

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 9:15 A.M. on March 23, 2007 in Room 313-S of the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Legislative Research Department
Martha Dorsey, Legislative Research Department
Gordon Self, Office of Revisor of Statutes
Richard Cram, Department of Revenue
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:

Secretary Wagnon
Senator Susan Wagle
Senator Barbara Allen
Sheriff Frank Denning, Johnson County
Gary Howell, Johnson County Criminalistics Laboratory
Bob Regnier, Johnson County Research Triangle
Mary Birch, Johnson County Research Triangle
*Michael A. Boehm, City of Lenexa
*Eric Sartorius, City of Overland Park
*Derrick Sontag, National Federation Independent Business - Kansas
*Allie Devine, Kansas Livestock Association
*Marlee Carpenter, Kansas Chamber of Commerce
* Written Testimony Only

Others attending:

See attached list.

SB 347 - Electronic filing of income tax withholding for employers with 100 or more employees

The Chairman opened the public hearing on **SB 347** and invited Senator Wagle to brief the Committee on the bill.

Senator Susan Wagle stated that **SB 347**, as amended, would relax an electronic-filing requirement for employers reporting income tax withholding information (W-2 forms) for fifty-one (51) or more employees such that it would only apply to employers reporting the information for two hundred fifty (250) or more employees. She reviewed the history of the bill in the Senate.

She also reviewed the process she had experienced while filing her 2006 business payroll taxes, which resulted in a letter from the Department of Revenue, advising her that employers, with fifty-one (51) or more employees were affected by the mandated electronic filing requirement effective January 1, 2007.

She said that the Department of Revenue is not electronically compatible with common bookkeeping systems. The new mandate would require businesses to have their accounting computer connected to the internet and would have to purchase software to convert their data to send it to KDOR. She presented issues and concerns for small businesses caused by this requirement. She urged the Committee to pass **SB 347**, which would make Kansas mirror Federal law by amending this bill to the threshold of Federal requirements and only require electronic submissions when a business has over two hundred fifty (250) employees (Attachment 1).

It was noted that written testimony was received and distributed, in favor of **SB 347**, from Allie Devine, Kansas Livestock Association, and Marlee Carpenter, Kansas Chamber of Commerce (Attachment 2).

Secretary Wagnon, explained that electronic access to W-2 information was a vital component to their tax discovery program. However, in order to address concerns of small businesses, and difficulty with

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on March 23, 2007 in Room 313-S of the Capitol.

implementation of the mandate, she provided new language for the bill. That new language would keep the number at 51, and grant authority to the Secretary to make exceptions, when it would be a hardship for any such employer, payer, person or organization to file electronically, and permit such statements to be filed other than by electronic means.

She called attention to charts on W-2 / Withholding Report Status, which reflected more than an 80 percent compliance rate to the mandate for businesses with 50 or less employees. She said that a supplemental program was being developed to provide, free of charge, a software program that could be used to send the necessary data to KDOR (Attachment 3).

The Chairman closed the public hearing on **SB 347**.

Representative Wilk made a motion to amend the bill, leaving the number at 250, but adding the suggested language from KDOR for flexibility. Representative Crum seconded the motion. The motion carried.

Representative Owens recommended that **SB 347**, as amended, favorable for passage. Representative Carlson seconded the motion. The motion carried.

Sub for SB 375 - Taxing authority and creation of Johnson county education research triangle authority, additional sales tax authority for Johnson, Franklin, Linn and Miami counties and sales tax exemption for precision farming equipment.

The Chairman opened the informational hearing on the subject matter in **Sub. for SB 375**.

Chris Courtwright, Legislative Research Department, briefed the Committee and said that **Sub. for SB 375** would expand local sales tax authority for a number of counties; would authorize Johnson County to establish the Johnson County Education Research Triangle Authority (JCERTA) and to levy special sales and property taxes associated therewith; and would clarify the state and local sales tax exemption for farm machinery and equipment.

