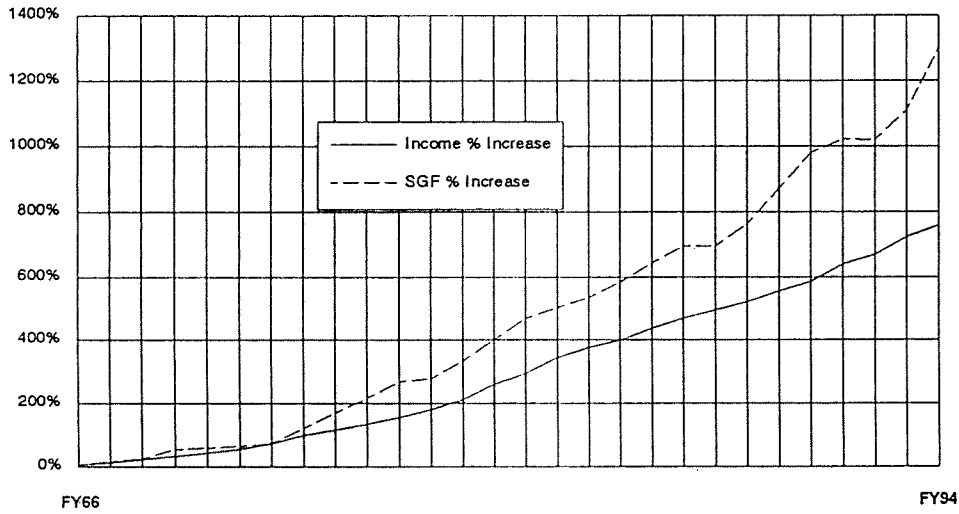
Of course, state government doesn't presently have to cope with any limit on its ability to *either* tax or spend.

This proposal is not an irresponsible knee-jerk reaction to government growth. It would be the installation of an underlying management philosophy. It would permit reasonable spending growth, present no threat to any existing state program, and may actually grant stability to programs that annually battle for their existence. However, it would do so within a sensible and more predictable framework of overall restraint.

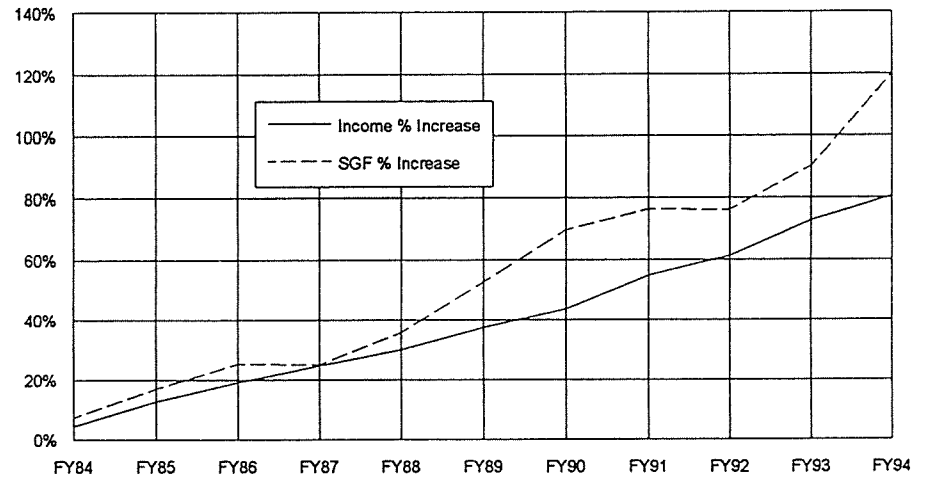
Businesses need governmental stability in order to plan for future expansion. The business community and the public at large sincerely want this proposal to happen. It is without question an extremely high KCCI priority as our membership has pronounced on numerous occasions. We therefore urge your favorable action on this matter.

Thank you for your time and consideration.

