

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairperson David Corbin at 10:45 a.m. on January 29, 2003, in Room 519-S of the Capitol.

All members were present except: Senator Pugh

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

Conferees appearing before the committee: Representative Dan Williams
Senator Kay O'Connor
Karl Peterjohn, Kansas Taxpayers Network
Bob Vancrum, Greater Kansas City Chamber of Commerce
Blake Schreck, Johnson County Chambers Presidents
Council

Others attending: See attached list.

Senator Lee requested the introduction of a bill which would reduce the membership of the Board of Tax Appeals from five to three. She quoted the proposed bill as follows: "No successor shall be appointed for the two members of the board whose term of office expired on January 15, 2003, and if any such appointment is made prior to the effective date of this act, the term of office shall expire." She explained further that the proposed bill provides that there shall be no more than one member from any one congressional district. In addition, the bill provides that the selection of board members must be based upon legal, accounting, or appraisal training and experience.

Senator Goodwin commented that the current five membership Board ensures that there will be a voice representing the rural area sitting on the Board. She expressed her concern that, with the proposed reorganization of the Board, it is possible that only urban areas would be represented.

Senator Lee moved to introduce the bill, seconded by Senator Clark. The motion carried.

SB 1—Kansas and Missouri metropolitan culture district compact; bi-state revenue equity act

Representative Dan Williams testified in support of **SB 1** as a good starting point for reworking the bi-state compact between Kansas and Missouri. He observed that the bi-state agreement is about sharing of economic resources; however, 100 percent of the first bi-state tax went to fund a Missouri-based project, and there will almost certainly be no equity in a new plan being prepared which will spend millions of dollars to renovate a Missouri sports stadium complex and the Kansas City downtown area. He pointed out that, although the taxpayers will be able to vote on a new plan, they will do so after having been inundated with a metropolitan area advertising campaign financed by owners of sports teams and Kansas City activists who have an economic or physical base in Missouri, not Kansas. He emphasized that Kansas legislators have a responsibility to protect Kansas taxpayers. In conclusion, Representative Williams expressed his support of a bi-state compact between Kansas and Missouri to address very specific, unique projects involving reasonable taxpayer equity. (Attachment 1)

Senator Kay O'Connor, sponsor of **SB 1**, called the Committee's attention to copies of an editorial from *Ingram's* magazine entitled "Where Have the Leaders Gone?" by J.S. Sweeney, the Editor-In-Chief and Publisher. She noted that, although Mr. Sweeney is a supporter of the bi-state compact, his editorial is critical of the first bi-state project and the leadership in new bi-state proposals. She went on to inform the Committee that the majority of the Bi-State Commission members are from Missouri. In her opinion, that may be part of the reason very few proposals are made for projects in Kansas.

CONTINUATION SHEET

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE at 10:45 a.m. on January 29, 2003, in Room 519-S of the Capitol.

As further testimony in support of **SB 1**, Senator O'Connor read testimony written for her by the retired owner of Crawford Sales in Olathe, Rich Nadler, who has always been a strong opponent of the bi-state tax. The testimony relates to the following contentions: (1) The provision in **SB 1** requiring a proportional allocation of bi-state tax revenues to their counties of origin is necessary to assure Kansas taxpayers a degree of control over any future bi-state tax investment, (2) The bill will serve as a springboard for either a thorough reform or a total repeal of the Metropolitan Culture District, and (3) The bi-state process must be revisited because the whole law invites more failures such as the deficits Science City at Union Station has incurred. The testimony also points out that the Bi-State Commission is appointed rather than elected; therefore, no commissioner is politically accountable. Furthermore, the bi-state process has no administrative accountability, creating a strong potential for the selection of a bad project. (Attachment 2)

Karl Peterjohn, Kansas Taxpayers Network, gave final testimony in support of **SB 1**. He pointed out that, currently, the percentage of bi-state tax dollars that must be spent in Kansas is zero. The bill requires that 45 percent of the bi-state tax revenue be spent in Kansas. In his opinion, the bill is a step in the right direction to keep Kansas tax dollars in Kansas, particularly since Kansas citizens pay substantially more in state tax rates than Missouri citizens. (Attachment 3)

