

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT.

The meeting was called to order by Chairperson Representative Gerry Ray at 3:30 P.M. on February 21, 2002 in Room 519-S of the Capitol.

All members were present except:

Committee staff present:

Theresa Kiernan, Revisor
Mike Heim, Research Dept.
Kay Dick, Committee Secretary

Conferees appearing before the committee:

HB 2894

Proponents

Rep. Miller
Leslie Kaufman, KS Farm Bureau

Opponents

Rand Allen, KAC
Kim Gulley, LKM
Sheila Dale, Osage County

HB 2882

&

SB 166

Proponents

Mark Tallman KASB
Jim Edwards, KCCI
Bill Fricke, Shawnee Mission Public Schools
Diane Gjerstael, Wichita Public Schools

Opponents

Christy Leving, NEA

HB 2949

Proponents

Don Siefert, City of Olathe
Kim Gulley, LKM

Others attending: See Attached Sheet

Hearing opened on: HB 2894 - concerning cities and counties; Relating to zoning

Rep. Miller came before the committee and asked for consideration of **HB 2894**. He believes that there needs to be more participation by the voters living in unincorporated areas. The present law gives the County Commissioners the authority to establish countywide zoning by on a vote of the majority of the commissioner. (Attachment #1)

Leslie Kaufman, Associate Director of the Public Policy Division of Kansas Farm Bureau, testified in support of the concepts embodied in **HB 2894**. KFB opposes legislation that would authorize or permit government agencies and political subdivisions to direct management decisions in the field of land utilization. (Attachment #2)

Randy Allen, Ex. Director of Kansas Association of Counties came before the committee to express KAC's strong opposition to **HB 2894**, which would severely infringe on county home rule powers by requiring boards of county commissioners to submit any proposition to zone unincorporated area of a county to the electors within the same unincorporated areas. Also, KAC object to language which would prohibit counties from adopting zoning regulations which apply to property located within three miles of the boundaries of a city. He urged the committee to leave existing law along and reject **HB 2894**. (Attachment #3)

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT at on February 21, 2002 in Room 519-S of the Capitol.

The next opponent to **HB 2894**, Kim Gulley, League of Kansas Municipalities, testified that the current zoning laws of our state authorize cities to develop zoning regulation within the incorporated boundaries of the city. **HB 2894** would require an election before cities could zone within the three mile radius surrounding the city. The process for imposing or amending zoning regulations is very detailed and provides numerous opportunities for citizens input. Forcing cities and counties to submit specific zoning regulation or amendments to an election would be both costly and unnecessary. (Attachment #4)

Sheila Dale, Land Use Coordinator for Osage County and President of Kansas County Association of Planning and Zoning official, stated her opposition to **HB 2894**. Ms. Dale said, "Zoning is not denying the right of the people but to protect the people. The county votes on County Commissioners and they represent the people of the County." She went on to say that this Bill would create a "no mans land" within 3 miles of small towns which do not exercise extraterritorial land use control. (Attachment #5)

Written only testimony in opposition to **HB 2894** came to Rep. Osborne from Gail Mc Connaughey, Director of Planning and Zoning, Pottawatomie County to be given to committee members. (Attachment #6)

The Chair brought attention to the committee of two other *written only* testimonies in opposition to **HB 2894**.

John Taylor, Chairman, Franklin County Board of County Commissioner. (Attachment #7)

David Yearout, on behalf of the Kansas Association of County Planning & Zoning Officials. (Attachment #8)

Following a question and answer session, the hearing on HB 2894 was closed.

Hearing opened on: HB 2882 - concerning municipalities; relating to the powers and duties of the governing bodies thereof In conjunction with SB 166 - concerning school districts; conferring the power of local control on boards of education

Ben Barrett, Director of Legislative Research, who is an expert on education, informed the committee on issues and statutes of "home rule" for school boards regarding **HB 2882 & SB 166**. He *did not have written testimony*.

Mark Tallman, Kansas Association of School Boards testified as a proponent for **SB 166** and **HB 2882** that would provide local school districts with authority to "transact all school district business and adopt policies that the board deems appropriate to perform it duty to maintain, develop and operate local public schools." (Attachment # 9)

Jim Edwards, Kansas Chamber of Commerce and Industry presented testimony in the primary goal of **SB 166** and **HB 2882**. "The KCCI is in support to the concept of providing local boards of education with the broader local control and self-governance when looking at new and innovative programs." (Attachment #10)

Bill Frick, Assistant to the Superintendent of Shawnee Mission Public School, spoke as a proponent for both **HB 2882 & SB 166**. (Attachment #11)

Diane Gjerstael, Wichita Public Schools, spoke as a proponent supporting Home Rule for school boards. She asked that **HB 2882 & SB 166** pass out of committee favorably. She had *no written testimony*.

Bob Van Crum, a proponent, stood and asked (*no written testimony*) for support of both Bills.

The proponents stood for questions following their testimony.

Christy Levings, President of the Kansas NEA, appeared as an opponent expressing concerns of the

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT at on February 21, 2002 in Room 519-S of the Capitol.

25,000 member about **HB 2882 and SB 166.** (Attachment #12)

Following a question and answer session the hearing on **HB 2882 and SB 166** was closed.

Hearing opened on: **HB 2949 - an act concerning cities and counties; relating to transportation department districts.**

Don Seifert, Policy Development Leader for the City of Olathe appeared before the committee as a proponent for **HB 2949.** He testified that a transportation development district would combine two element, Special Assessments and Special Sales Tax. (Attachment #13)

Kim Gulley, League of Kansas Municipalities spoke as a proponent in support of **HB 2949.** She stated that this legislation would give cities an important economic development tool. (Attachment #14)

As proponents for **HB 2949,** *written only* testimony came from Mike Wildgen, City Manager of Lawrence, (Attachment #15) and Tim McKee, Vice President of Economic Development , Olathe. (Attachment #16)

Following a brief question and answer period the hearing on **HB 2949** was closed.

The Chair adjourned the meeting at 5:20 p.m. Next scheduled meeting February 26, 2002.

FRANK MILLER
 REPRESENTATIVE, TWELFTH DISTRICT
 MONTGOMERY COUNTY
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 INDEPENDENCE, KANSAS 67301
 TOPEKA OFFICE: STATEHOUSE, RM 431-N
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 (785) 296-7646



TOPEKA
 HOUSE OF
 REPRESENTATIVES

COMMITTEE ASSIGNMENTS
 MEMBER: AGRICULTURE
 BUSINESS, COMMERCE
 & LABOR
 KANSAS FUTURES
 LOCAL GOVERNMENT

February 21, 2002

Honorable Chairman Gerry Ray

Chairman House Local Government Committee:

Reference: HB 2894

Thank you Madam Chairman for the opportunity to stand before this committee and submit for your consideration HB 2894.