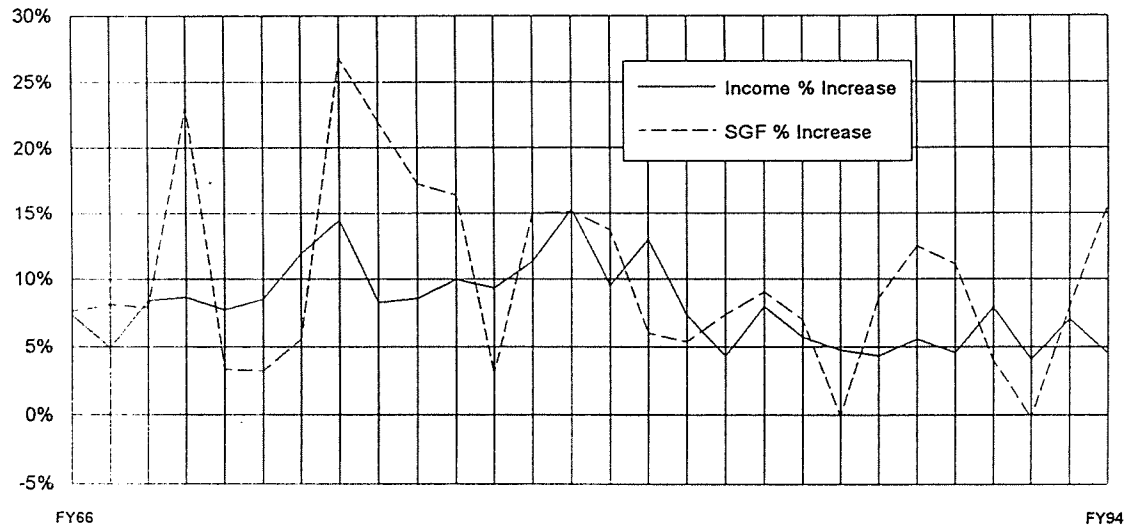
BASE YEAR 1966



BASE YEAR 1983



Change Relative to Each Immediately Preceding Year



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Details of Survey and KCCI Plan

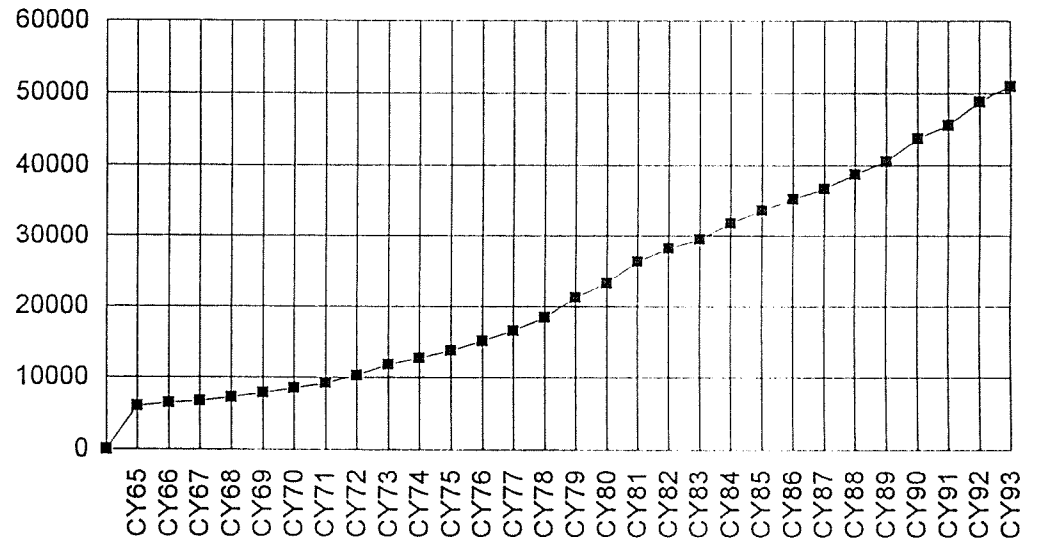
When asked about their level of support for a constitutional amendment limiting state spending to the growth rate in Kansans' personal income, those surveyed responded as follows:

	% Support			% Oppose			% No Opinion
	Strong	Moderate	Slight	Slight	Moderate	Strong	
Cong. Dist.							
#1	27	42	6	2	2	4	16
#2	38	30	3	2	6	5	16
#3	46	18	2	9	11	6	7
#4	36	30	8	6	8	6	7
Republican	39	31	6	3	5	4	12
Democrat	31	30	5	6	7	8	13
Independent	45	24	3	5	8	5	10
Age							
18-29	32	37	10	7	5	7	3
30-49	36	32	4	5	8	5	10
50-64	46	26	3	5	6	5	9
65+	33	24	7	3	7	6	21
Male	38	29	5	6	9	6	6
Female	36	30	5	3	5	4	17
TOTAL STATEWIDE	37	30	5	5	7	5	12

72%

Aggregate KS Personal Income
\$ Million

	\$ Million	% Incr.
CY65	5,917	
CY66	6,351	7.33%
CY67	6,667	4.98%
CY68	7,226	8.38%
CY69	7,850	8.64%
CY70	8,456	7.72%
CY71	9,175	8.50%
CY72	10,263	11.86%
CY73	11,745	14.44%
CY74	12,712	8.23%
CY75	13,797	8.54%
CY76	15,168	9.94%
CY77	16,582	9.32%
CY78	18,457	11.31%
CY79	21,275	15.27%
CY80	23,297	9.50%
CY81	26,314	12.95%
CY82	28,238	7.31%
CY83	29,453	4.30%
CY84	31,794	7.95%
CY85	33,615	5.73%
CY86	35,210	4.74%
CY87	36,727	4.31%
CY88	38,778	5.58%
CY89	40,553	4.58%
CY90	43,763	7.92%
CY91	45,553	4.09%
CY92	48,764	7.05%
CY93	50,967	4.52%



**STATE GENERAL FUND EXPENDITURES
AS A PERCENTAGE OF KANSAS PERSONAL INCOME**

Personal Income*		SGF Expenditures**			
Calendar Year	Income (Millions)	Fiscal Year	Expenditures (Thousands)	Percent of Income	Average Percent
1965	\$ 5,917	1966	\$ 222,417	3.76%	
1966	6,351	1967	239,376	3.77	
1967	6,667	1968	258,728	3.88	
1968	7,226	1969	279,136	3.86	
1969	7,850	1970	343,617	4.38	
1970	8,456	1971	354,939	4.20	4.10%
1971	9,175	1972	366,331	3.99	
1972	10,263	1973	386,701	3.77	
1973	11,745	1974	490,456	4.18	
1974	12,712	1975	598,387	4.71	
1975	13,797	1976	701,648	5.09	
1976	15,168	1977	816,589	5.38	
1977	16,582	1978	841,164	5.07	
1978	18,457	1979	967,214	5.24	
1979	21,275	1980	1,113,603	5.23	
1980	23,297	1981	1,265,711	5.43	
1981	26,314	1982	1,342,057	5.10	5.18%
1982	28,238	1983	1,414,109	5.01	
1983	29,453	1984	1,518,194	5.15	
1984	31,794	1985	1,655,127	5.21	
1985	33,615	1986	1,770,499	5.27	
1986	35,210	1987	1,768,718	5.02	
1987	36,727	1988	1,920,822	5.23	
1988	38,778	1989	2,159,915	5.57	
1989	40,553	1990	2,400,232	5.92	
1990	43,763	1991	2,495,418	5.70	5.63%
1991	45,553	1992	2,491,270	5.47	
1992	48,764	1993	2,690,098	5.52	
1993	50,967 ^(a)	1994	3,112,344	6.11	

* Estimates of the U.S. Department of Commerce, including revisions for CYs 1981-1992 as of April 1994.

** When applicable from FY 1975 through FY 1988, expenditures include three revenue transfers (which were netted out of receipts) that were changed to demand transfers (expenditures) by legislation enacted in 1988.

a) Preliminary, from *Survey of Current Business*, April 1994.