In response to a question raised by Senator Haley regarding the percentage of the bi-state tax revenue to be spent in Kansas, staff clarified that the bill provides that 45 percent of the total amount collected must be spent in Kansas. Senator Corbin called the Committee's attention to copies of the fiscal note for **SB 1** prepared by the Kansas Division of the Budget which states, "There is no fiscal effect to any state fund associated with the passage of **SB 1**. The bill would affect the expenditure patterns of only the Kansas Metropolitan Culture District Compact."

Bob Vancrum, representing the Greater Kansas City Chamber of Commerce, testified in opposition to **SB 1**. At the outset, he emphasized that the Bi-State Compact specifically provides that no binding action can be taken by the district unless the majority of each state's commissioners agree to such action, and the tax levy to support a project must be approved by the majority of voters. He reminded the Committee that the Union Station question received the votes of a solid majority of Johnson county voters even though they knew the money was going to be spent entirely in Missouri. The Greater Kansas City Chamber believes that the image of Kansas City as a whole is very important in attracting businesses to Overland Park, Shawnee, Olathe, and Kansas City, Kansas. Mr. Vancrum contended that **SB 1** will not only restrict the powers of the Commission but also will make certain that the Compact is effectively broken. He argued that there is no need for the bill because Kansas voters have always had final control over projects presented to them for approval, and, in his opinion, Kansas Commissioners will not recommend projects which are not in their constituents' best interest. (Attachment 4)

In response to Senator Haley's earlier question regarding the percentage of the bi-state tax spent in Kansas, Mr. Vancrum explained that of \$121.3 million, \$58 million (43 percent) came from Kansas. He pointed out that **SB 1** provides that 45 percent of the total spent must come from Kansas. He went on to say that, for the year 2000, the three participating Missouri counties had approximately 942,000 people, and Johnson County had 450,000 people. In this regard, Senator Corbin called the Committee's attention to detailed information on the population of the counties involved which was faxed by Molly McGovern as requested when she presented information on the Kansas and Missouri Metropolitan Culture District Compact at the January 29 meeting. (Attachment 5)

Mr. Vancrum responded to questions from Senator Lee concerning the original projections for Science City at Union Station with the assistance of Peter Levi, Greater Kansas City Chamber of Commerce. Mr. Levi stated that the original projection for the work at Union Station was approximately \$360 million and that the ballot language clearly specified that the amount to be raised through the bi-state tax was \$118 million. The additional costs were paid locally by foundations and the business community.

With regard to the cost of utilities at Union Station, Senator Corbin recalled that Ms. McGovern commented that Amtrak had been moved back into Union Station and asked if Amtrak would participate in the maintenance of the utility costs. In response, Mr. Levi said that, due to the presence of Amtrak, Union Station

CONTINUATION SHEET

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE at 10:45 a.m. on January 29, 2003, in Room 519-S of the Capitol.

was the recipient of funding from the federal government to help pay a portion of the utility costs.

In response to questions from Senator Allen regarding the success of Science City, Mr. Levi reported that the attendance at Science City has not lived up to expectations. However, Union Station has become a popular community gathering point, and the restaurants within have been successful. He agreed to contact the CEO of Union station and obtain more information concerning visitors, revenues, and jobs created at Union Station.

Senator Haley acknowledged that Union Station is "a jewel" to the metropolitan area. However, he expressed a concern that, if Wyandotte County were to participate in the bi-state, the percentage of revenue raised by Kansas would increase significantly, and the revenue would be used to support a project not yet clearly determined. He questioned if there is any assurance that Kansas bi-state tax revenues raised will be equitably directed towards projects on the Kansas side. In response, Mr. Vancrum said he had no answer due to the fact that the next projects are unknown. He noted that there have been discussions about community arts agencies throughout the metropolitan area, including Wyandotte County, participating in the next bi-state. With regard to Senator Haley's comments concerning Union Station, Mr. Levi noted that recently Union Station signed an agreement to be an affiliate of the Smithsonian, which means that artifacts will be on display in the Greater Kansas City Area that otherwise would not have been available.

