

Approved: 2-14-00
Date

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE.

The meeting was called to order by Chairperson Senator Audrey Langworthy at 11:10 a.m. on February 10, 2000, in Room 519-S of the Capitol.

All members were present except:

Committee staff present: Chris Courtwright, Legislative Research Department
April Holman, Legislative Research Department
Don Hayward, Revisor of Statutes Office
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Dave Webb, Johnson County Conservation Director
Carl Jordan, Kansas Association of Conservation Districts
Richard Jones, Kansas Association of Conservation Districts
Tracy Streeter, State Conservation Commission
Bill Fuller, Kansas Farm Bureau
Gary Satter, Glacial Hills Resource Conservation and
Development Council
George Peterson, Kansas Taxpayers Network

Others attending: See attached list.

The minutes of the February 8, 2000, meeting were approved.

SCR 1631—A proposition to amend article 11 of the constitution of the state of Kansas by adding a new section relating to the imposition of certain retailers' sales tax and compensating use taxes for use and benefit of soil and water conservation; for the development, maintenance and operation of state parks and lakes; and for wildlife restoration habitat programs

Dave Webb, volunteer Johnson County Soil and Water Conservation Director, testified in support of **SCR 1631**. He observed that the public policy which the state has had for a number of years with regard to soil and water conservation and parks and wildlife land improvement is slowly lagging behind, and that spread is becoming wider and wider. He informed the Committee that **SCR 1631** is patterned after a proposition passed in Missouri which allows a percentage of sales tax to fund conservation programs and public park lands. He noted that Missouri's program has been very successful statewide. When the proposition is placed on the Missouri ballot, it carries by a wide margin in the majority of urban and rural areas. He pointed out that the entire state will be involved with the many federal mandates regarding soil and water conservation, water run offs, and storm water drainage which will be coming down to the state level in the next five years.

Mr. Webb went on to say that, as the population grows throughout the state, public lands and the availability of lands for people to enjoy recreation are diminishing. The funds to upkeep those properties are diminishing as well. He believes that the time has come to let the voters decide if, in fact, they want to have a public policy that supports wildlife conservation projects and soil and water conservation projects throughout the state. According to research conducted, enactment of the proposition would raise approximately \$90 million to \$92 million a year. The amount raised will be divided equally between the Department of Wildlife and Parks and programs for soil and water conservation. He explained that currently soil and water conservation districts receive approximately \$10 million a year from state funds; however, that amount will be not enough to fund federal mandates coming down the line. From a public policy standpoint, he believes it is best to allow the voters to decide whether to impose an additional sales tax upon themselves rather than requesting the Legislature to enact a sales tax increase.

Carl Jordan, President of the Kansas Association of Conservation Districts (KACD), testified in support of **SCR 1631**. Mr. Jordan noted that the expanded roles of the conservation district over the years require ever increasing amounts of funding. The issue of water quality along with the subject of total maximum daily

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loads (TMDL) will require extremely large funding; therefore, he contends that Kansas has no choice but to plan and implement. He noted that 80 of the state's 92 major watersheds are in need of water quality restoration and/or protection. Because of declining federal budgets for USDA, the conservation districts must play an increasing role in providing technical assistance to landowners to design, install and implement practices at the local level. (Attachment 1)

At this point, Senator Langworthy interrupted the hearing on **SCR 1631** to allow the full Committee to consider action on a bill which was heard during the 1999 Legislative Session--**SB 116 which would provide the Kansas Academy of Sciences a sales tax exemption on purchases of tangible personal property and services**. Senator Langworthy explained that the Kansas Academy of Sciences is a non-profit organization and exempted from federal income tax. She also noted that Mr. Hayward, Revisor of Statutes Office, had advised her that the bill needs to be amended and redrafted.

Mr. Hayward explained that during the 1999 Legislative Session it was determined by the Committee that the bill should be more restrictive. For that purpose, he suggested that **SB 116** be amended on page 13, line 30 by inserting before the period, "and used solely by such academy for the preparation, publication and dissemination of educational materials." He explained that the bill must be completely redrafted because the section of statute affected, K.S.A. 1998 Supp. 79-3606, was amended in 1999.