**PERCENT INCREASE IN STATE GENERAL FUND EXPENDITURES --
ACTUAL AND REAL
(Fiscal Years 1966-1994)**

Fiscal Year	Actual Expenditures (000)	Percent Increase	Real (Inflation Adjusted) Based On:		Percent Increase	
			CPI-U ⁽¹⁾	GDP-SLG ⁽²⁾	CPI-U ⁽¹⁾	GDP-SLG ⁽²⁾
1966	\$ 222,417					
1967	239,376	7.6%	4.3%	2.0%	3.2%	5.5%
1968	258,728	8.1	4.6	2.7	3.3	5.2
1969	279,136	7.9	2.9	2.1	4.9	5.7
1970	343,617	23.1	16.2	14.6	5.9	7.4
1971	354,939	3.3	(1.8)	(3.9)	5.2	7.5
1972	366,331	3.2	(0.4)	(2.5)	3.6	5.8
1973	386,701	5.6	1.5	(1.0)	4.0	6.6
1974	490,456	26.8	16.4	17.4	8.9	8.0
1975	598,387	22.0	9.9	9.0	11.1	12.0
1976	701,648	17.3	9.5	8.5	7.1	8.1
1977	816,589	16.4	10.0	9.7	5.8	6.1
1978	841,164	3.0	(3.5)	(4.1)	6.7	7.4
1979	967,214	15.0	5.1	6.5	9.4	8.0
1980	1,113,603	15.1	1.6	4.6	13.3	10.1
1981	1,265,711	13.7	1.9	4.1	11.6	9.2
1982	1,342,057	6.0	(2.4)	(0.6)	8.6	6.7
1983	1,414,109	5.4	1.0	0.1	4.3	5.3
1984	1,518,194	7.4	3.5	3.2	3.7	4.0
1985	1,655,127	9.0	4.9	4.0	3.9	4.8
1986	1,770,499	7.0	4.0	3.1	2.9	3.7
1987	1,768,718	(0.1)	(2.3)	(3.2)	2.2	3.2
1988	1,920,822	8.6	4.3	4.2	4.1	4.2
1989	2,159,915	12.4	7.5	7.9	4.6	4.2
1990	2,400,232	11.1	6.0	6.9	4.8	3.9
1991	2,495,418	4.0	(1.4)	(0.3)	5.4	4.2
1992	2,491,270	(0.2)	(3.3)	(2.8)	3.2	2.7
1993	2,690,098	8.0	4.7	4.9	3.1	3.0
1994	3,112,344	15.7	12.8	13.1	2.6	2.3
Incr, 1966-94	2,889,927	1,299.3	205.4	183.7		
1984-94	1,594,150	105.0	42.7	43.7		

1. Consumer Price Index-All Urban Consumers (1982-84 equals 100).
2. Gross domestic product fixed-weighted price index for state and local governments purchases of goods and services (1987 equals 100). The indices for FYs 1991-1994 were based on revised quarterly data released by the U.S. Department of Commerce on July 29, 1994.

Note: When applicable from FY 1975 through FY 1988, expenditures include three revenue transfers (which were netted out of receipts) that were changed to demand transfers (expenditures) by legislation enacted in 1988.