Senator Oleen asked if passage of **SB 1** would put Kansas out of compliance with the Compact and if discussions relative to the division of bi-state money spent is occurring on the Missouri side. Mr. Vancrum answered that he was not aware of any discussions in Missouri. Mr. Levi commented that, if Kansas changes the law as proposed in the bill, Kansas will have a different law and, thus, be out of compliance with the compact requirements. Therefore, the future of the use of the bi-state tax would be put into doubt. He noted that Missouri would have to pass an identical piece of legislation, which politically is doubtful.

Blake Schreck, Johnson County Chambers of Commerce Presidents Council, testified in opposition to **SB 1**. He contended that passage of the bill would likely have the practical effect of eliminating the bi-state cultural tax as a potentially valuable development tool in the Kansas City metropolitan area. He noted that maintaining the ability to combine financial resources for appropriate projects provides the metropolitan area another option to better compete with larger cities and stimulate economic development and job creation. He emphasized that the bill is unnecessary because the general public is vested with the right to fully evaluate and vote on the appropriateness of every bi-state proposal. (Attachment 6)

Senator O'Connor distributed copies of a letter in support of **SB 1**, which she received from Richard G. Rossman from Olathe. (Attachment 7)

There being no others wishing to testify, the hearing on **SB 1** was closed.

Senator Corbin moved to introduce a conceptual bill addressing decoupling from portions of new federal tax law, seconded by Senator Lee. The motion carried.

Senator Donovan moved to approve the minutes of the January 28 meeting, seconded by Senator Clark. The motion carried.

The meeting was adjourned at 11:50 a.m.

The next meeting is scheduled for February 5, 2003.

SENATE ASSESSMENT AND TAXATION COMMITTEE GUEST LIST

DATE: January 29, 2003

NAME	REPRESENTING
Joseph K Clark	Dallman Carols Inc
Pete Levi	Greater Kansas City Chamber of Commerce
Bob Naucram	Greater KC Chamber
Asley Shevard	Lenexa Chamber
Blake Schreck	Lenexa Chamber
Karl Peter, John	KS Taxpayers Network
Ron Appletoft	WaterONE
Erik Santorius	City of Overland Park
Christine Murray	Greater KC Chamber of Commerce
Ron Seebert	Hain Law Firm
Danielle Hae	Johnson County
Stephanie Sharp	17 th Dist. House
Bill Brady	KS Gov + Consulting
Jim Bartling	Atmos Energy
Ryan Ringelmann	Danrow
Bud Burke	Olathe Chamber
Steve Johnson	Kansas GAS SERVICE
Michael L. Whit	Kearney & Assoc.
Michael L. Swi	Kansas Farm Bureau

SENATE ASSESSMENT AND TAXATION COMMITTEE
GUEST LIST

DATE: January 29, 2003

NAME	REPRESENTING
WAYNE ZIMMERMAN	SELF
Ann Burkes	DOB
Michael Hooper	Intern Sen Lee
Laurie Quaipe	Intern Sen. O'Connor
Richard Cron	KDR



TOPEKA

DAN WILLIAMS

REPRESENTATIVE, 14TH DISTRICT

OLATHE

Testimony**Kansas Senate Assessment and Taxation Committee**DURING SESSION:

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VICE-CHAIRPERSON: FEDERAL AND STATE AFFAIRS
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January 29, 2003

Chairman Corbin and members of the committee, thank you for the opportunity to speak to you this morning. It is my intent to be brief and concise in my comments.

Senate Bill 1, as introduced by Senator O'Connor, is a good starting point for reworking the bi-state compact between Kansas and Missouri. The need for such action is becoming more and more clear, as actions by Missouri officials illustrate their desire to fund their own projects with money that rightfully belongs in Kansas.