Senator Bond moved to amend SB 116 with the language suggested by Mr. Hayward and to allow the Revisor of Statutes to update the section, seconded by Senator Lee. The motion carried.

Senator Donovan moved to report SB 116 as amended favorable for passage, seconded by Senator Corbin. The motion carried.

The Committee's attention was returned to the hearing on **SCR 1631**. Richard G. Jones, Executive Director of KACD, testified in support. He emphasized the increased need for funding water quality projects. He informed the Committee that the State of Kansas was a co-defendant in a lawsuit filed 1995 regarding noncompliance with the 1972 federal Clean Water Act which called for each state to set parameters for water quality. The settlement requires Kansas to set TMDL levels for all the water bodies in the state. The Kansas Department of Health and Environment is in the process of doing that currently, but a significant increase in conservation funding will be required in order to meet the TMDL goals.

Mr. Jones also pointed out that the latest USDA Natural Resources Inventory indicates that 53 percent of Kansas crop and pasture lands need conservation treatment; however, conservation districts cannot meet these needs with the current limited funding. In addition, Mr. Jones said he believes that Kansans deserve high quality recreational opportunities. The proposed sales tax would provide funding to improve facilities at state lakes and parks and improve wildlife areas. (Attachment 2)

Tracy Streeter, Executive Director of the State Conservation Commission, testified in support of **SCR 1631**, noting that the proposal uses the successes achieved by the State of Missouri as a prototype. He said Kansas' diversity from east to west presents varied concerns ranging from groundwater declines and erosion to surface water quality and flooding. Many of the water quality and quantity issues have an economic impact on the agriculture industry, and the federal Clean Water Act will have a profound effect on the need to reduce the runoff of non-point source pollution. Landowners cannot bear the cost alone, and the ability of conservation districts to raise funds is not commensurate with the needs under their jurisdiction. Although any taxation proposal is likely to face a stern challenge in the current budget climate, Mr. Streeter urged the Committee to support the resolution because the future needs for natural resource protection and restoration are evident. (Attachment 3)

Bill Fuller, Kansas Farm Bureau, testified in support of **SCR 1631**. He explained that a number of statements in the Bureau's member-adopted policy call for all Kansans to support the protection of the state's natural resources. He reasoned that programs that protect water quality and encourage water conservation benefit all Kansans; therefore, the programs should be funded by all Kansans. Mr. Fuller emphasized that, while the Bureau supports allowing the voters to decide on whether a statewide sales tax increase should be imposed,

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it reserves support for the distribution plan for the revenues until being convinced that a number of high priorities will be adequately funded. (Attachment 4)

Senator Langworthy called attention to written testimony in support of **SCR 1631** submitted by Steve Williams, Secretary, Kansas Department of Wildlife and Parks. She noted that, for personal reasons, Mr. Williams could not attend the meeting and testify. Mr. Williams states in his testimony that fiscal realities do not mean that discussion of proposals that may be a part of a long-term approach to environmental protection should cease. He believes Kansas' resolve to address environmental issues will help determine the state's future economic growth and development. He notes that the proposal is a mechanism to generate the financial means to study, analyze, and develop measures to improve natural resource conservation in Kansas. (Attachment 5)

Gary Satter, Glacial Hills Resource Conservation and Development, gave final testimony in support of **SCR 1631**. At the outset, he explained that his non-profit organization coordinates and implements rural development projects in northeast Kansas. He discussed the recreational facilities and activities available in the State of Missouri, noting that the development of Missouri's parks and the preservation of their natural and historic resources brings economic development to local communities in the state. Missouri's success is due to funding provided by a .10 percent sales tax which also provides funding for soil and water conservation programs. He believes that Kansas could have the same kind of quality facilities and recreational facilities available to its citizens if it had the funding that passage of **SCR 1631** would provide. (Attachment 6)

