

Approved: Feb 6, 1996
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION.

The meeting was called to order by Chairperson Audrey Langworthy at 11:00 a.m. on January 31, 1996 in Room 519--S of the Capitol.

Members present: Senator Langworthy, Senator Corbin, Senator Martin, Senator Bond, Senator Clark, Senator Feleciano, Jr., Senator Hardenburger, Senator Lee, Senator Ranson, Senator Sallee and Senator Wisdom.

Committee staff present: Tom Severn, Legislative Research Department
Chris Courtwright, Legislative Research Department
Don Hayward, Revisor of Statutes
Elizabeth Carlson, Secretary to the Committee

Conferees appearing before the committee: Alan Alderson, Kansas County Treasurers Association
Dale Brunton, Deputy Director, Accounts and Reports
Barbara Butts, Municipal Accounting, Accounts and Reports
Karen France, Kansas Association of Realtors
Chris McKenzie, Kansas League of Municipalities
Ernie Mosher, City of Topeka
Gerry Ray, Johnson County Board of Commissioners
Anne Spiess, Kansas Association of Counties
Stan Fowler, Lyon County Commissioners

Others attending: See attached list

REQUESTS FOR INTRODUCTION OF BILLS

Alan Alderson, representing the Kansas County Treasurers Association, requested the introduction of a bill which would permit the payment of real or property taxes three times per year rather than just two. The bill would also not require the County Treasurers to send a receipt unless it was specifically requested.

Senator Feleciano made a motion to introduce this bill. The motion was seconded by Senator Hardenburger. The motion passed.

SB 431--MOTOR VEHICLE TAXATION; MOTORIZED BICYCLES; COMPUTATION OF TAX

Alan Alderson, representing the Kansas county Treasurers Association, presented an amendment to **SB 431**. (Attachment 1) In order to clarify the intent of the bill, he asked that a new sentence be added to make it clear that nothing in this act is intended to relieve the county appraiser from his or her duties to classify recreational vehicles. An alternative would be to insert, before the word "treasurer", on page 3, line 27, the phrase "appraiser shall determine the classification of recreational vehicles as defined in K.S.A. 79-5118, and the county".

No action was taken and the decision will be made at a later time.

SB 539--EXTENSION OF THE PROPERTY TAX LID

Dale Brunton, Deputy Director, Accounts and Reports, introduced Barbara Butts, Municipal Accounting. Ms. Butts read from a prepared text. (Attachment 2) She said the tax lid is a means of limiting the overall amount of ad valorem taxes that municipalities levy. Generally, all levies are subject to the tax lid unless specifically exempted. She gave the history of the current tax lid and listed the individual levies which are specifically exempted. She called the attention of the committee to Exhibit A which lists the current 15 exemptions and also Exhibit B which gives the statewide Ad Valorem levies by type of taxing district for 1992 to 1995.

Senator Martin asked if the tax lid is allowed to expire this year what will happen. Ms. Butts replied the municipalities would go back to the fund levy limits. She said to determine if the counties would have

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION, Room 519-S
Statehouse, at 11:00 a.m. on January 31, 1996.

increases or decreases, the counties would have to be looked at individually. Senator Martin asked if such a list was available and Ms. Butts said Chris McKenzie of the League of Kansas Municipalities might have such a list. Municipal Accounting is in the midst of compiling such information for the 100 largest cities and counties and that probably would be ready sometime next week.

Proponent

Karen France, representing the Kansas Association of Realtors, spoke in support of **SB 539**. (Attachment 3) She said a tax lid requires budgetary restraints on the part of the local governments, but gives them the leeway to put any "emergencies" to a vote of the people, would provide checks and balances on local government. Ms. France said they also think a spending lid at all levels of government would be better and would eliminate the need for local tax lids.

Opponents

Senator Langworthy called the attention of the committee to the written testimony from Donald R. Seifert, Management Services Director, City of Olathe. (Attachment 4)

Chris McKenzie, League of Kansas Municipalities, spoke in opposition to **SB 539**. (Attachment 5) Mr. McKenzie told Senator Martin he does have the data which he has asked for and he would get that to him. Historically, he said the League has opposed the tax lid because of the Home Rule law. He suggested that the need for the property tax lid, if it ever existed with regard to cities, has ended. The data in the prepared bar graphs, attached to his testimony, supports that theory. He said city elected officials share the Legislature's concern about controlling property taxes, but sometimes they have utilized alternatives and simply controlled the growth of the municipal budget. If the Legislature passes this bill, Mr. McKenzie requested that cities be exempt from the tax lid.

Senator Martin asked Mr. McKenzie of three options which would the cities prefer -- (1) Stay with the present tax lid; (2) go to a proposal for a constitutional amendment as recommended by the Governor; (3) or let the tax lid expire and to go back to the old system. Mr. McKenzie replied he would prefer the tax lid expire. The most offensive is the spending lid.