County	FY 91	FY 92	Pct	FY 92	FY93	Pct	FY94	Pct	% Budget Growth (max)	County
	[4.25%]	[4.25%]	Chg	[adj to 4.9%]	[4.9%]	Chg	[4.9%]	Chg	for Ensuing FY	
Allen	3,027,491	3,103,215	2.5%	3,577,824	3,956,293	10.6%	3,908,369	-1.2%	3.96%	Allen
Anderson	1,101,613	1,017,789	-7.6%	1,173,451	1,216,919	3.7%	1,462,486	20.2%	5.42%	Anderson
Atchison	3,073,425	3,158,005	2.8%	3,640,994	4,167,260	14.5%	3,944,875	-5.3%	3.96%	Atchison
Barber	1,121,378	1,049,405	-6.4%	1,209,902	1,281,378	5.9%	1,290,765	0.7%	0.07%	Barber
Barton	10,898,987	10,824,279	-0.7%	12,479,756	12,996,754	4.1%	13,083,267	0.7%	1.37%	Barton
Bourbon	3,031,126	3,166,980	4.5%	3,651,341	4,006,863	9.7%	3,951,322	-1.4%	4.28%	Bourbon
Brown	1,904,656	1,997,089	4.9%	2,302,526	2,334,528	1.4%	2,417,344	3.5%	3.26%	Brown
Butler	9,349,040	9,818,455	5.0%	11,320,100	13,264,644	17.2%	13,077,858	-1.4%	6.93%	Butler
Chase	329,737	330,196	0.1%	380,697	409,500	7.6%	367,131	-10.3%	-0.88%	Chase
Chautauqua	445,347	442,905	-0.5%	510,643	600,693	17.6%	535,037	-10.9%	2.05%	Chautauqua
Cherokee	2,498,790	2,547,680	2.0%	2,937,325	3,115,768	6.1%	3,128,324	0.4%	2.81%	Cherokee
Cheyenne	571,334	589,486	3.2%	679,643	707,679	4.1%	707,926	0.0%	2.45%	Cheyenne
Clark	279,699	289,115	3.4%	333,333	390,807	17.2%	366,108	-6.3%	4.76%	Clark
Clay	1,609,234	1,694,947	5.3%	1,954,174	2,061,462	5.5%	2,115,488	2.6%	4.48%	Clay
Cloud	2,589,625	2,760,650	6.6%	3,182,867	3,572,491	12.2%	3,414,140	-4.4%	4.80%	Cloud
Coffey	1,303,459	1,366,232	4.8%	1,575,185	1,772,980	12.6%	1,895,349	6.9%	8.09%	Coffey
Comanche	332,047	313,680	-5.5%	361,655	422,076	16.7%	394,665	-6.5%	1.56%	Comanche
Cowley	7,979,685	8,202,017	2.8%	9,456,443	10,213,779	8.0%	10,166,049	-0.5%	3.44%	Cowley
Crawford	8,135,628	8,621,353	6.0%	9,939,912	11,713,512	17.8%	11,934,277	1.9%	8.57%	Crawford
Decatur	623,877	615,649	-1.3%	709,807	757,659	6.7%	718,613	-5.2%	0.09%	Decatur
Dickenson	3,505,475	3,663,440	4.5%	4,223,731	4,696,463	11.2%	4,745,835	1.1%	5.58%	Dickenson
Doniphan	1,178,341	1,587,892	34.8%	1,830,746	1,564,349	-14.6%	1,309,340	-16.3%	1.30%	Doniphan
Douglas	23,163,555	23,892,549	3.1%	27,546,702	30,291,172	10.0%	31,951,762	5.5%	6.20%	Douglas
Edwards	448,374	445,598	-0.6%	513,748	591,101	15.1%	525,485	-11.1%	1.11%	Edwards
Elk	345,358	317,709	-8.0%	366,300	407,887	11.4%	378,929	-7.1%	-1.25%	Elk
Ellis	10,164,185	10,275,740	1.1%	11,847,323	12,994,455	9.7%	13,120,649	1.0%	3.92%	Ellis
Ellsworth	1,027,315	1,083,065	5.4%	1,248,710	1,433,571	14.8%	1,292,866	-9.8%	3.47%	Ellsworth
Finney	11,399,565	11,733,894	2.9%	13,528,489	14,667,595	8.4%	15,625,201	6.5%	5.96%	Finney
Ford	9,613,631	9,662,259	0.5%	11,140,016	11,826,830	6.2%	12,871,821	8.8%	5.17%	Ford
Franklin	4,657,998	4,820,889	3.5%	5,558,201	6,052,045	8.9%	6,176,416	2.1%	4.81%	Franklin
Geary	6,060,649	6,739,920	11.2%	7,770,731	7,930,619	2.1%	8,235,433	3.8%	5.70%	Geary
Gove	633,235	669,429	5.7%	771,812	884,443	14.6%	895,988	1.3%	7.20%	Gove
Graham	823,087	794,406	-3.5%	915,903	904,533	-1.2%	913,541	1.0%	-1.24%	Graham
Grant	2,177,347	2,260,928	3.8%	2,606,717	2,953,378	13.3%	3,349,774	13.4%	10.19%	Grant
Gray	661,888	672,909	1.7%	775,824	867,150	11.8%	982,506	13.3%	8.91%	Gray