George Peterson, Kansas Taxpayers Network, testified in opposition to **SCR 1631**. The Kansas Taxpayers Network opposes all efforts to raise Kansas' taxes. However, it is supportive of the requirement that the tax increase be approved by voters at a regular election. He cautioned the Committee that any proposal to raise the sales tax must be considered in light of the impact of internet retailing. Raising the state tax would provide an additional incentive for customers to order out-of-state through on-line options. He emphasized that a high state tax hurts the state's ability to keep business in the state and limits the ability to attract new firms. (Attachment 7)

Senator Langworthy asked Mr. Peterson if he would be an advocate of taxation of Internet sales as a means to help the state financially. Mr. Peterson indicated that the Kansas Taxpayers Network would not support any additional tax, including a tax on Internet sales.

The hearing on **SCR 1631** was concluded, and the meeting was adjourned at 12:00 p.m.

The next meeting is scheduled for February 14, 2000.

SENATE ASSESSMENT AND TAXATION COMMITTEE GUEST LIST

DATE: February 10, 2000

NAME	REPRESENTING
Ann Dukes	DOB
Richard Haines	KACD
Carl Jordan	KACD
Dave Webb	self
George Petersen	KS TAXPAYERS NETWORK
Alex Kotolyantz	Ks. Academy of Sciences
Tim Richardson	Associated Press
Mark Goodwin	Hera & Wp,r
Jean Barber	Barber & Associates
Greg Wingfield	Ks Chapter of The Nature Conservancy
ALAN POLLOM	THE NATURE CONSERVANCY
TRAY STREETER	CONSERVATION COMMISSION
MARC MARTENS	GUEST
Ray Aslin	KANSAS Forest Service
Gary Satter	Glacial Hills RC&D Council
Granville Davidson	" " " "
Tom Badger	SCC
SCOTT CARLSON	SCC
Pat Lehman	Ks Park & Rec. Assoc.

I am Carl Jordan, President of the Kansas Association of Conservation Districts (KACD). I am here to testify in support of Senate Concurrent Resolution No. 1631.

When conservation districts were being organized back in the 1930's and 1940's the main concerns were soil and water conservation issues. Through the years the programs developed and sent to the states have broadened in scope. The Conservation Districts now deal with all the Natural Resources; air, soil, water, grass, trees, wildlife, wildlife habitat and people.

These expanded roles of the Districts require ever increasing amounts of funding.

The issue of water quality with the subject of Total Maximum Daily Loads (TMDL) will require extremely large funding, and Kansas has NO CHOICE but to plan and implement. The State of Kansas has identified through a Unified Watershed Assessment, that 80 of the state's 92 major watersheds are in need of water quality restoration and/or protection.

Water Quantity is becoming a more visible issue, as cities seek increased water supplies, they look at all viable possibilities and that includes current irrigation supplies. We need to assist irrigators in water conservation practices which increase efficiency.

Soil erosion is a never ending issue. Since the passage of the 1985 Farm Bill, nearly 100 % of our funding, technical assistance and work load have been concentrated on land classified as Highly Erodible Land (HEL). We still have approximately 53% of our crop and pasture land in need of conservation treatment. Most of this land was not classified HEL, but does need some type of treatment.

The conservation districts are involved in an on going information and education process of K-12 grades and adult education programs to create a better understanding of "conservation of our natural resources".

The Districts are having to play an increasing role in providing technical assistance to landowners and operators to design, install and implement practices at the local level. Why, because of declining federal budgets for USDA.

The average annual budget for District operations is \$30,000 - \$35,000. It is extremely difficult to maintain an office and pay quality personnel on that level of budget.

The KACD is asking the Kansas Legislature to approve this Resolution so the citizens of Kansas can decide by ballot in November, this issue of 0.25% tax. The Districts feel their way is more friendly than having to ask the Kansas Legislature for the dramatic increases in funding needed in the future.

It is through the local District leadership, that Conservation of our Natural Resources by wise usage can provide for a better life style today and for the future generations. Thank You.