Ernie Mosher, representing the City of Topeka, appeared in opposition to **SB 539**. (Attachment 6) In his testimony he stated the Topeka City Council policy resolution regarding the tax lid. He also listed arguments against the tax lid. He said local elected leaders are responsible and accountable to those who elect them and they should have the responsibility of what happens at the local level. He said he wanted to call to the attention of the committee that financing is sometimes done by debt shifting to the future when it could be paid out of current funds. He said the stability of the cities and counties is not due to the tax lid. Additional non-property tax alternatives need to be provided.

Gerry Ray, Johnson County Board of Commissioners, said the opposition from the county is based on principle. (Attachment 7) She said that principle is that local citizens should be allowed to govern themselves through locally elected officials. She said if the federal government passed a tax lid on the state of Kansas, the Legislature would know how the counties feel. The Johnson County Commission has been responsible. She said she would prefer the tax lid to expire, and she feels that if they return to the fund levy limits, the county could opt-out.

Anne Spiess, representing the Kansas Association of Counties, opposed **SB 539**. (Attachment 8) She said before removing any tax lid, the individual fund levy limits should be removed. If a tax lid is enacted, it should be no more restrictive than the current tax lid. Ms. Spiess listed seven categories of exemptions which the Association supports. She listed two additional categories such as law enforcement and Subtitle D county landfills which in the past years have been costly to the counties and asked these categories be included in the list of exemptions.

Stanley Fowler, Lyon County Commissioner, said he came before the committee, not so much to request the removal of the tax lid, but to ask that law enforcement, including the county attorney's office, be exempted from the tax lid. (Attachment 9) Funding must be adequate to protect the public. He said both offices are doing everything they can, but they are hampered because of the lack of funds. Any increase in taxes would be the responsibility of the County Commission and that is the best argument for removing the tax lid entirely. He said the time of reappraisal has passed when the tax lid made sense. He asked the committee to let the county commission manage their programs and not have to make a choice between maintaining buildings or hiring two new deputies to protect the citizens.

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Senator Hardenburger said she has just sent out a questionnaire surveying her district and when she asked about supporting the "tax lid", 75 percent said they did not know what she was talking about.

Stan Fowler, Lyon County Commissioner, said he has been against the tax lid all the time. The budget has had to be cut every year.

Senator Sallee said property taxes have increased tremendously and the legislature needs to know where the money is going.

The meeting was adjourned at 12:00 noon.

The next meeting is scheduled for Thursday, February 1, 1996.

SENATE ASSESSMENT AND TAXATION COMMITTEE GUEST LIST

DATE: Jan 31, 1996

NAME	REPRESENTING
Dyze Fowler	
Mark Hiltman	Western Resources
Jim Edwards	AARP
Harold Potts	ADRP
Duane Waterworth	Division of the Budget.
Jean Fowler	Lyon County Comm.
Anne Spiess	Ks. Assoc of Counties
DON COOPER	SHAWNEE CO. COMM.
TRACY STREETER	S C C
David Monical	Washburn University
Eileen King	Ks County Treas. Assoc.
ALAN ANDERSON	" " " "
Darryl Lamb	Owens Pub. Chamber of Commerce
Darryl Kay	Johnson Co Board of Comm
Melba Hlee	Ks Assn Community Colleges
Lynn France	K + A
Christy Bailey	Senator Idan
Lynn Elger	City of Topeka
Linda Brandeberry	City of Overland Park

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KANSAS AND MISSOURI

MEMORANDUM

TO: Members of the Senate Assessment and Taxation
Committee

FROM: Alan F. Alderson, Legislative Counsel, Kansas County
Treasurers Association

RE: Senate Bill No. 431; Proposed Amendment

DATE: January 31, 1996

Thank you for giving me the opportunity to appear on behalf of the Kansas County Treasurers Association to express our concern about Senate Bill 431, as it is now structured. While there may be merit in the bill, as a whole, the county treasurers' concern is with respect to one change only. On page 3, at line 27, the word "appraiser" has been removed and the word "treasurer" has been substituted.

If the intent of this amendment is simply to have the county treasurer do the tax computation with respect to recreational vehicles, we have no problem with that. However, this bill is being read by some county appraisers to relieve them of any responsibility with respect to recreational vehicles. After reviewing the entire situation, I am not sure this is an unreasonable position to take.

I find nowhere else in this self-contained act (K.S.A. 79-5118 through 79-5125), where the duties of the county appraiser with respect to classification of recreational vehicles is discussed. We don't think it is appropriate for county treasurers to have to make a determination as to what should be classified as a recreational vehicle. That is an appraisal function that should remain with the county appraiser.

In order to clarify your intent, we would request that you either insert a new sentence which makes it clear that nothing in this act is intended to relieve the county appraiser from his or her duties to classify recreational vehicles under this act or, in the alternative, to insert, before the word "treasurer" where it now appears, the phrase "appraiser shall

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determine the classification of recreational vehicles as defined in K.S.A. 79-5118, and the county". This would be another way of making it clearer that county appraisers still are required to classify these vehicles.

Although this may seem like a minor matter, if there are, in fact, counties in which the appraiser believes that the classification function has been removed and delegated to the county treasurer, there will be great confusion under this law. We urge you to adopt some form of the amendment we have proposed herein. I would be glad to answer any questions you may have in this regard.