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Greeley	265,866	263,470	-0.9%	303,765	352,241	16.0%	333,121	-5.4%	3.21%	Greeley
Greenwood	1,249,129	1,154,145	-7.6%	1,330,661	1,470,956	10.5%	1,442,977	-1.9%	0.35%	Greenwood
Hamilton	371,442	382,396	2.9%	440,880	489,272	11.0%	476,801	-2.5%	3.79%	Hamilton
Harper	1,410,280	1,441,295	2.2%	1,661,728	1,834,560	10.4%	1,840,402	0.3%	4.31%	Harper
Harvey	6,595,392	6,632,762	0.6%	7,647,184	8,955,198	17.1%	8,835,066	-1.3%	5.44%	Harvey
Haskell	393,001	478,090	21.7%	551,210	674,532	22.4%	579,347	-14.1%	9.97%	Haskell
Hodgeman	210,541	195,895	-7.0%	225,855	292,503	29.5%	296,972	1.5%	8.03%	Hodgeman
Jackson	1,801,857	1,866,263	3.6%	2,151,691	2,284,436	6.2%	2,431,218	6.4%	5.39%	Jackson
Jefferson	1,335,237	1,366,256	2.3%	1,575,213	1,681,407	6.7%	1,796,401	6.8%	5.30%	Jefferson
Jewell	427,522	418,585	-2.1%	482,604	491,300	1.8%	486,449	-1.0%	-0.43%	Jewell
Johnson	140,636,196	151,083,486	7.4%	174,190,361	199,378,506	14.5%	209,073,906	4.9%	8.92%	Johnson
Kearny	313,925	434,488	38.4%	500,939	504,775	0.8%	407,429	-19.3%	6.63%	Kearny
Kingman	1,270,177	1,274,367	0.3%	1,469,270	1,633,168	11.2%	1,538,420	-5.8%	1.89%	Kingman
Kiowa	647,045	630,698	-2.5%	727,158	772,560	6.2%	851,923	10.3%	4.66%	Kiowa
Labette	4,637,973	4,722,834	1.8%	5,445,149	5,950,832	9.3%	6,069,904	2.0%	4.37%	Labette
Lane	398,911	369,742	-7.3%	426,291	441,714	3.6%	435,642	-1.4%	-1.69%	Lane
Leavenworth	8,854,960	9,700,833	9.6%	11,184,489	12,553,439	12.2%	13,135,485	4.6%	8.81%	Leavenworth
Lincoln	480,662	504,333	4.9%	581,466	660,990	13.7%	581,864	-12.0%	2.21%	Lincoln
Linn	888,762	855,122	-3.8%	985,905	1,109,516	12.5%	992,817	-10.5%	-0.59%	Linn
Logan	828,423	839,788	1.4%	968,226	1,047,750	8.2%	1,056,738	0.9%	3.48%	Logan
Lyon	9,511,507	9,509,266	0.0%	10,963,624	11,942,535	8.9%	12,356,655	3.5%	4.12%	Lyon
Marion	1,963,755	1,971,244	0.4%	2,272,728	2,466,469	8.5%	2,488,175	0.9%	3.26%	Marion
Marshall	2,401,213	2,477,387	3.2%	2,856,281	3,123,244	9.3%	3,105,620	-0.6%	3.98%	Marshall
McPherson	6,677,577	6,822,974	2.2%	7,866,487	9,095,184	15.6%	9,465,317	4.1%	7.29%	McPherson
Meade	567,170	579,395	2.2%	668,008	730,779	9.4%	694,729	-4.9%	2.21%	Meade
Miami	3,843,431	3,818,649	-0.6%	4,402,677	5,007,226	13.7%	5,174,141	3.3%	5.47%	Miami
Mitchell	1,747,514	1,854,660	6.1%	2,138,314	2,369,571	10.8%	2,405,960	1.5%	6.16%	Mitchell
Montgomery	9,431,617	9,499,866	0.7%	10,952,786	11,839,271	8.1%	11,832,553	-0.1%	2.92%	Montgomery
Morris	1,049,737	1,070,598	2.0%	1,234,336	1,353,690	9.7%	1,420,971	5.0%	5.54%	Morris
Morton	689,088	748,775	8.7%	863,293	900,097	4.3%	859,242	-4.5%	2.80%	Morton
Nemaha	1,954,697	1,999,410	2.3%	2,305,202	2,546,211	10.5%	2,551,273	0.2%	4.31%	Nemaha
Neosho	4,393,967	4,283,098	-2.5%	4,938,160	5,544,050	12.3%	5,874,677	6.0%	5.24%	Neosho
Ness	1,119,849	1,070,059	-4.4%	1,233,715	1,094,763	-11.3%	1,146,222	4.7%	-3.67%	Ness
Norton	1,187,352	1,249,041	5.2%	1,440,071	1,549,581	7.6%	1,623,756	4.8%	5.86%	Norton
Osage	1,865,214	1,930,965	3.5%	2,226,289	2,360,648	6.0%	2,517,936	6.7%	5.41%	Osage