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Attachment 1

Richard G. Jones
Executive Director
Kansas Association of Conservation Districts

Testimony on Senate Concurrent Resolution No. 1631: A PROPOSITION to amend article 11 of the constitution of the state of Kansas by adding a new section thereto relating to the imposition of certain retailers' sales and compensating use taxes for the use and benefit of soil and water conservation; for the development, maintenance and operation of state parks and lakes; and for wildlife restoration habitat programs.

The Kansas Conservation Districts, at their 55th annual convention this past November, passed a resolution asking the 2000 Legislature to authorize and place before the voters of the State of Kansas at the next general election the question of a .25 cent state sales tax increase for resource conservation and recreation.

The USDA's Natural Resources Inventory (NRI) for the state of Kansas shows that approximately 53 percent of our state's crop and pasture land is still in need of conservation treatment. The Kansas Department of Health and Environment and the Natural Resources Conservation Service has identified through a Unified Watershed Assessment, that 80 of the state's 92 major watersheds are in need of water quality restoration and/ or protection.

The Conservation Districts of Kansas have been working to improve our soil and water resources since the Conservation District Law was passed in 1937. They have made significant progress with limited financial support. The need for soil and water conservation has taken on a higher priority as a result of the courts verdict directing Kansas to set Total Maximum Daily Loads (TMDL) for the states' water bodies. These TMDLs will be established across the entire state within the next four years. They will identify the amount and kind of pollutants in each lake or stream and will set the allowable TMDL level that each lake or stream can contain and still maintain compliance with state water quality standards. Presently, Conservation Districts and other state agencies, are working with private landowners to apply best management practices (conservation land treatment) that will improve water quality and help meet the standards set for lakes or streams in their area. This is being accomplished through voluntary conservation programs. If we do not meet the water quality standards set by the state in the next five years, we will face mandatory compliance.

Pollutants in Kansas are defined as point source or non-point source. Point sources include municipal sewage discharge or discharge from industrial activities. Non-point sources include runoff from agricultural activities (both crop and livestock), urban stormwater runoff (lawns and parking lots) and household sewage. Pollution from point sources is usually easy to determine as it comes from a specific identified source (out the end of a pipe). Since the 1972 federal Clean Water Act, programs and funding has been available to treat point source pollution.

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It is not as easy to identify pollution from non-point sources. They can come from natural sources and/or from the activities of man. Numerous Best Management Practices (BMP's) exist which have been tested through research and have been proven to reduce runoff and resulting off-site pollutant levels. These BMP's can consist of structural improvements and management techniques. Common practices include, but are not limited to, vegetative buffer strips, nutrient management, livestock waste containment, fencing to exclude livestock from streams, alternative livestock water supplies and on-site wastewater systems.

Voluntary programs designed to assist landowners in establishing BMP's in designated areas not meeting the TMDL standards will require significant increases for cost-share assistance. Also, personnel to assist landowners in the design and installation of practices is insufficient at the local level. Declining federal budgets for USDA, Natural Resources Service make it necessary for conservation districts to provide additional technical resources. The developing technologies to address non-point source pollution will require that landowners receive one-on-one assistance to sell the need for BMP's and assist with their installation. Funding for cost-share assistance alone cannot solve our problems.

It is vital to our citizens that they have an adequate supply of clean water for their personal and recreational use, but it is also vital that we maintain our other natural resources. The capacity of our soils, both cropland and rangeland, to produce must be maintained. The latest USDA Natural Resources Inventory indicates that 53 percent of our crop and pasture lands need conservation treatment. These lands are the resource that sustains our state's economy and we must provide for its protection. We cannot do this without proper financial and technical assistance.

Kansans also deserve high quality recreational opportunities. This sales tax proposal would provide for improving facilities at our state lakes and parks and improving wildlife areas on private lands. Cost-share funding for wildlife habitat improvement on private lands would reduce the decline in pheasant, prairie chicken, and quail populations. This would provide more quality hunting opportunities for Kansans and could also provide an economic gain to our farmers and ranchers.

The Conservation Districts of Kansas urge you to pass Senate Concurrent Resolution No. 1631 and give the people of Kansas the opportunity to vote on this resolution at the next general election.