AFA:ls

**TESTIMONY REGARDING SENATE BILL 539
SENATE ASSESSMENT AND TAXATION COMMITTEE
January 31, 1996, Room 519-S**

Presented by Shirley Moses
Director of Accounts and Reports

Madam Chairman, Members of the Committee:

In 1933, the Legislature enacted three major laws affecting municipal financial management: a cash basis law, a budget law, and a new tax limitation law. This tax limitation law:

- repealed 125 separate citations,
- authorized a revised list of specified levies for the tax funds of municipalities, and
- added an overall limitation on the aggregate of all such specified levies.

This overall limitation was the forerunner to the current tax lid (referred to in Kansas law as the "aggregate levy limit") found in K.S.A. 79-5021 to 79-5036. It is a means of limiting the overall amount of ad valorem taxes that municipalities levy. Generally, all levies are subject to the tax lid unless specifically exempted. Notable exemptions to the tax lid have been levies for bond and interest payments and employee benefits. (A budget lid, which limited expenditures, was used in the early 1970s, but it has long since been discontinued.)

Special purpose municipalities have historically not been subject to a tax lid, but they have had mill rates for each fund.

USDs are not included in the tax lid law. Instead, USDs are subject to an expenditure limit.

Anticipating the tax levy effects of reappraisal, the tax lid law was substantially amended in 1985 and 1988. The two major purposes of the 1985 and 1988 amendments were to: (1) prevent a "tax windfall," and (2) extend the tax lid to cover almost all municipalities for the 1989 levy when reappraisal values were first used. In 1990, the tax lid law was substantially amended to eliminate numerous exemptions.

The Tax Lid Segment

The first segment is the tax lid itself. Cities, counties, townships, Washburn, and community colleges (which levy about **47 percent** of all ad valorem taxes) are covered by the tax lid which limits the aggregate of their individual levies.

The individual levies are subject to the tax lid unless specifically exempted by K.S.A. 79-5028. These exemptions are the levies for:

1. principal and interest on debt;
2. judgments, settlements, and tort liability expenses;
3. employer contributions for employee benefits;
4. district court and expenses for juvenile detention;
5. out-district tuition to community colleges and municipal universities;
6. mental health and retardation expenses;
7. county hospital expenses;
8. homes for the aged expenses;
9. new city programs to prevent juvenile delinquency and crime;
10. rebates to owners of property in a neighborhood revitalization program under K.S.A. 12-17,114;
11. financing of budgets for subdivisions that lack taxing powers (e.g., public libraries); and
12. compensating for decreasing motor vehicle tax revenue.

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The current tax lid law includes a base year provision, using taxes levied in 1988 or 1989, with increases for annexed territory, increased personal property, and new improvements to real property.

Exhibit A illustrates, using a balloon analogy, the tax lid.

The Fund Levy Limits Segment

The second segment applies to taxing subdivisions which are not subject to the tax lid (these taxing subdivisions levy about **four percent** of all ad valorem taxes) but are subject to fund levy limits. Examples of fund levy limited units are sewer, hospital, cemetery, watershed, and drainage districts.

The mill levy rates were suspended by the 1988 tax lid law and dollar levy limits were substituted. The purpose of this suspension was to prevent a "tax windfall" which would have resulted if the reappraisal property values were higher than the pre-reappraisal property values.

Overview of Who Levies Taxes

It is helpful to keep in mind what percentage of the overall property tax levies are attributable to the various municipalities. Exhibit B shows this data, as well as the increases in the various categories.

Three types of municipalities accounted for 87 percent of the total property taxes in 1995: USDs with 46 percent, counties with 25 percent, and cities with 16 percent.