Senator Barbara Allen said that the bill would grant Johnson County additional local sales tax authority of .25% to finance public safety projects, and authorize Johnson County to establish JCERTA, through a sales tax not to exceed .2% or a property tax not to exceed the lesser of the .2% sales tax or the two mills of property tax. She said the bill received strong support in the Senate, and six of the 7 members of the Johnson County delegation voted for it. Both sales tax proposals would allow the voters in Johnson County to decide for themselves whether they want to tax themselves through additional sales tax. She requested the two proposals be kept together and she asked for their support (Attachment 4).

Sheriff Frank Denning, Johnson County, testified in support of **Sub. for SB 375**. He said the public safety infrastructure needs in Johnson County have exceeded the ability of the existing funding sources. He explained the difficulties in overcrowding at the current jail and said studies and outside consultants show that when the new 416 bed addition, opens in late 2009, they will still be 200 beds short. He urged passage of the bill that would allow voters to decide whether to pay for jails through additional sales tax (Attachment 5).

Gary Howell, Johnson County Criminalistics Laboratory, explained how the Johnson County Sheriff's Office Crime Laboratory is grossly inadequate to accommodate the forensic science services the community needs. The Johnson County community is at a crossroads with respect to the number one quality-of-life issue; public safety. This bill would provide funds for a new Crime Laboratory that would accommodate their existing operation as well as growth in personnel and technology and will help reduce the amount of crime in their community (Attachment 6).

Bob Regnier, Johnson County Research Triangle, appeared in support of **Sub. For SB 375**. After a brief description of the Triangle project, he said that Johnson County's citizens would receive many benefits from the economic impact of the project. There will be better training, jobs, quality of life issues,

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on March 23, 2007 in Room 313-S of the Capitol.

as well as humanitarian and economic gains. He urged the Committee to allow Johnson County voters the opportunity to improve their community through funding the project from additional taxes (Attachment 7).

Mary Birch, Government Relations Coordinator, Johnson County Research Triangle, provided the details of the Johnson County Education and Research Triangle (Attachment 8). She explained: the purpose and location of the 3 facilities; oversight and governance; and the executive summary that provided data on industry output, employment numbers, and household earnings. Attached to her testimony were six testimonial letters expressing their support: 1) Joerg Ohle, Bayer HealthCare; 2) Ron Wimmer, Ed. D.; 3) Barbara Unell, Uncle Dan's Report Card; 4) Drue Jennings; 5) Samuel Turner, Sr., Shawnee Mission Medical Center; and 6) William Hall, Hallmark Cards.

It was noted that the following written testimony had been received and distributed in support of the legislation: Michael A. Boehm, City of Lenexa, Eric Sartorius, City of Overland Park and Derrick Sontag, National Federation Independent Business (Attachment 9).

A period of questions and answers followed. There was a request made of Sheriff Frank Denning for additional information on the projected dollar amounts necessary for the additional Johnson County jail, Juvenile Intake and Assessment Center and the Department of Community Corrections. He agreed to provide that information.

The Chairman closed the information hearing. He thanked the conferees for their participation and stated the Committee has no further scheduled meetings. The meeting was adjourned at 10:30 a.m.

TAXATION COMMITTEE

DATE: MARCH 29 2007

NAME	REPRESENTING
Bill Brady	Capital Strategies
Ben Cleaves	DOR
Sara Rodochel	Lincoln Journal-World
Jim Sullinger	KC STAR
Rep. STAN FROWN FELTER	JIS
GARY CENTLIURE	KDOR
Jeff Scott	KDOR
JEAN REID	
Dana S. Worley	
JAY BEFORT	KDOR
Steve Stotts	KDOR
Bob Keller	JCS
Gray Howell	"
FRANK DANNIG	"
SUE PETERSON	K-STATE
CARRY R BAER	LKW
Erik SARTORIUS	City of Overland Park
Rep. Muf	LGR
Nube Roca	Haches Brader

TAXATION COMMITTEE

DATE: MARCH 23, 2007

NAME	REPRESENTING
Dan Murray	Federico Consulting
JEFF GUENDILL	RS CHAMBER
RIL HURLEY	RIL HURLEY & CO.

State of Kansas

Senate Chamber



Susan Wagle

Mr. Chairman

I appear today as a proponent of S.B. 347. I had the bill written and advanced through an exempt committee after my business tax return was kicked back from the Kansas Department of Revenue.

