

Approved: 3/31/00
Date

MINUTES OF THE HOUSE TAXATION COMMITTEE.

The meeting was called to order by Chairperson Wagle at 9:00 a.m. on March 20, 2000, in Room 519-S of the Capitol.

All members were present except: Representative Findley - excused
Representative Howell - excused
Representative Campbell - excused
Representative Tedder - excused
Representative Tomlinson - excused
Representative Edmonds - excused

Committee staff present: Chris Courtwright, Legislative Research Department
April Holman, Legislative Research Department
Don Hayward, Revisor of Statutes
Shirley Sicilian, Department of Revenue
Ann Deitcher, Committee Secretary
Edith Beaty, Taxation Secretary

Conferees appearing before the committee: Representative Ralph Tanner
Blaine Finch, Ottawa City Commission
Tom Wiegand, Franklin County Commissioner
Don Howard, Clay County Economical Director

SB 545 - Neosho County jail sales tax.

Representative Ralph Tanner appeared as a proponent of **SB 545**. (Attachment 1).

Speaking next in support of **SB 545** was Blaine Finch, Commissioner for the City of Ottawa, Kansas and an Administrative Assistant to Representative Tanner. (Attachment 2).

Tom Wiegand, member of the Franklin County Commission, spoke briefly as a proponent of **SB 545**. (No written testimony was provided.)

The hearing on **SB 545** was concluded.

HCR 5056 - Memorializing Congress to eliminate or reduce taxation of Social Security benefits.

Representative Johnathan Wells explained **HCR 5056** to the Committee and asked for their support in it's passage. (No written testimony was provided.)

The hearing on **HCR 5956** was concluded.

The Chair informed the Committee of the Subcommittee meeting on **HB 2589** that was scheduled for 4:30 p.m.

The meeting was adjourned at 9:50 a.m. The next meeting is scheduled for Tuesday, March 21, 2000.

STATE OF KANSAS

House of Representatives



THE CAPITOL

RALPH TANNER

Representative, Tenth District

COMMITTEE ASSIGNMENTS

CHAIR: EDUCATION
JOINT COMMITTEE ON
LEGISLATIVE PROCESS/CD/ROM
NCSL (AFI)
EDUCATION, LABOR AND
JOB TRAINING

MEMBER: BUDGET COMMITTEE ON
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March 20, 2000

Madam Chair and members of the committee,

It is indeed an honor to appear before you today. One of the most rewarding portions of this job we share is the ability to “go to bat” for our constituents. It is in that spirit that I step to the plate before you this morning and ask you to consider favorably Senate Bill 545 with an amendment that would include an additional quarter cent sales tax authority for Franklin County.

The people of Franklin County have watched for years as those in surrounding counties have constructed new recreational facilities for the benefit of their citizens. Now the leadership of Franklin County would like the opportunity to construct a new recreational complex for their citizens.

Having served this area for the past six years now, I am well aware of the diverse needs affecting Franklin County. I am also firmly convinced that a new recreation complex could go far towards providing a much needed boost for the area. A recreation complex demonstrates a solid commitment to the well being and quality of life of an area's citizens. I believe that such a demonstrated commitment will bring new economic development and population growth opportunities to the area. Such opportunities will do much to boost not only Franklin County but the surrounding area, and the whole State of Kansas as well.

Members of the committee I leave you with my firm commitment to helping the people of my district, my great desire to see the people I represent enjoy an improved quality of life, and my determination to see the state of Kansas prosper. Thank you for your favorable consideration of SB 545.

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March 20, 2000

Madam Chair and members of the committee,

Thank you for the opportunity to submit this testimony in support of SB 545. I appear in support of this bill today in the hope that an amendment will be added allowing Franklin County to place a .25% sales tax increase before its voters. The purpose of that sales tax increase will be to fund a new recreation complex, a complex that will benefit citizens in my city, the city of Ottawa.

For many years the people of Ottawa have made do with substandard and inadequate recreation facilities. We suffer a marked lack of gymnasium space, a shortage that has become so severe we no longer have a place for young people to congregate and shoot hoops, play pickup basketball, or a game of volleyball. In addition to our lack of indoor facilities our outdoor facilities have seen the wear and tear that comes with age. Our community's only public pool is an outdoor facility that is now over thirty years old. Every year the base must be patched as the concrete continually sloughs off and forms jagged edges that threaten safety.

In order to prevent further degradation in our recreational situation, the Ottawa/Franklin County Economic Development Organization called together a task force to study the situation. I was fortunate enough to be a member of that task force. Working with other concerned

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members of the community the task force sought funding for a professional study of the condition of recreation in the county. That study concluded Ottawa and Franklin County needed to give serious consideration to constructing new recreation facilities.

In an effort to do just that, the task force began seeking out designs for a new recreation complex. That work goes on even as we speak here this morning. To this point the task force has concluded that the community needs both a new outdoor pool and an indoor recreation facility that includes areas for water aerobics, competitive swimming, basketball, volleyball, a walking track, and a facility to be used for meetings.

It is hoped that when the design phase is complete and the governing bodies have signed off on the facility, we will be able to put together a funding package that includes revenue from the city, county, hospital and private sources. Even with such a funding mix, the backbone will have to be the consistent .25% county wide sales tax. With your approval of an amended SB 545 my community will be able to take the steps necessary to make recreation a priority for all of our citizens. Thank you, members of the committee, for your time and consideration.