As I recall about 1992 the Legislature amended the statutes concerning local control, giving Local County Commissioners almost absolute power in making decisions regarding zoning. I agree with much of the intent of this concept, but I also believe that in some specific decisions, such as countywide zoning, there needs to be more participation by the voters living in such unincorporated areas.

Present law, as I understand it, gives the County Commissioners the authority to establish countywide zoning by only a vote of the majority of the commissioners. In Montgomery County that would mean only two Commissioners would be needed to enact this condition. At present in Montgomery County we have a fine group of Commissioners, but what about the future? What about other Counties in Kansas? What might some commissioners of less integrity or commissioners not intending to run for re-election do?

Recently in Montgomery County, our Commissioners made inquiries into the possibilities of Countywide Zoning, and it touched off a firestorm. Many rural residents who were adamantly opposed to such zoning printed some rather uncomplimentary articles in the local newspaper about the arbitrary action of the Commissioners. HB2894 would still leave power in the hands of local County Commissioners to launch countywide zoning, but the final decision would be made by a majority of qualified voters living in the unincorporated area of the

County. This relieves the Commissioners of the final responsibility of enacting countywide zoning, which I suggest would also be acceptable to many Commissioners.

HB2894 does not become enforceable until after June 30, 2002, and does not apply to counties in which countywide zoning now exists, or for existing restrictions of property within unincorporated areas of the county. The governing authorities of the county still have the same authority to propose countywide zoning, but such regulation would not be applicable or enforceable within such unincorporated area without first having been approved by a majority of the electors living in such unincorporated area.

Madam Chairman I believe this is a good bill and I urge the committee to pass this legislation out of committee acceptable for passage.

I stand for questions.

Respectfully yours,

A handwritten signature in cursive script, appearing to read "C. Frank Miller". The signature is written in black ink and is positioned above the printed name.

Representative C. Frank Miller



Kansas Farm Bureau

2627 KFB Plaza, Manhattan, Kansas 66503-8508 • 785.587.6000 • Fax 785.587.6914 • www.kfb.org
800 S.W. Jackson, Suite 817, Topeka, Kansas 66612 • 785.234.4535 • Fax 785.234.0278

POLICY STATEMENT

HOUSE COMMITTEE ON LOCAL GOVERNMENT

RE: HB 2894 – requiring a vote of the unincorporated areas of a county prior to implementing countywide zoning.

February 21, 2002
Topeka, Kansas

Presented by:
Leslie Kaufman, Associate Director
Public Policy Division

Chair Ray and members of the House Committee on Local Government, thank you for the opportunity to appear today and support the concepts embodied in HB 2894. I am Leslie Kaufman and I serve Kansas Farm Bureau as the Associate Director of Public Policy.

Kansas Farm Bureau is the state's largest general farm organization. We represent more than 41,000 farm families in all 105 counties in Kansas. This represents a significant percentage of the rural population in Kansas. Private land ownership and the ability of individual property owners to direct the use of their land is a right our members hold dear.

We oppose legislation that would authorize or permit government agencies and political subdivisions to direct management decisions in the field of land utilization. Those who own or operate land should have the major responsibility for its use and development.

HB 2894 would provide a mechanism where those in the unincorporated areas of the county will have a choice on whether or not countywide zoning is appropriate for their area. The landowners then, would have the ability to decide if they want to relinquish some of their responsibilities over land use and development to a county planning commission. Kansas Farm Bureau supports this concept.

The mechanism proposed in new section 2 of HB 2894 parallels our policy on zoning by cities. We oppose any extension of the power of cities to zone beyond their borders without a vote of the people proposed for zoning.

The ability for governmental bodies to direct land use decisions raises some concerns for our organization. In those areas where zoning is implemented, we urge Farm Bureau members, farmers and ranchers to become involved in the planning and development of zoning ordinances to prevent undesirable land use patterns. Before any decisions on what practices may or may not be desirable, we think it is appropriate for those who would be impacted by zoning and planning to have the ability to have input on whether that process is appropriate countywide. As such, we respectfully request this committee act favorably on HB 2894. Thank you.

Kansas Farm Bureau represents grassroots agriculture. Established in 1919, this non-profit advocacy organization supports farm families who earn their living in a changing industry.



KANSAS
ASSOCIATION OF
COUNTIES

3

WRITTEN TESTIMONY
concerning HB 2894 - County Home Rule
House and Local Government Committee

Randy Allen, Executive Director
Kansas Association of Counties
February 21, 2002

Chairperson Ray and members of the committee, I am Randy Allen, Executive Director of the Kansas Association of Counties. I am here today to express our strong opposition to HB 2894, which would severely infringe on county home rule powers by requiring boards of county commissioners to submit any proposition to zone unincorporated areas of a county to the electors within the same unincorporated areas. County home rule was granted by the Legislature in 1974, and has been under constant scrutiny and erosion since that time. We further object to language which would prohibit counties from adopting zoning regulations which apply to property located within three miles of the boundaries of a city, which is currently possible.

HB 2894 is an affront to our system of representative government in that it usurps the authority of our 335 elected county commissioners and replaces their judgment with the opinion of citizens who have already elected commissioners to act on policy matters in their behalf. Current law - K.S.A. 12-756 (1) (b) - prescribes a process that must be followed in developing and adopting zoning regulations. The required process includes a statutorily required public hearing(s), public notice of any public hearing, the use of a planning commission to consider information and make recommendations to the governing body. Due process is built into the existing statutes concerning the enactment of zoning resolutions.

County commissioners, in nearly all parts of Kansas including some of our most urban counties, represent districts comprised of both urban and rural areas. Commissioners have a responsibility to balance all interests (urban, urban fringe, rural) in enacting policies. This is sometimes a very difficult and challenging task. However, the tasks of making sound land use decisions (including for some the implementation of zoning regulations), are an essential part of their governance responsibilities. If commissioners abuse the trust of their constituents, they will surely not be re-elected. This is the American system.

We urge the committee to leave existing law alone in this regard, and reject HB 2894. Thank you for the opportunity to testify on this bill.

The Kansas Association of Counties, an instrumentality of member counties under K.S.A. 19-2690, provides legislative representation, educational and technical services and a wide range of informational services to its member counties. Inquiries concerning this testimony should be directed to Randy Allen or Judy Moler by calling (785) 272-2585.