I do not hold these Missouri officials in disregard. It is my best guess that if you and I could find a way to fund Kansas projects with Oklahoma money, we would jump at the opportunity. Wouldn't it have been nice to levy a tax on Nebraska and Colorado residents to fund the Kansas Speedway?

The bi-state agreement is about a sharing of economic resources to benefit the Kansas City metropolitan area. Whenever there is sharing of this type, there must be reasonable equity. In this case, there is not.

100% of the first bi-state tax went to fund a Missouri-based project. Now, a new plan is being prepared that will spend hundreds of millions of dollars to renovate the stadium complex and upgrade downtown entertainment options. While there may yet be a small, rather insignificant, project in Kansas, there will almost certainly be no equity in this plan.

Yes, the taxpayers in these counties will be able to vote on a new plan, but they will do so after having been inundated with millions, if not tens of millions of dollars poured into a metropolitan area advertising campaign. Remember, those who finance this campaign will be Kansas City media stations, the owners of sports teams, and Kansas City activists. All of these entities have an economic and/or physical base in Missouri, not Kansas. The interests of Kansans must be represented in this effort. As Kansas legislators, it is our responsibility to protect Kansas taxpayers.

Lastly, I fully support the idea of having a bi-state compact between Kansas and Missouri to address very specific, unique projects. Union Station fits this profile. And there are almost certainly other projects that do as well. But whatever the project and whatever the plan, there must be taxpayer equity.

Thank you for allowing me to address you.

Dan Williams

Senate Assessment & Taxation
1-29-03
Attachment 1

1 testimony on Senate Resolution 1

The Kansas and Missouri Metropolitan Culture District was formed to enrich the lives of people living on both sides of the state line in the Kansas City area. But it has become increasingly clear that its sponsors think that benefiting the whole area means taxing Kansans to revitalize Kansas City.

Senate Resolution 1, requiring a proportional allocation of bi-state tax revenues to their counties of origin, is necessary to assure Kansas taxpayers a degree of control over any future bi-state tax investment.

The obvious reason to pass Senate Resolution 1 is simple justice. Johnson County paid roughly 45 percent of the \$120 million dollars in sales tax raised for the first bi-state project. None of the capital improvements from that tax ended up in Kansas. Late last year, the Jackson County Executive proposed a new bi-state, more than three times the size of the original. All of the capital spending in that plan – more than half the total, counting interest costs – are slated for Missouri, with the rest to be allocated later by a commission dominated by Missouri members.

It is my hope that this amendment to the Kansas and Missouri culture district compact will serve as a springboard for either a thorough reform or a total repeal of the Metropolitan Cultural District. Some members of this body were here in 1996, when the first bi-state tax passed. Others were in the House. But for some in the legislature, this will be their first time through the bi-state process. So I'm going to walk you through the last one.

The legislature was lobbied as heavily on this issue as on any I can remember by the Mid-America Regional Council and the Greater Kansas City Chamber of Commerce. We were shown many things about the emerging importance of regional co-operation – much of it by so-called “urbanists”, who believe that the existence of suburban ring communities like Overland Park, Lenexa and Olathe is immoral. We were assured that exporting Johnson County taxes to create a destination tourist attraction would benefit the entire metropolitan area.

But we were told specific things about that destination as well – Science City at Union Station. In 1995 and 1996, when the legislation was considered here in Topeka, the Chamber of Commerce and MARC to misinformed us on three things:

- First, we were told that that the project could be built for roughly \$115 million dollars.
- Second, we were told that admission to the complex would be \$2 dollars for area residents.
- Third, we were told that the destination would be self-sustaining once the capital investment was made.

All three of these promises were hideous lies. The project ended up costing \$250 million dollars. True, the bi-state taxes paid only \$120 million. But the additional \$130 from the philanthropic community pretty much assured the inadequacy of the museum's endowment fund.

The admission is not \$2.00, but \$12.50.

And the project is not merely failing – it is tumbling into a full-scale disaster.

- Instead of the 848,000 annual visitors the proponents projected, this year Science City at Union Station will draw 170,000.
- Instead of breaking even, the site is losing nearly a million dollars each month.