Municipalities Have Authority to Exempt from the Tax Lid

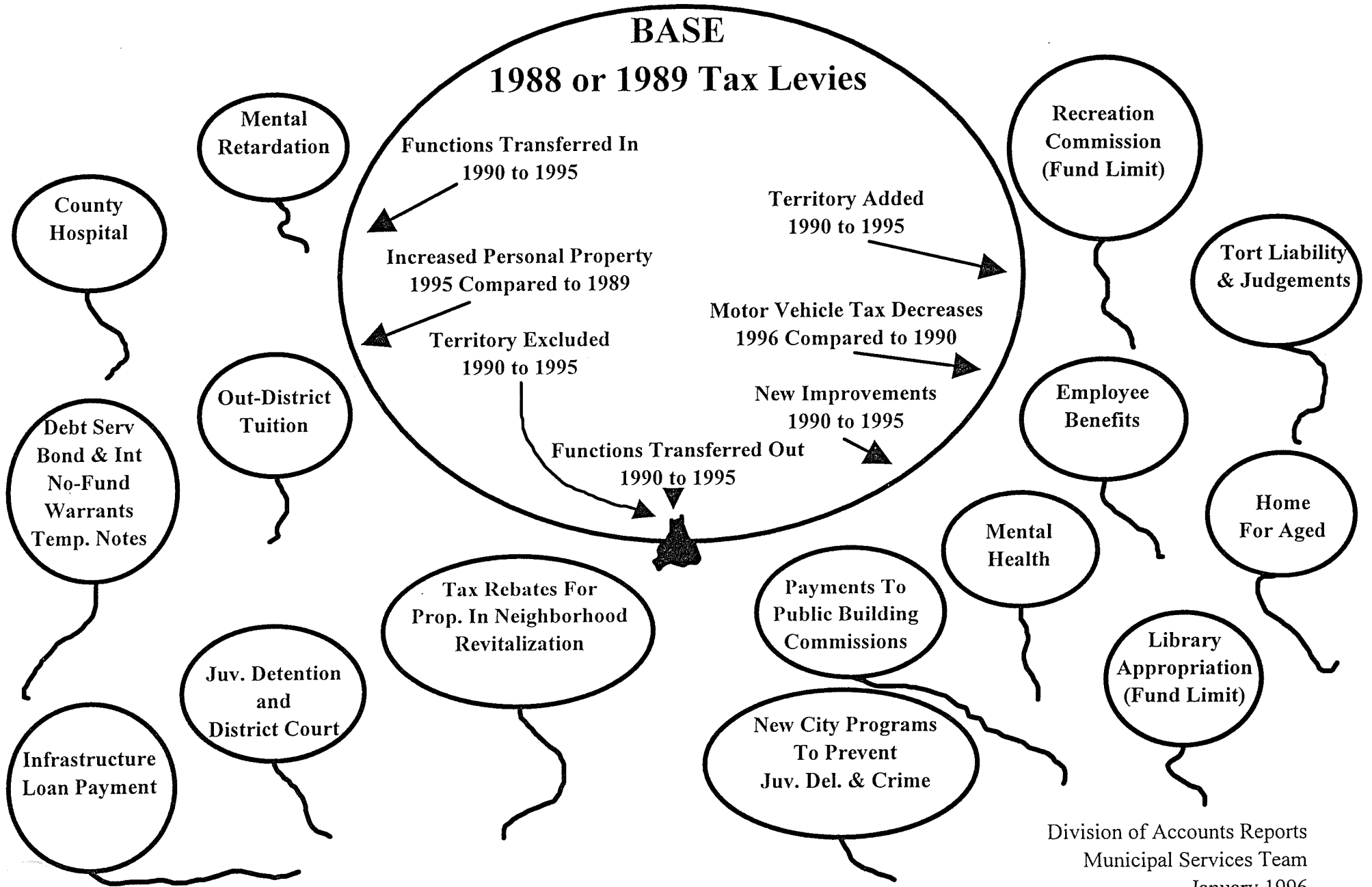
K.S.A. 79-5036 provides authority for municipalities to exempt themselves from the limitations of the tax lid law. This is accomplished by publishing the intent and allowing for a protest period. Upon sufficient protest, an election is held to determine whether to exempt or not. These exemptions can be limited special purposes, or they can be for complete exemptions. For the 1995 levies set last November, 152 cities and 51 counties used exemptions to some degree.

Senate Bill 539 simply extends the current tax lid to July 1, 1999. This will mean that three more budgets will be limited to the current tax lid amount. For many cities and counties, this will mean that the ad valorem levies will increase very little.

Thank you for the opportunity to appear before the Committee. I would welcome any questions the Committee may have.

Tax Lid

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Statewide Ad Valorem Levies By Type of Taxing District for 1992 to 1995

(Amounts are expressed in millions)

	1992	1993	1994	1995	Percent of 1995 Total	Percent of Increase		
						92-93	93-94	94-95
State	\$ 21.90	22.31	23.25	24.29	1.26%	1.87%	4.21%	4.47%
County	413.55	454.29	472.66	487.93	25.34%	9.85%	4.04%	3.23%
City	271.42	285.32	296.60	303.52	15.76%	5.12%	3.95%	2.33%
Township	24.05	26.45	27.83	29.14	1.51%	9.98%	5.22%	4.71%
USD	709.68	731.33	825.80	888.15	46.12%	3.05%	12.92%	7.55%
Other Schools	92.35	96.42	98.66	102.61	5.33%	4.41%	2.32%	4.00%
Out District Tuition	9.18	8.14	8.50	7.79	0.40%	-11.33%	4.42%	-8.35%
Other Districts	<u>65.60</u>	<u>72.12</u>	<u>77.08</u>	<u>82.14</u>	<u>4.27%</u>	9.94%	6.88%	6.56%
Totals	\$ <u><u>1,607.73</u></u>	<u><u>1,696.38</u></u>	<u><u>1,830.38</u></u>	<u><u>1,925.57</u></u>	<u><u>100.00%</u></u>			
Percent of Increase	-12.3%	5.5%	7.9%	5.2%				
CPI Increase	3.0%	3.0%	2.6%	3.0% Est				

The levy data was taken from the Department of Revenue's publication "Statistical Report of Property Assessment and Taxation" with adjustments by Kansas Legislative Research Department.