Osborne	862,648	905,669	5.0%	1,044,183	1,157,511	10.9%	1,215,328	5.0%	6.95%	Osborne
Ottawa	526,379	544,811	3.5%	628,135	709,135	12.9%	652,662	-8.0%	2.81%	Ottawa
Pawnee	1,298,509	1,335,755	2.9%	1,540,047	1,716,852	11.5%	1,662,131	-3.2%	3.72%	Pawnee
Phillips	1,227,788	1,249,327	1.8%	1,440,400	1,668,190	15.8%	1,602,227	-4.0%	4.54%	Phillips
Pottawatomie	5,844,964	6,449,635	10.3%	7,436,049	7,544,006	1.5%	8,506,974	12.8%	8.19%	Pottawatomie
Pratt	3,124,108	3,224,874	3.2%	3,718,090	3,935,992	5.9%	4,081,224	3.7%	4.26%	Pratt
Rawlins	408,216	430,656	5.5%	496,521	578,859	16.6%	550,029	-5.0%	5.70%	Rawlins
Reno	19,125,987	19,384,280	1.4%	22,348,933	24,525,929	9.7%	25,219,427	2.8%	4.64%	Reno
Republic	1,034,833	1,023,985	-1.0%	1,180,594	1,337,278	13.3%	1,287,933	-3.7%	2.84%	Republic
Rice	1,607,798	1,597,666	-0.6%	1,842,015	1,975,330	7.2%	2,005,263	1.5%	2.71%	Rice
Riley	11,739,886	12,507,033	6.5%	14,419,872	15,628,717	8.4%	15,861,683	1.5%	5.47%	Riley
Rooks	1,394,132	1,287,116	-7.7%	1,483,969	1,673,304	12.8%	1,498,563	-10.4%	-1.79%	Rooks
Rush	412,915	426,851	3.4%	492,134	594,873	20.9%	533,309	-10.3%	4.63%	Rush
Russell	1,893,475	1,874,752	-1.0%	2,161,479	2,185,199	1.1%	2,154,872	-1.4%	-0.43%	Russell
Saline	19,166,239	19,833,610	3.5%	22,866,984	25,031,145	9.5%	26,810,027	7.1%	6.68%	Saline
Scott	1,367,754	1,308,229	-4.4%	1,508,311	1,759,245	16.6%	2,013,656	14.5%	8.92%	Scott
Sedgwick	151,665,708	161,705,948	6.6%	186,437,434	214,192,348	14.9%	208,850,276	-2.5%	6.34%	Sedgwick
Seward	8,155,464	8,150,960	-0.1%	9,397,577	10,306,226	9.7%	12,126,688	17.7%	9.09%	Seward
Shawnee	55,144,691	58,466,052	6.0%	67,407,914	73,858,220	9.6%	76,494,963	3.6%	6.39%	Shawnee
Sheridan	552,299	528,311	-4.3%	609,111	671,764	10.3%	641,675	-4.5%	0.49%	Sheridan
Sherman	1,869,423	1,864,712	-0.3%	2,149,903	2,419,995	12.6%	2,491,963	3.0%	5.09%	Sherman
Smith	935,838	904,954	-3.3%	1,043,359	1,123,493	7.7%	1,164,729	3.7%	2.68%	Smith
Stafford	452,348	467,387	3.3%	538,870	586,033	8.8%	572,163	-2.4%	3.24%	Stafford
Stanton	338,579	308,013	-9.0%	355,121	410,815	15.7%	412,181	0.3%	2.33%	Stanton
Stevens	1,024,335	925,673	-9.6%	1,067,246	1,223,372	14.6%	1,302,899	6.5%	3.83%	Stevens
Sumner	3,325,434	3,387,626	1.9%	3,905,733	4,555,340	16.6%	4,355,423	-4.4%	4.70%	Sumner
Thomas	2,725,030	3,029,090	11.2%	3,492,362	3,895,522	11.5%	4,158,868	6.8%	9.82%	Thomas
Trego	652,564	681,798	4.5%	786,073	889,184	13.1%	970,551	9.2%	8.92%	Trego
Wabaunsee	429,031	457,579	6.7%	527,562	606,629	15.0%	600,632	-1.0%	6.88%	Wabaunsee
Wallace	286,461	293,142	2.3%	337,975	354,448	4.9%	311,517	-12.1%	-1.64%	Wallace
Washington	864,564	791,540	-8.4%	912,599	1,040,884	14.1%	985,341	-5.3%	0.09%	Washington
Wichita	572,855	594,750	3.8%	685,712	793,369	15.7%	673,675	-15.1%	1.48%	Wichita
Wilson	1,360,183	1,304,101	-4.1%	1,503,552	1,653,516	10.0%	1,566,318	-5.3%	0.19%	Wilson
Woodson	381,688	401,143	5.1%	462,494	525,769	13.7%	632,790	20.4%	13.04%	Woodson
Wyandotte	35,591,566	35,003,235	-1.7%	40,356,668	44,911,856	11.3%	42,412,210	-5.6%	1.36%	Wyandotte