Senate Assessment & Taxation
1-29-03
Attachment 2

The 170,000 visitors that Science City draws cannot even cover the \$4.5 million heating and cooling bill that the complex, with its 90-foot ceilings, consumes annually.

- The huge operating deficits are not backed by any tax district. As a result, the project managers have raided their endowment fund, and the major foundations are threatening to pull out.

Retrospectively, you can't find anyone in the Kansas City area who thinks that it makes sense to put a Science Museum into a building with 90-foot ceilings, and run it with no real endowment fund, and no real tax base. But at the time, you could hardly find anyone in public life who would say so. And believe me, things weren't easy for those of us who did.

But it is not because of the lies, not because of the failure, that we must revisit this bi-state process. It is because this whole law invites more lies, more failures.

The bi-state commission is appointed, rather than elected. For this reason, no bi-state commissioner is politically accountable to the people whose money he or she is spending, either by district or at-large.

Lacking political accountability, it is all the more important that the bi-state process should have administrative accountability. But it does not. Both Kansas and Missouri have sunshine laws, requiring public decision-making; conflict-of-interest laws, preventing public officials from promoting personal financial interest; and competitive bidding laws, to prevent corrupt dealing and excessive public costs. But the Metropolitan Culture District Compact, a hybrid animal, has none of these protections.

A district so designed is going to have a hard time maintaining accountability going forward. In a hybrid government like this, bad project selection is a foregone conclusion, and it is well underway. The same folks who gave us a Science Museum with 90 ft ceilings now want us to invest in small-market major league baseball.

It is hard to believe that an ordinary process of public hearings, conducted by elected officials, would possibly have approved a project so untenable as Science City at Union Station. But here we are, in a new year, with a new Bi-State tax on the table. And included in it is a proposition to give huge capital subsidies to a professional major league baseball team on the verge of moving, and a professional major league football team operating comfortably in the black. Both of these franchises are in Missouri.

These are not wise investments, they are not safe investments, and above all, they are not Kansas investments.

I understand that MARC and the Brookings Institute and the Greater Kansas City Chamber of Commerce dislike the thought that we in Kansas might want to do our community investing here, where we live, rather than Jackson County, where the "new urbanists" live. But as Kansas legislators, don't we have an obligation to keep taxes – even new taxes – accountable?

*Lay O'Connor
for
Rich Hadler*

29 January 2003

Testimony Supporting SB 1

Karl Peterjohn, Exec. Dir.

Kansas taxes are high. This organization has had many discussions over our high tax status with our neighboring states. However, never in all of the discussions and debates has there ever been an assertion that Kansas taxes are lower than Missouri's. It is clear that Missouri has lower taxes on its citizens. Federal tax data as well as data from groups like the Tax Foundation report that Kansas taxes exceed Missouri's.

There are a number of reasons for this situation. Last year the Kansas legislature voted \$300 million in statewide tax hikes with major increases in sales, gasoline, and cigarette taxes.

In Missouri, under their enlightened Hancock Amendment the voters decided two tax hike proposals in their August and November elections. Both proposed increases in either sales, gasoline, and cigarette taxes. Both tax hikes were rejected by voters. The August vote was almost 3-to-1!

This background is necessary to understand the necessity of S.B. 1. This bill would require that a portion of the Kansas tax dollars raised here should be spent here. Kansans should not be paying for government functions in Missouri.

Our fiscal profligacy with taxpayer money should not be wasted there, or here for that matter. The fact that Kansas allows Kansas taxes to be sent to Missouri to be spent by Missouri's bureaucracy is an outrage.

It must stop. SB 1 does not go far enough in that it only requires that 45 percent of this tax revenue collected in Kansas shall be spent in Kansas. This bill could be improved by making this percentage even higher. However, SB 1 as introduced, is a positive step in the right direction.

Currently the percentage that must be spent in Kansas is ZERO. Let's keep Kansas tax dollars in Kansas. This is particularly true since Kansans pay substantially more in state tax rates on food, gasoline, cigarettes, beer, and clothing than our neighbors to the east.