Executive Offices:
3644 S. W. Burlingame Road
Topeka, Kansas 66611
Telephone 913/267-3610

TO: SENATE ASSESSMENT AND TAXATION COMMITTEE
FROM: KAREN FRANCE, DIRECTOR OF GOVERNMENTAL AFFAIRS
DATE: JANUARY 31, 1996
SUBJECT: SB 539 EXTENSION OF AGGREGATE LEVY LIMITS

Thank you for the opportunity to testify. On behalf of the Kansas Association of REALTORS® I appear today to support SB 539.

We believe that tax lids are part of the checks and balances which are necessary in government. Tax lids provide the budgetary parameters in which local governments can operate from year to year.

Some people may tell you today that tax lids are an unnecessary interference in the local government process. In the name of "local control", these advocates will tell you that the local officials can better control the budget process, without the interference of state officials. We must ask, what does the phrase "local control" mean? Does it mean we give free rein to the local officials, without any safeguards built into the system? Or does it mean we give control to the local constituents so they can become included in the decision making process in the form of protest petition? We think it should mean the latter.

Thus, a tax lid which draws the parameters around the basic budgetary requirements of the local governments, but gives them the leeway to put any "emergencies" to a vote of the people is a reasonable way to help provide checks and balances on local government.

Ultimately, we believe that a better answer to the issue of controlling growth in government spending is a constitutional amendment which would limit growth in spending at all levels of government to the level of the growth in personal income or some similar rate. Such an amendment could eventually eliminate the need for local tax lids. It restricts spending by local units of government without the utilization of any exemptions. It is a straightforward method of limiting spending which would be in place from year to year, without having the property tax lid discussions which have become an annual event. Additionally, it could open the possibility of giving other revenue options to local units of government, such as local option, voter approved earnings taxes or increased sales tax authority.

Until such an amendment is in place, the need for a tax lid remains and we will continue to support legislation extending these lids.

Thank you again for the opportunity to testify. I will be happy to answer any questions.

Sen. Aueis + Jay
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City of Olathe

MEMORANDUM

TO: Members of the Senate Assessment and Taxation Committee

FROM: Donald R. Seifert, Management Services Director *DRS*

SUBJECT: SB 539; Extension of Property Tax Lid

DATE: January 31, 1996

On behalf of the city of Olathe, thank you for the opportunity to comment on SB 539, which would extend the current property tax lid on cities for an additional three years until July 1, 1999.

As you know, most cities oppose the property tax lid because of its inherent conflict with the principal of home rule. The city of Olathe shares in this philosophical opposition. The tax lid undermines what should be a trusting relationship between state and local government, substituting a paternalistic approach that suggest local officials cannot be trusted to make responsible decisions about local issues. Our City Council has consistently done an excellent job in holding down property taxes while providing services to our citizens. Local officials are held accountable for their financial decisions at elections every two years.

One positive aspect of SB 539 is that it preserves the existing exemptions to the lid. If local government must continue to operate under a tax lid, please resist efforts to eliminate the current exemptions.

On behalf of the Governing Body, thank you for the opportunity to comment on this bill.

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**League
of Kansas
Municipalities**

PUBLISHERS OF KANSAS GOVERNMENT JOURNAL 300 S.W. 8TH TOPEKA, KS 66603-3912 (913) 354-9565 FAX (913) 354-4186

TO: Senate Assessment and Taxation Committee
FROM: Chris McKenzie, Executive Director *cm*
DATE: January 31, 1996
SUBJECT: Testimony on SB 539

Thank you for the opportunity to appear today and offer comments on SB 539, extending the aggregate tax lid three additional years. As you know, the League has historically opposed a property tax lid on cities, citing Article 12, Section 5 of our state constitution which provides for the determination of local affairs by elected city governing bodies, accountable directly to the citizens of their communities. While we have opposed the tax lid historically, we appreciate the legislature's acknowledgment of the uncontrollable nature of many municipal expenses such as employee benefits, judgements, etc. Last year the legislature added two additional exemptions at the League's urging concerning neighborhood revitalization tax rebates and expenses connected with juvenile delinquency and crime prevention. We appreciate the recognition of these two goals which are shared by the state government and its cities. While I do not believe these exemptions were used widely by any cities in preparing their 1995 budgets, they continue to be important exemptions.

This morning you have received information from the Division of Accounts and Reports that provides a valuable historical perspective on tax levies by all taxing districts. I have taken that information and prepared the attached two bar graphs which help put the information into a somewhat clearer light. The first graph shows the percent change in ad valorem tax levies for the 1992 - 1995 time period. As you can see, cities have experienced among the lowest rates of increase during this time period, lower in the two most recent years than the state itself.