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Topeka, KS 66615
785•272•2585
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email kac@ink.org

HOUSE LOCAL GOVERNMENT
2/21/02
Attachment #3



League of Kansas Municipalities

300 SW 8th Avenue
Topeka, Kansas 66603-3912
Phone: (785) 354-9565
Fax: (785) 354-4186

To: House Local Government Committee
From: Kim Gulley, Director of Policy Development & Communications
Date: February 21, 2002
Re: Opposition to HB 2894

Thank you for allowing me to appear on behalf of the League of Kansas Municipalities and our member cities. We appear today in opposition to HB 2894.

The current zoning laws of our state authorize cities to develop zoning regulations within the incorporated boundaries of the city. As a part of the general zoning laws of the state, cities are specifically authorized by K.S.A. 12-715b to zone within the three mile radius surrounding the city. In addition to granting this extraterritorial jurisdiction, the statute provides a number of safeguards for the residents of the unincorporated area. First, the city must appoint at least two residents of the unincorporated area to serve on the planning commission. Second, the area to be zoned must be included within a comprehensive plan recommended by the planning commission and approved by the city governing body or the board of county commissioners. Third, cities may not apply zoning to any land in excess of three acres under one ownership that is used only for agricultural purposes. Fourth, city zoning may not be applied in an unincorporated area where the county has zoned. And finally, the city must notify the board of county commissioners in writing 60 days before initiating zoning regulations in the unincorporated area. In the event that a county ever decides to zone within the three mile radius, the county zoning regulations would supersede the city zoning. These zoning laws were reconsidered and recodified in 1991 after much debate and a great deal of compromise.

HB 2894 would require an election before cities could zone within the three mile radius surrounding the city. The process for imposing or amending zoning regulations is very detailed and provides a number of opportunities for citizen input. All zoning regulations must first be submitted to the planning commission for consideration. The planning commission is required to hold a public hearing on any proposed zoning regulations. Notice of the hearing is published at least 20 days prior to the date of the hearing. The planning commission then forwards any proposed zoning to the city governing body for consideration at a public meeting.

Participation by affected residents is an important part of the zoning process in Kansas. We believe that current Kansas statutes provide sufficient opportunity for public input concerning city zoning regulations. Forcing cities and counties to submit specific zoning regulations or amendments to an election would be both costly and unnecessary.

For these reasons, we respectfully request that you do not take favorable action on HB 2894. Thank you for allowing me to appear today and I would be happy to answer questions at the appropriate time.

HOUSE LOCAL GOVERNMENT
2/21/02
Attachment #4

First I would like to thank you for allowing me to testify. This is the first time that I have had this experience.

I Sheila R. Dale Land Use Coordinator for Osage County and President of Kansas Association County Of Planning and Zoning Official, would like to issue a statement on HB 2894.

Zoning is not denying the rights of the people but to protect the people. The county votes on County Commissioners and they represent the people of the county.

In Osage County we don't have any cities, which have taken this option for several reason, even while provide in KSA 12-715b. This will create a "no mans land" within 3 miles of small towns which do not exercise extraterritorial land use controls. This automatic three mile buffer does not account for the realistic expansion of existing communities, especially extremely small towns, that are in some cases shrinking in population Small towns that don't exercise extraterritorial land use controls would rather see some controls outside their boundaries rather than none. Countywide zoning can be a positive force on the cities they surround. For instance a County with strong Agriculture zoning helps limits the fragmentation of land, proliferation of water, and wastewater and helps control traffic generation on County roads (especially gravel and earth roads).

If the county has countywide zoning is place and this bill grants the automatic three (3) mile buffer then it is the county's responsibility to provide wastewater, roads and water to

these area. This has become an added burden to the county especially with all the recent budget concerns. If the city is granted this three mile rule, they will have the authority in which to place possible objective structures in this area which may not be conducive with the county. The county will not have a say in the matter nor will the constituents that live in this three-mile area. They will not be allowed to vote on representation from the city so who will protect their rights? They will even be taxed for decisions that the city official makes by adding burdens to the county. This could possibly even affect the value of their homes.

Most cities will not have subdivision regulation or a comprehensive plan to deal with the added responsibility of extraterritorial jurisdiction.

I feel that the people elect the County Commissioners, and that they can fairly decide whether or not to have countywide zoning. The State has placed safe guards in the system to protect the rights of the people. They would need to hold hearings, which are published in the Official County Paper and hold open meeting where the citizens may voice concern for or against zoning. Zoning is a slow process that cannot be rushed into lightly. I fear that if this bill passes that several counties that are in process of countywide zoning will hurry to complete and in act something before the June deadline, which would not be in the best decision of any of the citizens.

The added expense of holding countywide elections will overburden the budgets of most counties. I have concerns of who should be allowed to vote on the issue. People in the

cities will not have the same issues as them ones in the county. In some counties the city population can be larger than rural areas. Who will determine what is best for them? What about the counties with partial zoning? How will that affect them? How will the tax burden fairly affect the citizen of this tree-mile buffer.

I, along with members from the Kansas Association of County Planning and Zoning Officials feel that this is not a bill that is well thought out. It leaves to many unanswered questions and will harm more citizens than it will protect.

I thank you for this opportunity.

Sheila R. Dale

Osage County Land Use Coordinator

Pres. Of KACPZO

Written Only

From: Gail McConnaughey <gmconnaughey@Pottcounty.org>
To: "osborne@house.state.ks.us" <osborne@house.state.ks.us>
Date: Thu, Feb 21, 2002 9:22 AM
Subject: HB 2894

Verne,

I just heard that there will be a hearing today at 3:30 on an amendment to the county zoning laws that would require any county wishing to adopt zoning to bring it to a public vote, and would prevent any county from zoning within 3 miles of a city. I think this would be disastrous. Most people will probably not vote for zoning if there are no problems. It is when problems develop that people then want zoning and many times by that time it is too late and the damage has been done.

Also, the area around the cities is probably the most critical area to have zoning. If we were unable to have any control in Blue Township, we could really have a mess there. It is bad enough, because it developed before zoning and has such a mixture of uses, some of which are not compatible with each other. I know we get quite a lot of complaints about the flies in the area of the sale barn. This has also prevented some commercial development on lots adjacent to the sale barn. Also, if there had been more planning of the area many years ago, the county may not have had to go into debt putting in the sewer system.

Without zoning, anything could go in. We have had numerous requests for adult entertainment along Hwy 24. If we were not able to zone, I can guarantee you there would be at least one or two clubs there now. Also, we have had a couple of requests for a large apartment complex in the area. Without zoning, the surrounding property owners would not have any way to voice their concerns about the project. I know some people think zoning takes their rights away, but it also gives rights to the surrounding property owners to have a voice in what goes on around them and effects their property.