I submit all end of year payroll taxes earlier than most businesses. I complete them the first week of January before coming to Topeka so I can concentrate on legislative business. The Kansas Withholding tax that this bill deals with is not due for submission to the State until February 28th. On February 1st, I received a letter which I have attached from the Department of Revenue stating that they would not accept my return because it needed to be submitted electronically.

We passed a new requirement last year for businesses who employ 50 or more employees to submit their Withholding electronically. In talking with other small businesses, accountants, CPA's and the Secretary of Revenue, I found out that our Department of Revenue is not electronically compatible with common bookkeeping systems like Quick Books or Peachtree. As it has turned out, any small business trying to comply with this law would have to have their accounting computer connected to the internet and they would have to purchase software to convert their data to send it to the Department of Revenue.

I chose several years ago to NOT connect my bookkeeping computer to the internet. The expense of internet service for a small business is at least twice the cost of personal connection, and one also has to also purchase a fire wall to make sure that no one can tap into your highly sensitive personnel data that has names, ages, social security numbers, addresses, etc on each employee. I made the conscientious decision to not purchase internet service because I didn't want anyone tapping into that information and quite frankly, I also didn't want internet spam messing up my books or crashing my computer.

After talking with the Secretary of Revenue, and after she learned that before the tax was even due, they had already kicked back 278 returns, she made the executive decision to not implement this new law until next year. She sent out a new letter informing small business in Kansas that the Department will now accept paper returns for the payroll year 2006.

However, this bill still needs to be passed. We need to make Kansas law compatible with Federal Law for ease of filing returns in Kansas. The Feds do not require electronic submissions until one has 250 employees. So, I am here today asking you to make Kansas law compatible with Federal law and only require electronic submissions when a business has over 250 employees.

Requiring electronic reporting for small businesses is too onerous an expense and will be too complicated to enact, as we have already seen, if the requirement is only applicable to State returns.

I ask you today to make Kansas mirror Federal law by amending this bill to the threshold of Federal requirements and prevent another problem next year.

**HS TAXATION COMMITTEE
3-23-2007
ATTACHMENT 1**



STATE OF KANSAS
DEPARTMENT OF REVENUE
Electronic Services
915 SW Harrison St.
Topeka KS 66612-1588

Toll Free: 800-525-3901
Local: 785-296-6993
FAX: 785-296-0153
TTY: 785-296-6461
Internet: www.webtax.org

February 1, 2007

WICHITA BUSINESSES INC
PO BOX 781090
WICHITA, KS 67278

RE: Mandated Electronic Filing Requirement for Withholding

Dear Withholding Filer,

In September, a notice was mailed to Kansas businesses regarding a mandated electronic filing requirement effective January 1, 2007. Employers, payers and organizations filing statements which report withholding information for 51 or more employees or payees are affected by this mandate. Entities having more than 51 reports are required to file their 2006 withholding reports electronically.

The Kansas Department of Revenue recently received 51 paper copies of withholding reports combined with a KW-3 Annual Withholding Tax Return from your organization. While we have accepted your withholding reports, we are unable to import the data into our tax system. You are encouraged to file your 2006 withholding reports as an amended return on-line before the filing deadline of February 28, 2007.

In an effort to remain consistent with Federal reporting record formats while remaining flexible, the Kansas Department of Revenue (KDOR) has developed several approaches for entities to submit withholding information. The Department has created a web site where filers can input W-2s directly into an online form, or upload W-2 and 1099 information in defined fixed-width and comma separated value (CSV) formats. Withholding information for electronic filing information, along with appropriate file formats, is available at <http://www.ksrevenue.org/eservw2.htm>. Please visit our web site to determine how best to file your reports electronically.

For more information about electronic filing, visit the KDOR website at www.webtax.org. Additional questions about electronic filing should be directed to Electronic Services at 1-800-525-3901 or eservices@kdor.state.ks.us.