Clay County Commissioners
P.O. Box 98
Clay Center, KS 67432

Jerry Mayo, Chairman

William Thurlow

Dallas Nelson

March 20, 2000

To: Honorable Committee Members

Requested Amendment:

The board of county commissioners of Clay County may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% and pledging the revenue received therefrom for the purpose of financing the construction and upkeep of county bridges and county facilities, to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized pursuant to this paragraph in the financing of these projects.

Current Situation:

Clay County Commissioners request an amendment to increase the countywide retailers' sales tax to assist in the financing of the infrastructural needs throughout the county.

1. Clay County ranks 60th in the state in its assessed valuation and has the 33rd highest mill levy in the state.
2. Clay County's bond indebtedness is 27th highest in the state, however, for counties with an assessed valuation below \$100,000,000 they rank 7th highest.
3. A 1999 biennial bridge inventory and appraisal revealed that 41 bridges throughout the county were in need of replacement, at an estimated cost of approximately \$12,000,000.
4. The Clay County Highway Department presently conducts an estimated \$1,000,000 of roadway and bridge work throughout the County. This is the annual expenditure for overall maintenance, which is obtained through the 15.4 mill levy for Road and Bridge and a 2 mill levy for special bridge.
5. Clay County is also in need of facilities for its Health Department and Highway Department, which have an estimated total replacement cost of \$2,500,000 for both facilities.

The above list reveals a less than favorable economic/financial condition for Clay County and a tremendous future financial burden for the county and its residents. The increase in the countywide retailers' sales tax would relieve the county residents from having to incur this entire burden. In 1999, the county recouped approximately \$347,000, of which half went to the cities throughout the county. The increase of 0.5% would raise the same amount, which if specified for the above mentioned purpose would assist in covering the costs of the proposed future needs throughout the County for bridges, facilities, and any additional road work.

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Recommended for achieving compliance with Federal Highway Administration and Kansas Department of Transportation Requirements. (Only bridge replacement costs, no engineering or other costs included.) (Source: Cook, Flatt and Strobel, Engineers, P.A., January 1999)

3-Ton Bridges		Estimated Replacement Cost	4-6 Ton Bridges		Estimated Replacement Cost
<u>Bridge Number</u>	<u>Township</u>	<u>Cost</u>	<u>Bridge Number</u>	<u>Township</u>	<u>Cost</u>
30.0-J.4	Athelstane	\$ 340,000.00	26.0-G.5	Athelstane	\$ 230,000.00
O.0-17.0	Bloom	\$ 280,000.00	27.0-G.7	Athelstane	\$ 250,000.00
11.0-F.5	Bloom	\$ 250,000.00	30.0-H.5	Athelstane	\$ 260,000.00
13.0-G.7	Bloom	\$ 260,000.00	M.0-30.9	Athelstane	\$ 280,000.00
29.0-F.3	Chapman	\$ 270,000.00	8.0-A.1	Bloom	\$ 250,000.00
29.0-F.6	Chapman	\$ 240,000.00	13.0-A.6	Bloom	\$ 280,000.00
30.0-D.3	Chapman	\$ 240,000.00	A.0-12.9	Bloom	\$ 270,000.00
B.0-29.1	Chapman	\$ 260,000.00	17.5-P.6	Clay Center	\$ 290,000.00
O.0-14.9	Clay Center	\$ 230,000.00	19.0-D.8	Five Creeks	\$ 190,000.00
T.0-4.8	Goshen	\$ 280,000.00	7.0-O.9	Garfield	\$ 270,000.00
V.0-5.5	Goshen	\$ 360,000.00	29.0-N.6	Gill	\$ 200,000.00
9.0-O.1	Hayes	\$ 230,000.00	R.0-3.8	Goshen	\$ 230,000.00
O.0-8.6	Hayes	\$ 320,000.00	13.0-O.9	Hayes	\$ 230,000.00
O.0--9.1	Hayes	\$ 230,000.00	13.0-R.1	Hayes	\$ 280,000.00
V.0-15.4	Highland	\$ 260,000.00	1.0-A.6	Mulberry	\$ 280,000.00
V.0-17.5	Highland	\$ 230,000.00	1.0-D.1	Mulberry	\$ 290,000.00
7.0-G.9	Mulberry	\$ 280,000.00	B.0-3.1	Mulberry	\$ 230,000.00
			22.0-B.2	Oakland	\$ 250,000.00
			10.0-K.5	Sherman	\$ 250,000.00
			L.0-7.9	Sherman	\$ 230,000.00
		Total: \$ 4,560,000.00			
					Total: \$ 5,040,000.00

Bridge in Excess of 6 tons.

<u>Bridge Number</u>	<u>Township</u>	Estimated Replacement Cost
17.0-H.9	Blaine	\$ 230,000.00
3 Republican River Bridges (est.)		\$ 2,500,000.00
Total Bridge Replacement Projects:		<u>\$ 12,330,000.00</u>

Proposed facility (estimated) costs in future:

Transportation Department Facility:	\$ 1,500,000.00
Health Department Facility:	\$ 1,000,000.00
Total Facilities:	<u>\$ 2,500,000.00</u>
Overall Total:	<u><u>\$ 14,830,000.00</u></u>