**Senate Committee on Assessment and Taxation
February 10, 2000**

**Testimony on Senate Concurrent Resolution No. 1631
Tracy Streeter, Executive Director
State Conservation Commission**

Thank you for the opportunity to testify on SCR 1631, a proposed constitutional amendment to provide dedicated state revenue for soil, water and wildlife conservation, and state parks. The proposal uses the successes achieved by the State of Missouri through its dedicated conservation sales tax, as a prototype for the Kansas concept before you today.

Kansas has an abundance of natural resources and as such, we have a responsibility to protect what we have, and restore or enhance those which have been depleted or impaired. Our state's diversity from west to east also presents a diverse set of concerns ranging from groundwater declines and erosion to surface water quality and flooding. With the majority of our land mass devoted to agriculture, many of our water quality and quantity issues have an economic impact on the agriculture industry. An example is the current issue relative to Total Maximum Daily Loads (TMDL). Implementation of this federal Clean Water Act provision will have a profound effect on the need to reduce the runoff of non-point source pollution. The costs associated with TMDL implementation will be staggering. Preliminary cost estimates to install best management practices in a portion of one county affected by TMDL's exceed \$5 million. Landowners cannot bear this cost alone.

Our state is fortunate to have a dedicated State Water Plan Fund which annually provides approximately \$18 million to address a myriad of Water Plan issues. With additional environmental issues arising literally as we speak, the capability of this Fund is not and will not be enough to address the water quality and quantity issues facing this state.

County conservation districts have been looked upon by the State of Kansas as a principal player in addressing our natural resource issues at the local level. These sub-divisions of state government, directed by volunteer, elected supervisors, continue to take on additional responsibilities without any ability to generate additional revenue. They must rely upon grants received from the county and state

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Tracy Streeter, Executive Director
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in which to carry out their current functions. The ability of a conservation district to adequately address the county's natural resource concerns is largely contingent upon the district's capability to raise funds. These fund raising capabilities are not commensurate with the relative natural resource needs under their jurisdiction.

I am cognizant of the fact that this or any tax proposal is likely to face a stern challenge in our current budget climate. However, the future needs for natural resource protection and restoration are evident. I am hopeful that SCR 1631 triggers a thoughtful debate regarding the natural resource needs of our state and I applaud the Kansas Association of Conservation Districts for proposing this resolution. Thank you again for the opportunity to comment and I will stand for questions at the appropriate time.



PUBLIC POLICY STATEMENT

SENATE COMMITTEE ON ASSESSMENT & TAXATION

RE: SCR 1631 – A proposed amendment to the Kansas Constitution imposing a ¼ cent sales tax for soil and water conservation, state parks and wildlife.

**February 10, 2000
Topeka, Kansas**

**Prepared by:
Bill R. Fuller, Associate Director
Public Policy Division
Kansas Farm Bureau**

Chairperson Langworthy and members of the Senate Committee on Assessment and Taxation, my name is Bill Fuller. I serve as the Associate Director of the Public Policy Division for Kansas Farm Bureau.

SCR 1631 is a proposition to amend article 11 of the constitution of the state of Kansas. It would allow the voters to decide if an additional ¼ cent of sales tax should be imposed for providing additional moneys for the benefit of soil and water conservation, state parks and lakes and for wildlife habitat restoration programs.

Fifty percent of the revenues would be credited to the soil and water fund and used only for the saving of the soil and water of Kansas and for the conservation of the productive power of Kansas agricultural land. Twenty-five percent would be for the development, maintenance and operation of state parks and lakes. Twenty-five percent would be used for wildlife habitat restoration programs which are privately maintained.

A number of statements in Kansas Farm Bureau's member-adopted policy call for all Kansans to support the protection of the state's natural resources. The protection of natural resources is vital to all Kansans, and important for future generations. Programs that protect water quality and encourage water conservation benefits all Kansans and should be funded by all Kansans.