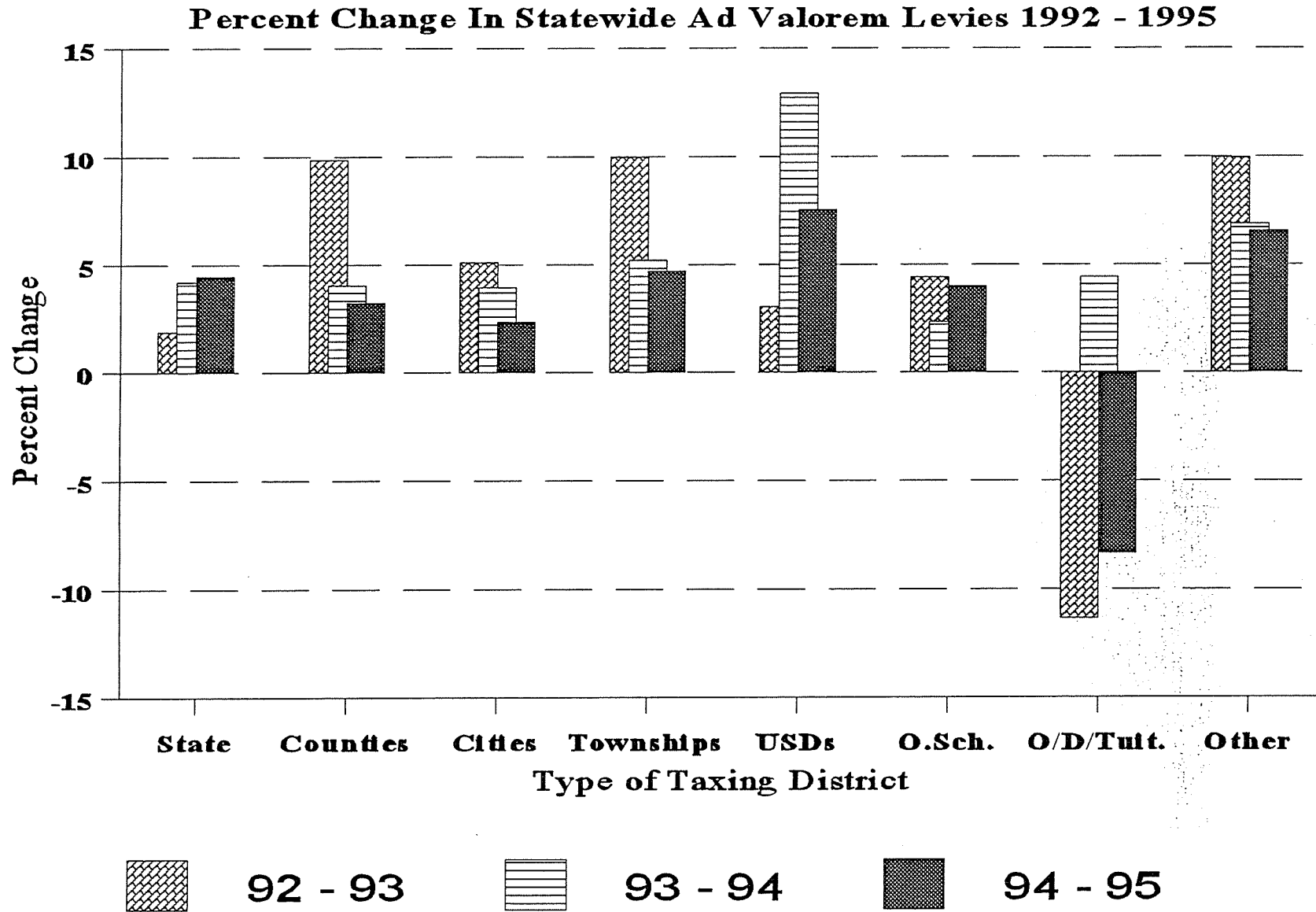
The second graph shows the cumulative percent change in ad valorem levies. Again cities are among the lowest on a cumulative basis, only slightly higher than the cumulative change of the state levies. I would note that the bar for out-district tuition represents only the change from 1993 - 1994 since the levies for this purpose actually declined in the other two time periods as shown in the first graph.

As you may know, city elected officials share your concern about controlling property taxes. Within the limits of the revenue sources they have available to them they have utilized alternatives and, in many cases, simply controlled the growth of municipal budgets--especially those parts supported by the property tax.

We would respectfully suggest that the need for the property tax lid, if it ever existed with regard to cities, has ended. These data support that assertion. Therefore, if the Committee decides to go forward with this proposal, we respectfully request that cities be exempt from the lid.