I am hoping you could talk to some people and help get this bill defeated. I know KAC is against the bill.

Thanks for any help you can give.

Gail McConnaughey
Director of Planning and Zoning
Pottawatomie County

Written only (7)
U:q
E-mail

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BOARD OF
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FRANKLIN COUNTY

COMMISSIONERS

315 S. Main
Ottawa, KS. 66067

Phone 785-229-3410
Fax 785-229-3419

RAYMOND R.

Fourth District

DONALD R.

Fifth District

February 21, 2002

TO: Members of the House Committee on Local Government

RE: House Bill #2894

Dear Committee Members:

The Franklin County Board of County Commissioners has reviewed the amendments to K.S.A. 12-756 proposed in House Bill #2894 and *strongly* urges the Committee not to support this bill. The bill, as proposed would not be uniformly applied to all properties within the unincorporated areas of a County and would not be in the interest of rural citizens of the State of Kansas.

Thank you for your consideration.

Respectfully,

John E. Taylor, Chairman
Franklin County Board of
County Commissioners

8 Written Only

HOUSE BILL No. 2894

Written Testimony of David L. Yearout, AICP

to the

House Local Government Committee

on behalf of the

Kansas Association of County Planning and Zoning Officials

an Associate Member of the

Kansas Association of Counties

February 21, 2002

Representative Ray and other distinguished Representatives of the House Local Government Committee, thank you for the opportunity to submit to you my testimony regarding House Bill 2894. My name is David Yearout. I am a Planning Consultant based in Wichita with city and county clients statewide, and I have been a practicing planner in Kansas for over 28 years. However, I am submitting this testimony on behalf of the Kansas Association of County Planning and Zoning Officials, an associate member organization of the Kansas Association of Counties. I am both a founding member and a past president of that Association, and have been asked to represent our membership before you today.

House Bill 2894 is very bad legislation. I don't know the origin of this bill or from whom it is requested, but in my opinion it is an insult to locally elected city and county officials. It is, in my opinion, contrary to our very form of government.

This bill calls for the submission to the "qualified electors of such unincorporated area" the question of adoption of local zoning laws at an "...election called and held on the question." This is a disastrous and very dangerous alteration to the Planning and Zoning laws of this State! Subjecting a purely legislative act by the duly elected representatives of a city or county to a "public referendum" that will be rife with emotional half-truths, misrepresentations of legal issues, and out-and-out lies is neither beneficial to public interests nor helpful in formulating appropriate local laws to protect the public health, safety and general welfare of the local citizens and property owners. It is a punitive bill to all levels of local government, and then to add insult to injury is the provision that bars a County from using its home rule powers to alter the provisions of the law. Why only counties? Oh, I forgot, a city's home rule power is constitutional and can't be alter by the legislature. How patently unfair.

Also, we find the language in the bill referring to the enactment of zoning as a "restriction of the use of property" offensive. Some of you have been Mayors, members of city councils, and maybe even County Commissioners. If you have ever been truly involved in dealing with a local zoning decision and have truly experienced the full details of what zoning is about and the extensive limits within the laws on the exercise of the zoning powers, then you know that zoning is about the **PROTECTION OF PROPERTY RIGHTS AND INTERESTS**. Zoning is about local citizens, following the procedural requirements of the enabling laws, to develop local laws for the protection of their property, their property values and the ability to enjoy and feel secure in the use of their property. And this is done through the local elected officials under our representative form of government...not by subjecting these decisions to "popularity votes" overshadowed by rumors and lies.

Also, why only the "qualified electors of the unincorporated area in question" get to vote. They are not the only taxpayers affected by the local laws. And isn't that what is at the foundation of considering local zoning laws in the first place...protecting the interests of the taxpayers. Every time a land use change occurs there are direct costs back to the taxpayers. It may be small and seemingly inconsequential, but it is a cost none the less. And where you are talking about the unincorporated area, those costs are borne by everyone within that County because all citizens are taxpayers of that County regardless of whether they live in a city or not. Why disenfranchise affected taxpayers from such a vote?

The myriad of problems created by this bill is immense and would require such extensive alterations to this bill to correct to be an unrealistic expenditure of time, because I believe that the members of this Committee can see the serious harm of the intent of this bill. I am prepared to submit subsequent testimony on the other "wholesale" changes needed if this bill becomes law, but I am trusting that the bill will go no further. It is a monumental waste of your time and mine to recite all of the other procedural

matters that would need clarification within the statutes if this bill continues further. I pray that neither you nor I will need to invest that time.

The present system works and works very well. Kansas' enabling laws are considered one of the best in the nation. This state was one of the first to correct its former system with a "unified enabling" law that uses the same procedures and protocols regardless of whether a city or county is involved. This law **IS NOT BROKEN..... PLEASE DON'T TRY TO FIX IT!!!!**

Has any city or county failed to properly follow the established procedures or protocols in the consideration of adopting local zoning laws? Is such an action so egregious to public interests to warrant such a draconian act? My experience has shown that when all opinions and "feelings" have been taken into consideration, the local elected officials have always made the appropriate decision on this question, including the decision to not adopt the proposed local zoning laws. This bill is not needed and should be **KILLED IN COMMITTEE.....TODAY!!!!** On behalf of the Kansas Association of County Planning and Zoning Officials, as a planning consultant working with cities and counties throughout this state, and as a citizen and taxpayer of this state, I ask you today to **KILL HB 2894** today.

Thank you for the opportunity to participate in our sacred form of government where we rely on the elected representatives to consider the facts on matters. I would hate to have to vote in a referendum on all of the **LEGISLATIVE MATTERS** you consider. And I am reminded of this **FACT** every time I salute the flag when I state: "...and to the REPUBLIC for which it stands..."

KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS

1420 SW Arrowhead Road • Topeka, Kansas 66604-4024
785-273-3600

Testimony on
SB 166 – School Board Local Control
HB 2882 – Power and Duties of Governmental Bodies
Before the
House Committee on Local Government

By
Mark Tallman, Assistant Executive Director/Advocacy

February 21, 2002

Madam Chair, Members of the Committee:

Thank you for the opportunity to appear today as a proponent of legislation to broaden the authority of local school boards to take actions pursuant to their constitutional duties to operate public schools. This issue represents one of our Association's highest priority issues.

One of the two bills before you today, SB 166, was introduced at the request of KASB last session. Earlier this year, it passed the Senate 37-3. The major reason given on the floor of the Senate for opposing the bill was not its merits, but the fact that the Senate has passed similar legislation at least four times in the past and the House has never given the measure serious consideration. We appreciate the willingness of this Committee to do so.