KANSAS ASSOCIATION OF COUNTIES

"Service to County Government"

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Executive Director

John T. Terpert, CAE

To: House Taxation Committee
Representative Phill Kline, Chairman

From: Bev Bradley, Deputy Executive Director
Kansas Association of Counties

Re: HCR 5023

The Kansas Association of Counties has a convention approved position which states the association opposes tax lids. If the legislature enacts a new tax lid, it should be no more restrictive than the tax lid currently in place. I submit to you that a limit on expenditures fits in the same category.

Kansas counties have operated under a levy lid, or an aggregate tax lid for many years. Because there were levy lid limits on the statute books, after reappraisal many people believed that local governments, particularly counties had reaped a "windfall" because valuations had increased in many areas. The fact is that in 37 counties, the valuations decreased. The aggregate limit was imposed to remedy the windfall situation. This aggregate limit was based on the amount of tax levied in a base year, adjusted by the growth or decline of the county valuation. Some exemptions were granted to cover expenses over which the county had no control. This lid with exemptions was lovingly dubbed a "tax sieve" by legislators. I see no provision in this resolution for growth of these kinds of expenses.

There is included the opportunity to charter out for one year subject to protest petition, or for four years subject to vote of the electors. Several counties have chartered the current tax lid and several have tried and the vote has not been favorable. It is very difficult, if not impossible to do in some areas.

I would like to explain why it is very difficult to operate under a very restrictive lid. Employer contributions is an exemption currently being used. Those of you involved in business as well as government know that workers comp, and health care are

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very costly items and are items that must be funded but are difficult to control.

Out district tuition for community colleges is an item that comes under the county budget but has always been outside the tax lid. Community College Administrators are supposed to submit to the county by July 1, the figures for the next year. In one instance the actual amount that was required was \$700,000 more than the budget figures that had been given the county. That is a lot of money.

Public safety is an item that is top on the list of priorities of many constituents, yet it, too, is a very costly item and has not been an exemption under the current tax lid. One new sheriff's car would cost over \$20,000. I am told the base car is between \$10,000 and \$15,000. The by the time it is outfitted with the police package, and the other special equipment the total cost is over \$20,000, per vehicle.

Mental Health and Mental Retardation services are big ticket items in populous counties. Anderson county has spent \$300,000 to try to make a landfill meet the Sub title D requirements sent down by the federal government. That mandate is already in existence. There has been much discussion over the cost of juvenile detention centers that are being constructed to meet another federal mandate.

Our association and the 105 counties that we represent do not wish to always be "againers" or to pit local governments in an adversarial position with the state. We all serve the same constituents and local officials enjoy a very high approval rating from those constituents in most cases. We would respectfully request that you leave enough slack in the chains that are used to bind county officials that they can at least breathe.

We oppose HCR 5023 and urge you to oppose it also.