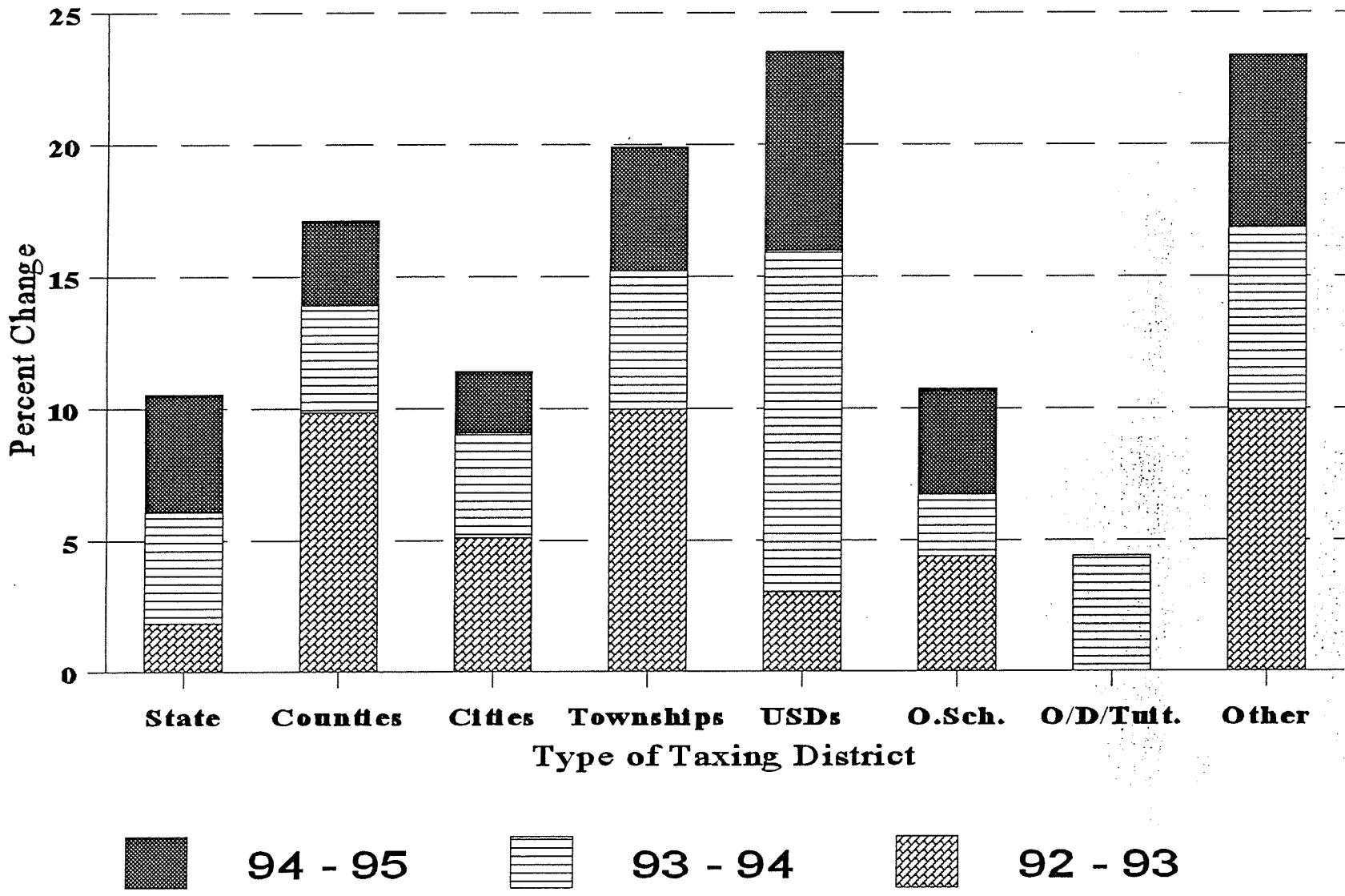
Thank you.

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Source: League of Kansas Municipalities, based on data supplied by Division of Accounts and Reports, January, 1996

Cumulative Percent Change In Statewide Ad Valorem Levies 1992 - 1995



Source: League of Kansas Municipalities, based on data supplied by Division of Accounts and Reports, January, 1996



CITY OF TOPEKA

Harry "Butch" Felker, Mayor
215 E. 7th Street Room 352
Topeka, Kansas 66603
Phone 913-295-3895
Fax Number 913-295-3850

TO: Senate Committee on Assessment and Taxation
FROM: Ernest A. Mosher, City of Topeka
DATE: January 31, 1996
RE: SB 539, Tax Lid Extension

My name is Ernie Mosher, resident and occasional lobbyist for the City of Topeka, appearing in opposition to SB 539, which would again, for the umpteenth time since 1970, extend the property tax lid. A Topeka City Council policy resolution provides:

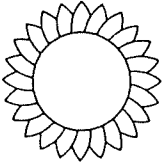
3-A. Tax Lid and Spending Caps. The City continues to oppose any state imposed property tax lid or spending cap. Such state controls are in conflict with the clear intent of constitutional home rule, which provides for the determination of local affairs by locally elected governing bodies, directly responsible to the citizens of the affected communities. If re-enacted, any property tax lid should contain all current exemptions plus additional exemptions to cover increased levies necessary to finance expanded law enforcement services, and unfunded federal and state mandates. Any new tax lid law should include a provision to increase property tax levying authority based on the assessed valuation of all territory legally annexed prior to tax certification time.

Most of you have heard many times the arguments against the tax lid, such as:

- it is contrary to the spirit and intent of home rule;
- it distorts local spending priorities;
- compliance and enforcement is time consuming and wasteful;
- there is no evidence it works (note the Fisher, Snyder and League studies);
- it promotes abdication of local civic responsibilities (Snyder study);
- it diffuses political authority and responsibility, and confuses the public.

My own experience indicates that our intergovernmental system, our representative system, and our political system would be best served over the long run if the state (the Legislature) fosters, rather than frustrates, responsive and responsible local government. In my judgment, we should not give any non-elected governing body the power to tax. But when elected governing bodies do have power to levy taxes, they should be accountable by those who elect them, not by state officers and state legislators. I think the time has come to cut the apron strings. And the time has come for legislators to stop assuming blame and responsibility as to what happens at the local level. Give local elected officials both authority and responsibility. Kill the tax lid law!