The purpose of SB 166 is to provide local school districts with authority similar, but not identical, to the powers of cities and counties often referred to as "home rule." The simplest way to explain the proposed change is that currently, school boards may only take actions that are specifically authorized by law. Under this bill, school boards are authorized to "transact all school district business and adopt policies that the board deems appropriate to perform its constitutional duty to maintain, develop and operate local public schools." (Sec. 1 (e) (1)) It also specifies that this bill does not intend to relieve other units of government of duties and responsibilities provided by law. (Sec. 1 (e) (2))

We support the concept contained in this measure for the following reasons.

First, we believe this measure would foster innovation and creativity on the part of local boards. Schools are frequently challenged to find more effective ways to operate, to better meet the education needs of children and to work with other governmental agencies and private business and organizations. Yet the state expects school districts to do only what the Legislature has already authorized.

Second, it would provide schools with more flexibility in their operations. Schools are often urged to "operate more like a business," yet must follow strict state controls.

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Third, this bill would reduce the need for the Legislature to consider bills to authorize school boards to take “common sense” actions on a local level every year. The House Education Committee has already passed one bill this year, HB 2777, that simply allows school districts to take actions that almost everyone agrees are appropriate, and some districts already doing, but are not currently expressly authorized in statute and therefore are not legally permitted.

Finally, it should be stressed that if the Legislature believes school boards are doing something inappropriate, it can simply pass a law to stop that action.

Let me now turn to the house bill before you today, HB 2882. For the most part, we believe the language of this measure is acceptable. It contains a virtually identical section (e) (1). The major difference is that it contains eight specific prohibitions or limitations (A through H on page 2). These limitations were contained in a previous version of this legislation proposed by KASB. We did not include them in our draft of SB 166 before as we felt they were unnecessary and redundant. The only concern we would offer is that one could argue that anything not on this list is permitted. We do not believe that SB 166 would allow boards to do anything included on that list, nor anything else contrary to state law.

Section (2) on page 3 is identical to SB 166. However, we do have an objection to Section (3) (A) on page 3, which could prohibit school districts from imposing “stricter provisions” that act of the Legislature or State Board of Education. We believe this language could mean that school districts could not adopt stricter disciplinary policies or higher academic standards or requirements. We believe this provision should be removed or at least clarified.

Finally, we would suggest that in both bills, the reference to school board action be changed from “resolution” to “policy.” Most school district actions are taken by adopting board policies. We are not sure what is intended by the second sentence in Section 4 on page 4, which requires that local legislation becomes effective only after publication in the official newspaper of the district. We would oppose requiring every policy under local control authority to be published. That would dramatically increase school district costs for routine business.

We urge you to recommend SB 166 favorably for passage, or to amend HB 2882 as suggested. Thank you for your consideration.

(2) (10)

LEGISLATIVE TESTIMONY



The Unified Voice of Business

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SB 166 and HB 2882

February 21, 2002

KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the

House Local Government Committee

by

Jim Edwards
Senior Vice President

Madam Chairperson and members of the Committee:

Thank you for allowing me the opportunity to lend KCCI's support to the concept of providing local boards of education with the broader local control and self-governance when looking at new and innovative programs. This is the primary goal of SB 166 and HB 2882.

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 2,000 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 48% of KCCI's members having less than 25 employees, and 78% having less than 100 employees. KCCI receives no government funding.

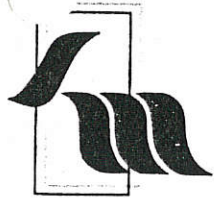
The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

In these times of rapid change, local boards of education, since they are those closest to the opportunities present, are most often the best equipped to deal with issues as they arise. With this in mind, it makes sense that these local boards be granted the authority necessary to address these issues in a timely manner.

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We are not asking for a wholesale abdication of power to local boards of education. As long as the state funds education, the legislature must stay involved. We are, however, asking that the legislature delegate the authority necessary which will permit local boards of education to address new and innovative programs without having to ask the legislature for specific authorization on each individual issue. There is no successful corporation in the US that would require any of its subsidiaries or local plants to operate like schools are. Allowing them this operational freedom and flexibility gives them the opportunity to function efficiently and expediently.

Thank you for allowing me to present this testimony. I would be pleased to answer any questions you might have.



Shawnee Mission Public Schools
 Howard D. McEachen
 Administrative Center
 7235 Antioch
 Shawnee Mission, Kansas 66204-1798
 Telephone 913 993-6439

Office of the
 Assistant to the Superintendent

The Shawnee Mission School District is in support of SB 166. Under existing law, school districts only have rights specifically granted to them by statute. It is unreasonable to think that existing statutes are comprehensive enough to adequately address all aspects of current school district operations. It is even more unreasonable to think that these statutes will cover future changes in school district operations. Some recent examples where legislation has been requested include e-commerce, the payment of dues, and the execution of contracts. Before such legislation can be completed, districts are in the unenviable position of extending their current practices until legislation can catch up. To illustrate this point consider the authority to execute contracts.

Our board has a policy that allows various employees to approve purchase orders based upon the amount of purchase. Considering the district has a budget of approximately \$250 million, hundreds of transactions are occurring daily. District officials assumed this policy was consistent with the law. When SB 161 was passed last year, a change was made allowing the superintendent to sign contracts less than \$10,000. This made district officials question the policy. Since the statutes, prior to SB 161, did not specifically allow the district to delegate the approval of purchase orders to any employee of the district, apparently the board was the only body that could approve any purchase orders. Consider how unworkable this would be to have a board meeting before a part could be procured to fix a boiler or other piece of equipment. When SB 161 was passed, the board could now delegate authority to the superintendent. While this was a step in the right direction, it didn't go far enough. It is unreasonable to think that the superintendent should take her time each day to approve hundreds of purchase orders. This is just one example of how convoluted the system can become.

SB 166 allows this system to work in reverse. Districts gain control of their operations as long as their actions are not restricted by law. The legislature retains the control to restrict activities that are not in the public interest. This system allows districts the flexibility they need to carry out their mission with little interference.

For these reasons, the Shawnee Mission School District supports SB 166.