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Kansas Farm Bureau supports the proposition to allow the voters to decide whether a statewide sales tax increase should be imposed to protect and enhance the state's natural resources. However, we reserve our support for the distribution plan for the revenues until we are thoroughly convinced a number of high priorities will be adequately funded. Examples of funding needs includes implementing the new TMDL requirements, installing stream buffers, constructing livestock waste management facilities, developing crop and livestock management practices, treating highly erodible lands, plugging abandoned wells and upgrading rural septic systems.

The funding needs for natural resources, recreation and wildlife far outstrips the very limited resources that are available today. We support the opportunity for Kansans to vote on a plan that would allow all Kansans to pay for these important needs.

Thank you!

Senate Committee on Assessment and Taxation

February 10, 2000

Testimony on Senate Concurrent Resolution No. 1631

Steve Williams, Secretary
Department of Wildlife and Parks

Thank you for the opportunity to testify on SCR 1631, which proposes to amend article 11 of the state's constitution to provide additional revenue for conservation of soil, water, fish, wildlife, and state parks.

Governor Graves and his administration are not supporting tax increases this year. We have a tight budget, and there are many worthy programs that have had to absorb cuts. As the Governor said in his State of the State message, "Tax increases are not acceptable substitutes for fiscal management."

But the fiscal realities do not mean we should stop hearing new proposals to preserve and protect our precious natural resources and our environment, nor does it mean we should shy away from discussing proposals that may be part of a long-term approach to environmental protection in our state.

Kansans and their natural resources face many environmental challenges. I believe we are all aware of the increased interest in environmental issues. These issues include: surface and groundwater quality, environmental contaminants, total maximum daily pollutant loads in streams and rivers, threatened and endangered species, best management practices for urban and rural land use, and the future of our state parks and public lands. State and national public opinion polls consistently illustrate the public's high level of concern and interest in environmental issues.

Kansans' resolve to address these issues will help determine the state's future economic growth and development. Our actions will also send a message to current and future generations of our resolve to provide a safe and healthy environment. Years ago, Kansas recognized the need to address statewide water issues to ensure economic growth, and the State Water Plan was conceived. Currently, available funding sources are inadequate to address the variety of issues that we, as a state, encounter. Future conservation issues, including some that we have not yet identified, will continue to surface and public concern will continue to escalate. Action to resolve these issues will position us well for the future.

This proposal suggests a mechanism to generate the financial means to study, analyze, and develop measures to improve natural resource conservation in Kansas. Other states faced with similar issues have turned to similar funding mechanisms. Our neighbor to the east, Missouri, has been funding conservation for over a decade with a percentage of the retail sales tax. States across the nation have looked to the Missouri model to establish a system whereby all residents contribute to the environmental well-being of their state. Recently Arkansas and Virginia have asked voters to consider similar measures and have passed constitutional amendments to improve the environmental conditions of their respective states.

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There is no doubt that one of the important long-term issues we face as a state is how to pay for the environmental and natural resources protection that we all want and expect. I applaud the leadership of the Kansas Association of Conservation Districts for initiating this resolution. The fact that this resolution originated with a grassroots, conservation advocacy and implementation organization speaks volumes about the views and concerns of Kansans throughout the state. This proposal may or may not be part of the answer, but it should be part of the discussion both now and in the months and years ahead.

Thank you for the opportunity to comment on SCR 1631.

In Support of
Senate Concurrent Resolution No. 1631

Madam Chairperson and members of this committee. My name is Gary Satter. I am the Program Coordinator for Glacial Hills Resource Conservation and Development (RC&D) Council in Valley Falls, Kansas. This is a nonprofit, 501c3 organization that coordinates and implements rural development projects in northeast Kansas. There are seven other RC&D Councils across Kansas that cover about 60% of the state. Our program works at the grassroots level to plan, coordinate and implement rural development activities that develops our human and natural resources to enhance economic growth and the quality of life for the residents of Kansas.