*Sen. Auser + Jay
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January 31, 1996

SENATE ASSESSMENT AND TAXATION COMMITTEE

SENATE BILL 539

TESTIMONY OF GERRY RAY, INTERGOVERNMENTAL COORDINATOR
JOHNSON COUNTY BOARD OF COMMISSIONERS

Madam Chairman, members of the Committee I appear today to express the Johnson County Commission's opposition to SB 539, extending the existing tax lid on counties and cities.

The opposition from Johnson County is based on principle. The principle that allows local citizens to govern themselves through the officials that have been elected to do so at the local level. That principle is what motivated this Legislature to give home rule authority to counties many years ago.

The Johnson County Commission has been responsible in using their taxing authority over the years. In 1995 the county levy was 17.389 mills. During that year there was a dramatic increase in the assessed value for the County. The Commission reacted to this increase by reducing the mill levy for 1996 to 16.563.

In 1995 the voters approved a .25 sales tax increase to fund a minimum security jail and other public safety needs. Due to this approval the Commission has committed to freeze the mill levy for five years.

These examples of responsible leadership are offered to illustrate why we believe there is no necessity to place limitations on local officials who are elected to exercise diligence to protect the best interests of the citizens.

*Sen. Assess + Tax
1-31-96
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Peterson Public Affairs Group

1200 SW 10th
Topeka, KS 66604

phone 913-233-7050
fax 913-233-3518

TO: Senate Assessment and Taxation Committee
Sen. Audrey Langworthy, Chair

FROM: Anne Spiess

DATE: Jan. 31, 1996

RE: SB 539-Tax Lid

Thank you for the opportunity to testify today. My name is Anne Spiess and I represent the Kansas Association of Counties. The KAC has a member approved platform policy statement opposing tax lids. Therefore, we are in opposition to SB 539.

There are several concerns with the tax lid that I would like to raise with the Committee:

- * Before removing any tax lid, the individual fund levy limits should be removed.
- * If the legislature enacts a new tax lid, it should be no more restrictive than the tax lid currently in place.
- * Retention of home rule authority with respect to the tax lid is extremely important.
- * The Association also supports the addition of seven categories to the list of exemptions: (1) exempt law enforcement, prosecution, detention and emergency services; (2) exempt costs related to compliance with Subtitle D county landfill requirements; (3) exempt all unfunded mandate costs; (4) exempt costs related to economic development; (5) exempt costs for county emergency preparedness agencies; (6) exempt the matching funding for federal law enforcement and crime prevention grants; and (7) costs related to local public health services.

Several of these categories such as law enforcement and Subtitle D county landfill requirements have in recent years proven to be very costly for counties. KAC strongly urges the Committee that if the tax lid is retained, these additional categories be included in the list of exemptions.

Thank you for your consideration of KAC's position on the tax lid and SB 539.

Sen. Cessens + Sax
1-31-96
attn. C 8-1

Stanley Fowler

Lyon County Commissioner

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1-31-96

Testimony on SB 539 before the Senate Assessment and Taxation Committee

I come before you today not so much to request the removal of the State Tax Lid, but to ask that you consider removing Law Enforcement from under the Tax Lid. I feel the area of Law Enforcement, County Attorney, and Courts is like a triangle. Funding must be adequate on all sides if we expect to do the best job of protecting the public. Which I am sure you will admit is currently one of the main concerns of the public. I am sure that you are aware that the courts are not under the lid. This allows the courts to always be prepared to handle the unexpected. But I would ask you to remove the bottleneck in the system by removing Law Enforcement including the County Attorney's office from the tax lid. I believe both offices are currently doing everything they can with the resources given them. In Lyon County we have in excess of 300 bridges several are routinely used by overweight trucks and damaged. We would like to see more deputies on the roads enforcing the weight laws. Same with the Attorney's office they must make the decisions on which cases to prosecute. Some minor cases that should be handled to make the county safer and maybe stop someone before they get into real trouble are not handled because of lack of resources.

I hope you will consider carefully this request. The safety of all of the citizens of the State of Kansas is at stake. I think it is very important that I remind you that all you would be doing is allowing County Commissioners the opportunity to adequately fund the protection of the people of Kansas. Any increase in taxes would still be the responsibility of the Commissioners, a task we do not take lightly. And therein lies the best argument for removing the tax lid entirely. The lid made sense at the time of reappraisal. But that time has passed.

I am elected with two other commissioners to manage the county to the best of our abilities. If we are not acting in the best interest of the county, then every 2 years there is an election and the voters of each county have the opportunity and maybe more importantly an obligation to make a change. Currently the call in Washington is to send authority back to the states. Well the counties of Kansas are asking for the same consideration. We are asking you to let us manage our programs for the people of our counties without constantly having to make the choice between maintaining our buildings or hiring 2 new deputies to make sure our people are protected.

Thank You for this opportunity. I would ask that you carefully consider your decision. If I can answer any questions I would be more than happy to.



Sen. Assess + Tax
1-31-96
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