SHAWNEE MISSION PUBLIC SCHOOLS

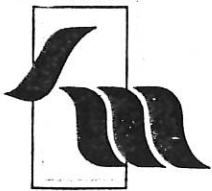
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HOUSE LOCAL GOVERNMENT
2/21/02
Attachment #1 |



Shawnee Mission Public Schools
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Office of the
Assistant to the Superintendent

Educating for Life

The Shawnee Mission School District is in support of HB 2882. Under existing law, school districts only have rights specifically granted to them by statute. It is unreasonable to think that existing statutes are comprehensive enough to adequately address all aspects of current school district operations. It is even more unreasonable to think that these statutes will cover future changes in school district operations. Some recent examples where legislation has been requested include e-commerce, the payment of dues, and the execution of contracts. Before such legislation can be completed, districts are in the unenviable position of extending their current practices until legislation can catch up. To illustrate this point consider the authority to execute contracts.

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For these reasons, the Shawnee Mission School District supports HB 2882.



SHAWNEE MISSION PUBLIC SCHOOLS

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Christy Levings Testimony
House Local Government Committee
Thursday, February 21, 2002

Thank you, Madame Chair. I am Christy Levings and this year I have the opportunity to be the President of the Kansas NEA. I appreciate this opportunity to express concerns of our 25,000 members about HB 2882 and SB 166.

These bills do not contain new concepts. We have seen them several times and the legislature has seen fit to defeat these policy changes. We hope the body continues to recognize that this change would be bad public policy.

The proponents of this bill have often times argued that giving school boards this new power will make school districts more like city and county governments, which are granted home rule powers in the state constitution. At first glance, this may seem to make sense; however, we believe that closer study suggests that school boards are a much different entity than cities and counties. Consider the following thoughts:

1. Where does the entity get its funding? School districts derive their funding directly from authority given to them by the state legislature. Over two billion dollars of state funding is given to local boards by the State of Kansas. The city and county revenue from the state is a small portion of that funding. City and county governments have authority to levy property and sales taxes to fund the large portion of their government. Should the state legislature have more controls over the largest share of the state government budget? The legislature gives a great deal of latitude currently as to how districts spend state dollars. HB 2882 or SB 166 would erode the oversight that exists now.
2. Does the Kansas Constitution state any differences about local school boards and local cities and counties? The answer is a definite "yes." In Article 12, Paragraph 5, section (b) of the Constitution, cities are "hereby empowered to determine their local affairs and government including the levying of taxes, excises, fees, charges and other exactions...." Later in the Article, subsection (d) indicates "Powers and authority granted cities pursuant to this section shall be liberally construed for the purpose of giving to cities the largest measure of self-government."

We would ask the committee to compare this passage in the Constitution with Article 6. Paragraph 5 of the article states that "Local public schools under the general supervision of the state board of education shall be maintained, developed and operated by locally elected boards. When authorized by law, such boards may make and carry out..."(Emphasis added) The framers of the Constitution had something else in mind about the ability of local boards to

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have these powers. No hint of the “power of local control.” Maybe since the article states that the state legislature shall have the responsibility to finance public education, the writers felt that there should be oversight.

Now I would like to turn to the more practical argument given by the school board association in trying to get this new power for boards of education. They assert that school boards would “do no harm” and would use this new power for “innovative ideas” that would help the district be “more efficient.” They challenge us to name anything specific that a board would do that would cause any problems. Since we cannot anticipate actions by these school boards (just as you cannot anticipate the “innovative” ideas that legislators will come up with in their bill introductions), we must say that it is the possibility of mischief that causes us to oppose this bill.

What we can do to remind you of potential problems is to look at the past. Should we give boards of education this new authority in light of their past performance? KNEA does not think so. Consider the following:

1. There has been a bill introduced this year by Representative Mason and spoken to by others that would force a school district using the bond and interest law to get state building committee approval. It is said that these districts are using their current power to build unnecessary buildings to keep from being consolidated or, short of that, to make sure that they have the newest building in the combined district to guarantee their town continues to have a school. This takes state matching dollars to use to fight the consolidation that is coming. What other little “local control” item will these boards use when they get this new power? Should they get local control?
2. A school board in this state was so inattentive to the financial affairs of the district that it allowed the superintendent of schools to amass thousands of dollars in non-authorized and personal expenses on the district credit card. Has this board of education earned the extra power of local control?
3. A school board in this state not only bought cellular phones for the board members, but also allowed the board members to accumulate hundreds of dollars of extra air time and roaming charges for personal calls. If the group thought they were above this simple common sense, is this board ready to handle the extra power of “home rule?”
4. A school board in this state apparently has decided to either ignore or change its own board policy about plagiarism. When a group of parents decided to complain about the “F” grade their students received for plagiarizing work, the board went behind closed doors and has yet to tell the public what happened. All we know is that the grades were changed and the teacher felt compelled to resign her position. Are these the type of people we want to have extra power and authority?

The answer to the last question in each example, in our opinion, is “no.” Proponents state that we can have the legislature come back after the fact to pass legislation to prohibit actions. We do not believe the legislature should be “behind the curve” in dealing with issues that have the potential of being harmful to the taxpayers, the teachers, or the

students. The current system is preferred when districts that have legitimate requests come either to the state board or the legislature to get permission to do these things.

Kansas NEA believes that the passage of HB 2882 or SB 166 would put into effect the "law of unintended consequences." Most districts would act responsibly. The few who would not could cause problems that the legislature did not intend with this legislation. KNEA would urge you not to pass either of these bills favorably. Thank you for listening to our concerns.



City of Olathe

MEMORANDUM

13

TO: Members of the House Local Government Committee

FROM: Don Seifert, Policy Development Leader *DS*

SUBJECT: House Bill No. 2949; Transportation Development Districts

DATE: February 21, 2002



City of Olathe

On behalf of the city of Olathe, I want to thank the committee for introducing this bill and for the opportunity to appear today in support of legislation that would create a new financing tool for local governments in Kansas. A longstanding tenet of local government officials, especially in growth areas, is that "development should pay its own way." This bill would provide a means for this to happen.

HB 2949 would authorize a city or county to create a transportation development district to finance transportation improvements that support private development or redevelopment projects. Since 1997, this tool has been successfully used in Missouri, but there is no similar authority in Kansas. Attached is a recent article from the *Kansas City Star* describing how this tool can help local government partner with the private sector so that a specific development project can indeed pay its way.

A transportation development district would combine two elements that have long been part of the basic fabric of capital improvement financing used by local government in Kansas:

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Special Assessments. The committee will recognize Sections 3, 4, and 5 of the bill as very similar to the traditional benefit district language at K.S.A. 12-6a01 *et seq.* In response to a petition signed by a majority of property owners, and following notice and a public hearing, the city could create a transportation development district containing a specific geographical area. Special assessments could then be levied to finance all or any part of a transportation project defined in the bill. The bill contains an important difference from the traditional benefit district in that bonds issued to finance projects under this act would not be general obligation bonds of the city, but limited obligation bonds payable only from revenues from the district. In this way, the bill does not place the general taxpayer at risk.