*Senate Assessment + Taxation
1-29-03
Attachment 3*

TESTIMONY TO THE
SENATE ASSESSMENT AND TAXATION COMMITTEE
IN OPPOSITION TO SENATE BILL 1
JANUARY 29, 2003
BY BOB VANCURUM, GREATER KANSAS CITY CHAMBER OF COMMERCE
GOVERNMENT AFFAIRS SPECIALIST

Honorable Senator Corbin and Members of the Committee:

In 1991, the Kansas Legislature adopted the Kansas and Missouri Metropolitan Cultural District Compact. Identical legislation was adopted in Missouri and approved by the US Congress and President to permit the creation of the Metropolitan Culture District among those counties in Kansas and Missouri that are contiguous with the state line. Either the county government or a petition signed by five (5) percent of eligible voters is sufficient to put on the ballot the creation of or participation in the district and the levy of a tax for contributing to its support. The sales tax is authorized to be no more than one quarter cent ($1/4 \text{ ¢}$). In fact, the participation in the district and the levy of a one eighth cent ($1/8 \text{ ¢}$) sales tax was approved by the majority of the voters in Johnson County, Kansas, and three counties in Missouri. That tax paid for the renovation and improvements at Union Station, and it expired last year.

The structure of the district Commissioners is important to understand. You might think since both state Governors, each participating county, and each city of over 50,000 in all counties where the voters have authorized participation have a Commissioner, that Kansas is always outnumbered in voting. In fact the Compact specifically provides that no binding action can be taken by the district unless the majority of each state's Commissioners agree to such action. This in effect means that a majority of appointees of the Kansas Governor, the Johnson County Commission, and the Mayors of Olathe and Overland Park have a veto over any project, and must affirmatively approve of a project before it can be undertaken. Then the tax levy to support it must be approved by the majority of voters.

I'm certain it's no surprise that the Greater Kansas City Chamber rises in opposition to imposing additional conditions upon the Metropolitan Culture District Compact. The Kansas City Chamber, along with Mid-America Regional Council and many other forward thinking people in the Kansas City area believe that we should be striving for greater metropolitan wide bi-state cooperation in order to benefit economic development throughout the metropolitan area. We believe that continued economic well-being depends on our ability to attract and retain headquarters companies and major new businesses. One factor that is always high on the list of people considering relocation is a wide diversity of artistic, recreational, and entertainment opportunities for their employees. Furthermore, such national business leaders tend to look at the vitality of the metropolitan area as a whole. The image of Kansas City as a whole is very important in attracting businesses to Overland Park, Kansas City, Kansas, Shawnee, or Olathe.

*Senate Assessment & Taxation
1-29-03
Attachment 4*

Obviously the bi-state issue has always had its critics, and Senator O'Connor is certainly among the most persistent. The argument is that Kansas should get "its share" of tax dollars raised. Senate Bill 1 would maintain that forty-five (45) percent of all monies expended by the Commission must be expended within each state. Make no mistake about it, Senators, this is a "killer" amendment intended to not just restrict the powers of the Commission, but to make certain that the Compact is effectively broken.

THERE IS NO NEED TO PASS SENATE BILL 1. Voters in Kansas counties have always had final control over projects that are presented to them for approval. Furthermore, as I've described above, to assume that there is a need for this legislation is to assume that the Governor, the Commissioners of Johnson County, and the Mayors of its two largest cities are not acting in the best interest of their constituents.

Frankly, we think that you should trust voters and their elected representatives with a great deal more local control, not less. I know that Senator O'Connor is generally a strong advocate of submitting issues to voters and I've heard her argue that government governs best which is closest to the people. This resolution, quite frankly, flies in the face of that philosophy by mandating from Topeka where voters in Johnson County and their elected Representatives can choose to expend their tax dollars. How is that we in Topeka know so much better what's good for or benefits our voters than they do?

I would like to remind you that the Union Station question received the votes of a solid majority of Johnson County voters even though they knew the money was going to be spent entirely on Union Station.