I won't present you with facts and figures in support of Senate Resolution No. 1631, but I would like to relate some observations and experiences I have had. My family and I travel to Missouri to go camping and for other recreational activities. We like to go to Watkins Mill State Park northeast of Kansas City about 30 miles. This park has excellent facilities not only for camping but for other recreational activities. There is a lake with a four mile paved hiking trail around it that you always see deer and other wildlife on. The lake has a swimming area, boat ramps and nice picnic areas. The park contains a visitors center for the Watkins Woolen Mill State Historic Site that includes the farmstead house and other buildings in addition to the only 1800's woolen mill with the original machines still in place. A wonderful place to visit and learn about the local history and enjoy the natural and historic resources of the area.

Through the development of their parks and preservation of their natural and historic resources, Missouri brings economic development to local communities and to the state. And all of this is funded by a .10% sales tax which also funds their soil and water conservation programs in Missouri.

Why doesn't Kansas have the same kind of quality facilities and recreational resources available to its citizens? It is because of a lack of funding. Most of the recreational facilities in Kansas are water-based around major reservoirs. There are few recreation opportunities that utilize the natural beauty of the other natural resources we have in this state.

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But now there is the opportunity for Kansas to develop these same kinds of recreation resources and opportunities. This resolution would allow Kansas to implement a program similar to Missouri that would benefit our soil and water resources, develop and maintain our parks and enhance wildlife restoration. This funding would allow people to stay in Kansas, and bring additional visitors to Kansas, to enjoy quality recreational opportunities.

The State of Kansas has identified through a Unified Watershed Assessment, that 80 of the state's 92 major watersheds are in need of water quality restoration and/or protection. The Conservation Districts, by state law, are charged with the protection and development of the natural resources in each county. But personnel and resources to assist landowners are insufficient at the local level to address this challenge. Declining federal budgets for USDA makes it necessary for the State of Kansas to provide the needed resources to Conservation Districts. This resolution would provide the resources for the conservation and development of the resource base that is vital to a healthy agricultural economy.

In conclusion, the Glacial Hills Resource Conservation and Development Council would like to encourage this committee to vote in favor of Senate Resolution No. 1631 that would submit to the qualified voters of the State of Kansas approval for the use of a .25% sales tax for the conservation, development and enhancement of the natural resources of this state. By conserving and developing our natural resources and sharing those with Kansans and other visitors, the State of Kansas can reap the economic benefits.

Thank you for the opportunity to address this committee.

Gary Satter, Program Coordinator
Glacial Hills Resource Conservation and Development Council
318 Broadway
Valley Falls, Ks 66088

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February 10, 2000

Testimony on SCR 1631

By George Petersen

Kansas was one of a handful of states to raise taxes in 1999 when the Comprehensive Highway Plan was approved and began raising the gasoline and motor vehicle fuels tax by four cents a gallon.

I. NO TAX HIKE

Several bills are seeking a sales tax hike. This includes the ¼ cent sales tax hike proposed in SCR 1631.

The KANSAS TAXPAYERS NETWORK opposes all efforts to raise Kansas's taxes. Spending has been soaring in Kansas where the total state spending is now near \$8.9 Billion in the fiscal year 2000 budget approved last May. It was only 25 years ago that Kansas had its first \$1 Billion budget. This rate of expenditure far exceeds the growth in Kansas population and inflation. Kansas Government has been growing much faster than this states economy can afford to pay for it.

Any proposal to raise the sales tax must be considered in light of the impact with internet retailing. While state sales tax revenues are 4.3 percent above the same period last year, there is a growing discussion about the effect of internet sales which are currently enjoying a federal moratorium on the imposition of any sales tax. Raising the state's 4.9 percent sales tax would provide an additional incentive for customers to order out-of-state through on-line retail options or ordinary out-of-state purchasing.

We are supportive of the approach made by the advocates for this tax hike. Kansas Taxpayers Network has strongly supported a requirement that all Kansas tax hikes be approved by the voters at a regular election. This proposal would require voter approval.

Kansas is a high tax state in our region according to the figures produced annually by the Tax Foundation. Being a high tax point on the prairie hurts Kansas' ability to grow. High taxes hurt our ability to keep business in this state and limits our ability to attract new firms to the Sunflower State.

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Attachment 7