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Special Sales Tax. Section 6 of the bill provides authority for a special sales tax within the boundary of the transportation development district in any increment of .10% up to a maximum of 1.0%. The sales tax language is patterned after a 1988 law that established a .10% sales tax for stormwater improvements in Johnson County. The sales tax could only be implemented after creating the district by ordinance, followed by adopting and publishing a resolution. The transportation district sales tax would be further subject to a protest petition. A protest petition signed by at least 5% of the owners in the district would trigger an election by the property owners within the district. As discussed earlier, any bonds issued for transportation projects to be repaid from the special sales tax would be limited, not general obligation bonds. The special sales tax would expire upon the maturity date of the bonds, and be collected and deposited in the same manner as the general sales tax.

The city believes the ability to create transportation development districts would have a positive impact on Kansas communities of all sizes and in all parts of the state. In Olathe, for example, a district might be used in conjunction with a specific new office or retail project that generates high traffic to help finance nearby road improvements. It might also help finance reconstruction of an interchange where traffic volumes generated from a successful retail and entertainment area has led to serious congestion across I-35. In an urban setting, a district might help finance parking improvements needed to support redevelopment of a central business district. In a smaller community, the district might help provide the local match for a state highway project on Main Street.

Olathe, like many Kansas cities, has made a concerted effort in recent years to broaden its non-residential tax base through economic development efforts. Additional traffic is often the result of economic development gains. In the 1999 Kansas Comprehensive Transportation Program, Olathe was unsuccessful in obtaining funds for system enhancements. Yet citizens of Olathe have told our governing body through surveys and a strategic planning process that improving traffic flow is at the top of our community's priority list. Since the city's transportation needs cannot reasonably wait for the next state program, through this bill we are asking the Legislature to help communities in these situations address transportation issues with an additional local tool.

Our city spends a great deal of time at the planning commission and city council level working out traffic issues with developers and searching for innovative financial solutions to citywide transportation improvements. In simple terms, an additional mechanism like the transportation district would allow owners and users of projects that require transportation improvements to help pay for those improvements.

Again, thank you for the opportunity to appear today. The city of Olathe appreciates your favorable consideration of this bill.

Special districts seek extra sales tax

11/25/01

Shoppers may not know they pay for road projects

By RUSS PULLEY
The Kansas City Star

Michael Jury skipped his local Wal-Mart. He passed on Bannister Mall. He didn't head for Kansas shopping centers.

Instead, he drove from Raymore to Lee's Summit, where stores were more to his taste.

But Jury didn't realize that items he bought at the SummitWoods Crossing shopping center cost him extra because of a special tax.

The sales tax at SummitWoods—

which is in a transportation development district set up by its owners — is a penny higher on every dollar than in most parts of Lee's Summit.

The extra revenue will finance \$17 million in road improvements, including a new Interstate 470 exit near the shopping center.

"That's rude," Jury said. "But it's a good idea."

Does it change his mind about shopping at SummitWoods?

"Not at all, and I doubt it will change anyone else's," he said.

More and more developers in the area are using transportation districts to pass along to consumers the cost of street improvements.

See TAX, B-10

TAX: Through special districts consumers fund street upgrades

Continued from B-1

Last month, the Country Club Plaza started charging an extra half-cent sales tax to pay for \$12 million in new sidewalks and free parking.

Developers of the Northland's \$100 million Zona Rosa project also want to charge a higher sales tax in a special district.

Lee's Summit has three such districts and a fourth on the way. In Independence, a special eighth-cent sales tax is proposed in the 39th Street shopping corridor to add turning lanes at the intersection of Lee's Summit Road and 39th Street and other improvements.

The first such district formed in 1997. Now Missouri has 17 transportation districts, state officials said, with six more pending approval.

The districts help cities avoid using their tax money on roads but still promote economic development.

In Kansas, state law has long allowed local governments to approve special assessments on property for capital improvements without a public vote.

But in Missouri, major road improvements often depend on voters approving bonds repaid with property taxes, making it more difficult to get them passed, said Jim Devine, president of the Lee's Summit Economic Development Council.

The newer transportation districts sometimes need the backing of only one owner.

"It's a good example of development paying its own way," Devine said. "TDDs are a site-specific tool that helps a (Missouri) site compete with Johnson County, where there are miles and miles of straight roads."

Casino led way

The area's earliest transportation development district was formed in 1997 to raise money for widening Missouri 210 to serve the Station Casino — now Ameristar Casino, said Dick King, a Kansas City development lawyer who helped draft changes in state law to make the districts workable.

Property owners petition a circuit court to form a district, King said.

If the city and state don't object and voters living in the district agree in an election — or just the owners if it covers a single property — then the judge can approve the district.

That district's board can issue bonds that can be repaid by a property tax, a special assessment, or a sales tax. The tax lasts until the bonds are repaid.

King said he thinks most residents don't even notice when a district is in place.

At SummitWoods Crossing, two Charlie Parker compact discs cost \$23.84 including tax at Borders Books, Music and Cafe. A seven-

ways already in place.

"Interchanges are very expensive," Acheson said. "If we wait on MoDOT (the Missouri Department of Transportation), it would never happen."

To reach Russ Pulley, call (816) 234-7811 or send e-mail to rpulley@kcstar.com.

Transportation development districts

These special districts allow developers to add sales taxes on top of local and state sales tax to finance roads or related improvements for their projects. Missouri law regulating the districts sets a maximum tax of one percent. The additional tax ends once bonds issued to finance construction are repaid. Among area districts:

KANSAS CITY	
Country Club Plaza	1/2 cent
Ameristar Casino	1/2 cent
Zona Rosa	undetermined

INDEPENDENCE	
Mount Washington	
Forever Cemetery	1 cent
39th Street*	1/8 cent

BLUE SPRINGS	
Home Depot at Woods Chapel Road and I-70*	1/4-1/2 cent

LEE'S SUMMIT	
SummitWoods Crossing	1 cent
Chapel Ridge	1 cent
Douglas Square	1 cent
Raintree North Shopping Center*	1 cent

* Proposed districts

The Kansas City Star

minute trip across town to Kmart would save 22 cents in sales tax.

For a major appliance, say a \$1,500 refrigerator, the extra tax would add \$15.

Kay Best, a cashier for Borders, said hardly anyone had questioned the tax.