I have faith that our Kansas Commissioners will not recommend, nor will a majority of our voters vote for, projects that are not in their best interests.

In short, there is no need for this bill and we ask you to vote no in this committee.

I have with me the President of the Greater Kansas City Chamber of Commerce, Pete Levi. Either Mr. Levi or I will be happy to answer your questions. This is an important issue to all of greater Kansas City.



BI-STATE COMMISSION

600 BROADWAY
300 RIVERGATE CENTER
KANSAS CITY, MO
64105-1554

816.474.4240
816.421.7758 FAX

Molly McGovern

FAX TRANSMISSION

Date: Jan. 29

Attn: Shirley Higgins

Company: Sen. Dave Corbin

Fax Number: 1-785-368-7119

3

No. of Pages: _____
(including cover)

Re: SP 1 Discussion

Message: _____

in case the population #'s

are too small:

	<u>POP.</u>	<u>SQ. MI</u>
<u>Johnson</u>	<u>451,000</u>	<u>477</u>
<u>Hannemann</u>	<u>68,700</u>	<u>463</u>
<u>Wyandotte</u>	<u>157,900</u>	<u>151</u>
<u>Clay</u>	<u>184,000</u>	<u>397</u>
<u>Jackson</u>	<u>454,900</u>	<u>605</u>
<u>Platte</u>	<u>73,800</u>	<u>400</u>

Senate Assessment & Taxation
1-29-03
Attachment 5

**Employee, Revenue and Attendance Data for Union Station and Science City
2000 through 2002**

	2000	2001	2002	2003
Revenue				
	4.5MM	4.5MM	2.7MM	NA

Attendance

<i>With Special Exhibits</i>	\$ 942,082	\$ 1,022,019	\$ 411,125	NA
<i>Without Special Exhibits</i>	877,545	590,387	392,758	NA

Titanic and Sue T-Rex accounted for attendance increased in 2001

Employees	200	153	166	141
Missouri	152	121	137	114
Kansas	48	32	29	27

The average split between Missouri and Kansas Union Station/Science City employees is approximately 80% Missouri residents, 20% Kansas.

POPULATION AND AREA HISTORY OF THE KANSAS CITY MSA: 1830 TO 2000

County	1830	1840	1850	1860	1870	1880	1890	1900	1910	1920	1930	1940	1950	1960	1970	1980	1990	2000	Square Miles
JOHNSON				4,364	13,684	16,853	17,385	18,104	18,288	18,314	27,179	33,327							477
LEAVENWORTH				12,606	32,444	32,355	38,485	40,940	41,207	38,402	42,673	41,112	42,361	48,524	53,340	54,809			463
MIAMI				4,980	11,725	17,802	19,614	21,641	20,030	19,809	21,243	19,489	19,698	19,884	19,254	21,618			577
WYANDOTTE				2,609	10,015	19,143	54,407	73,227	100,068	122,218	141,211	145,071							151
CASS		4,693	6,090	9,794	19,296	22,431	23,301	23,636	22,973	21,536	20,962	19,534	19,325						699
CLAY	5,338	8,282	10,332	13,023	15,564	15,572	19,856	18,903	20,302	20,455	26,811	30,417							397
CLINTON		2,724	3,786	7,848	14,063	16,073	17,138	17,363	15,297	14,461	13,505	13,261	11,726	11,588	12,462	15,916	16,595		419
JACKSON	2,823	7,612	14,000	22,913	55,041	82,325	160,510	195,193	283,522	367,846	470,454	477,828							605
LAFAYETTE	2,912	6,815	13,690	20,098	22,623	25,710	30,184	31,679	30,154	30,006	29,259	27,856	25,272	25,274	26,626	29,925			629
PLATTE		8,913	16,845	18,350	17,352	17,366	16,248	16,193	14,429	13,996	13,819	13,862	14,973						420
RAY	2,657	6,553	10,373	14,092	18,700	20,190	24,215	24,805	21,451	20,508	19,846	18,584	15,932	16,075	17,599				570
Totals	13,730	45,592	75,116	130,677	230,507	285,820	421,343	481,684	587,721	687,551	826,962	840,341	963,644	1,213,890	1,385,608	1,449,374	1,582,875	1,776,062	

MSA totals (Counties are included <i>after</i> being added to the MSA)																			
Population																			
Square Miles																			

Note: The earliest implementation of a county-based metropolitan area definition comparable to what is used today was in 1950.

JOHNSON COUNTY

Chambers Presidents Council

Representing over 5,500 Johnson County businesses with over 100,000 employees

Chambers of Commerce

DeSoto

Gardner

Leawood

Lenexa

Northeast Area

Olathe Area

Overland Park

Shawnee Area

Spring Hill

TO: Senator David Corbin, Chairman
Members, Senate Assessment and Taxation Committee

FROM: Johnson County Chambers of Commerce Presidents Council

DATE: January 28, 2003

RE: **Opposition to Senate Bill 1**

The Johnson County Chambers of Commerce Presidents Council would like to express its opposition to Senate Bill (SB) 1, which would require at least 45% of all bistate cultural tax revenues to be spent in each compact state.

While the Council recognizes and understands the desire to protect the interests of Kansas taxpayers, passage of SB 1 would likely have the practical effect of eliminating the bistate cultural tax as a potentially valuable development tool in the Kansas City metropolitan area. Any changes to the existing bistate tax compact between Kansas and Missouri must be approved by the legislatures of both states. Therefore, if the Kansas legislature adopts SB 1, the Missouri legislature would have to adopt identical language in order for the bistate compact to remain in effect – an outcome that is far from assured given the difficulties and politics inherent in the legislative process.

The compact, however, is a potentially important asset to the Kansas City metropolitan area and is worth preserving. The purpose of the compact is simply to provide an additional tool to community leaders considering projects of metropolitan significance – projects that would substantially benefit the entire metropolitan area but are unlikely to be undertaken by any single city or county on its own. Maintaining this ability to combine financial resources on appropriate projects provides the metropolitan area another option to better compete with larger cities, fund assets that enhance quality of life and the region's attractiveness, and stimulate economic development and job creation. The Council therefore urges you not to eliminate this important opportunity for future cooperation.

Further, the Council believes SB 1 is both potentially harmful and an unnecessary safeguard. Adopting the language contained in SB 1 removes valuable flexibility that could seriously impair the viability and usefulness of the bistate compact as a development tool in both Kansas and Missouri. **Even more importantly, SB 1 is unnecessary because the general public is vested with the right to fully evaluate and vote on the appropriateness of every bistate proposal -- any proposal perceived to be inequitable or otherwise inappropriate may simply be rejected. The Council strongly believes voters should retain this authority and flexibility to determine which projects they will support.**

For these reasons, the Council urges the committee to reject SB 1. Thank you for your time and consideration in this matter.

Blake Schreck

Senate Assessment & Taxation

1-29-03

Attachment 6

10844 Cedar Niles Circle
Olathe, Kansas 66061
January 29, 2003

Senator Kay O'Connor
State House
Topeka, Kansas 66612

RE: The Kansas and Missouri Metropolitan Culture
District Compact.

Dear Senator O'Connor:

I am writing to express my opposition to the captioned act. I am expressly concerned about funding any new culture facilities, organizations, and activities.

Some of my reasons are:

- A. With the world political turmoil - War with IRAQ - Terrorism - it is no time to make these type of commitments.
- B. With the economic conditions in the world, the Federal Government, the State, the Counties, Municipalities and other political entities, no new taxes should be imposed on our taxpayers.
- C. Funding of proposals by sales tax is a regressive tax on those who are less likely to use the facilities, organization, or activities, and are less able to pay for this tax. As our population grows older, more of our population are on a fixed income and less able to pay for this tax. With losses by our citizens in the stock market, savings plans, retirement plans, this sales tax becomes a larger burden on our population.
- D. Why send more money out of our communities to other states?

If your proposal will deter any new taxes on our citizens, then I am for it.

Sincerely,


Richard G. Rossman

TOTAL P.01

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