"I learned about it from one customer, when she asked me about it," Best said. "I don't think people care. They are so glad (SummitWoods) is here. They're so glad they don't have to drive to Independence or to 119th Street in Kansas."

At the Country Club Plaza, customers probably have no idea they're paying a tax higher than other Kansas City neighborhoods, said Barry Brady, senior vice president of Highwoods Properties Inc., which owns the Plaza.

Those customers probably don't care, he said, because the tax rate is still competitive with Leawood and Overland Park.

"We think it's a way for Plaza patrons, and only Plaza patrons, to pay for this," Brady said. He noted that 40 percent of Plaza shoppers come from outside the metropolitan area.

Kansas City Councilman Paul Danaher, known for his stances favoring low taxes, said he wasn't concerned that the districts are a "backdoor" approach to tax increases because they generally are on behalf of the property owner.

He said he looks at his sales receipts and thinks other shoppers do, too.

If a property owner is willing to risk discouraging customers, he said, they should be able to.

"They have to convince people to pay more money," Danaher said. "If they didn't do their homework, they're the ones who face the exposure."

City needs help

Conrad Lamb, Lee's Summit finance director, said his city encourages transportation districts because the city is strapped trying to build roads needed by its growing population.

Transportation districts don't cost the city or schools revenue, as tax-increment financing districts do, he said.

Lamb doesn't think the taxes will greatly influence where residents shop. The districts are near affluent areas, he said, and even so, the savings in gas and convenience balance out the extra expense for most consumers.

But the tax, multiplied by years of sales, will raise substantial sums to pay for road construction.

Because the districts issue municipal bonds, Lamb said, developers can save about 3 percent on interest rates, compared with a bank

loan.
At Lee's Summit's three districts, shoppers pay an extra 1-cent tax at SummitWoods and at Douglas Square, or 8.475 cents compared with 7.475 cents.

At Chapel Ridge, they pay an extra half-cent to finance a highway interchange and other projects that would open land for development.

3 Chapel Ridge will include 1 million square feet of retail and office space west of Interstate 470 near Woods Chapel Road.

Its developer, Mike Acheson, said the districts help prevent "leapfrog" development. Without them, he said, developers are prompted to move projects to outlying areas that are less attractive, except for high-



League of Kansas Municipalities

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To: House Local Government Committee
From: Kim Gulley, Director of Policy Development & Communications
Date: February 21, 2002
Re: Support for HB 2949

Thank you for allowing me to appear on behalf of the League of Kansas Municipalities and our member cities. We appear today in support of HB 2949 which establishes the Transportation Development District Act.

If enacted, this legislation would give cities an important economic development tool. The Act is designed to promote public-private partnerships and to allow for the financing of projects to be targeted within the development district. One of the most challenging aspects of economic development is the determination of how to spread the cost of new projects that are required as a result of new development. Cities and counties are often faced with the dilemma of whether to have the entire community pay for public costs associated with new development or to find a mechanism to isolate the cost of the projects to the area that receives the most benefit. HB 2949 gives cities and counties the ability to target the specific development project and develop public-private partnerships for new development.

Again, thank you for allowing LKM to comment on this proposed legislation. I would be happy to stand for questions at the appropriate time.



MIKE WILDGEN, CITY MANAGER

15
Written Only

City of Lawrence KANSAS

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CITY COMMISSION
MAYOR
MIKE RUNDLE
COMMISSIONERS
SUE HACK
DAVID M. DUNFIELD
JAMES R. HENRY
MARTIN A. KENNEDY

To: Members of the House Local Government Committee
From: Mike Wildgen, City Manager
Date: February 20, 2002
Re: House Bill 2949
Cc: Lawrence City Commission
Lawrence Legislative Delegation

The City of Lawrence supports the enactment of House Bill 2949, the transportation development district act. This bill would allow for innovative financing for necessary public improvements associated with developments that generate sales tax revenue. The addition of this financing tool would be helpful to communities such as Lawrence.

House Bill 2949 would allow property owners within a transportation development district to vote on a special sales tax only applicable to their properties, with the revenue from this special sales tax used to service debt issued to pay for public improvements in the transportation development district. Such a financing tool is appropriate for any number of reasons.

Many Kansas communities have financial difficulties in making necessary public improvements that are necessitated by new development. House Bill 2949 would provide an option for financing these necessary improvements, essentially the users of the new public improvements will help pay for the improvements in their sales-taxed purchases. State revenue resources to cities have not kept pace with local transportation funding needs. Additional financing options, such as House Bill 2949, are needed at the local level to provide resources for needed transportation improvements.

Your favorable consideration of House Bill 2949 is requested.

HOUSE LOCAL GOVERNMENT

2/21/02

Attachment #15



Written Out

February 20, 2002

Representative Gerry Ray, Chair
Members of the Local Government Committee

Dear Madam Chairman and Members of the Local Government Committee:

With growth continuing at a rapid pace in Olathe, the Olathe Chamber of Commerce, many of the businesses it represents, and others within our community have been looking at alternative ways to make development pay for itself. We believe that the Transportation Development District Act provides a creative way to pay for much needed street and parking improvements. The State of Missouri has already implemented such an act and found it to be both well received and effective.

Allowing for an increase of up to 1 percent for sales taxes in transportation development districts would enable our cities to fund road projects that might otherwise have to be financed through city at-large funds. Citizens benefit by improved roadways and traffic flow, which contribute to a good quality of life. In Olathe, it is important to note, citizens list traffic congestion as their number one concern. It is likely that few citizens will object greatly to a one cent increase for a dollar spent if the trade off is better transportation infrastructure. If a citizen did find such an increase cumbersome, he or she could shop elsewhere within the city, since the tax would not be citywide. Because 17 such districts are already in existence in Missouri, we are not worried that the small increase in sales tax will drive shoppers across state lines.

Another benefit to enacting transportation development district financing is that it will function as an important economic development tool. Developers can more easily afford the front-end costs of construction. To compete fairly with Missouri, Kansas communities would benefit from having the Transportation Development District Act passed. It is important that we are not put at a competitive disadvantage, that we are able to offer a comparable package of assistance to developers.

Unlike a tax abatement, this tax does not result in a reduction in taxes paid by developers, so it does not take tax monies away from schools or municipalities. The tax is also of limited duration, sunseting after the bonds which pay for transportation improvements within the district are retired.

In summary, on behalf of the Olathe Chamber of Commerce, I would like to ask for passage of this valuable bill.

Sincerely,



Tim McKee
Vice President of Economic Development

HOUSE LOCAL GOVERNMENT
2/21/02
Attachment #16



OLATHE
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ONE VISION. ONE VOICE.

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