Electronic Services
Kansas Department of Revenue



Since 1894

TESTIMONY

To: House Taxation Committee
Representative Kenny Wilk, Chair

From: Allie Devine
Vice President and General Counsel

Date: March 23, 2007

Re: SB 347

The Kansas Livestock Association represents nearly a hundred commercial cattle feeding operations. These commercial cattle feeders employ anywhere from a few to over a hundred employees. Unfortunately, in the cattle feeding business, there is a high turnover rate among cowboys or "pen riders," "cattle processors (persons who treat animals for diseases)", and general laborers. This means that there are many different persons who may fill those jobs. This results in several filings and would mean these operations would meet the current 50-employee threshold.

We support electronic filing, but think it is best to raise the threshold to assure that midsize operations (30,000 to 50,000 head capacity) are not required to go to these systems. We support the amendment to this bill raising the threshold to 250 employees and we appreciate the bill's consistency with current federal law. Thank you.

**HS TAXATION COMMITTEE
3-23-2007
ATTACHMENT 2**

Legislative Testimony

SB 347

March 23, 2007

**Testimony before the House Tax Committee
by Marlee Carpenter, Vice President of Government Affairs**

Chairman Wilk and members of the committee:

I am Marlee Carpenter with the Kansas Chamber. We represent over 10,000 members, small, medium and large businesses from all corners of the state. The Kansas Chamber supports SB 347. This bill will provide relief for small businesses that now have to file electronically with the Kansas Department of Revenue.

Accounting software that many small businesses use cannot comply with the electronic filing requirements. These companies are forced to purchase different software so that they can remit payment to the Department of Revenue. This is an added expense and burden to the business owner.

In addition, federal law only requires an employer to electronically file if they have over 250 employees. This bill will have the same requirements for the state level making it easier for employers to file.

The Kansas Chamber urges the committee to approve SB 347.



**THE KANSAS
CHAMBER**

The Force for Business

835 SW Topeka Blvd.

Topeka, KS 66612-1671

785-357-6321

Fax: 785-357-4732

E-mail: info@kansaschamber.org

www.kansaschamber.org

The Kansas Chamber, with headquarters in Topeka, is the statewide business advocacy group moving Kansas towards becoming the best state in America to do business. The Kansas Chamber and its affiliate organization, The Kansas Chamber Federation, have more than 10,000 member businesses, including local and regional chambers of commerce and trade organizations. The Chamber represents small, medium and large employers all across Kansas.

Testimony to the House Taxation Committee

Richard Cram

March 23, 2007

Department Concerns with Senate Bill 347

Representative Wilk, Chair, and Members of the Committee:

Senate Bill 347, as amended and passed by the Senate, would undo legislation that passed last year, 2006 Senate Bill 432, Section 7, requiring employers with 51 or more employees to electronically filing W-2's with the department. The bill would raise the electronic filing threshold for W-2's to employers with 250 or more employees. As explained below, we do not believe this bill is necessary.

Electronic access to W-2 information is a vital component of our tax discovery program. Recent experience shows that about 8% of SSN's that are matched are in some way out of compliance with Kansas income tax requirements. The department has assessed nearly \$10.0 million in tax, penalty and interest for those taxpayers discovered to be either nonfiled or noncompliant. The department expects to receive over 1.5 million W-2's electronically this year. We cannot data-match paper W-2's. When we match the SSN's to determine if an income tax return has been filed, if only 1% have not filed a return, or 15,000, and the average amount due for all nonfiled periods is \$1,000, the amount of additional income tax collections could be \$15.0 million.

The filing deadline with the department for 2006 W-2's is February 28, 2007. As of March 23, 2007, 6,403 employers have filed 1,141,453 W-2's with the department. The table below shows the number of employers, by number range of employees, that have filed electronically and those that have filed by paper, as of that date.

Employee Range (% compliant)	Electronically	Paper	Total Filers
1 - 50	3,106		
51 - 100	1,284	509	1,793
71.6%			
101 - 249	1,149	271	1,420
80.9%			
250 and over	864	53	917
94.2%			
Employers Required to File Electronically*	3,297	833	4,130
77.8%			
Total W-2's Filed*	1,141,453	111,891	1,253,344
91.1%			

*The information above does not include W-2 information provided by the major payroll services.

The department recently sent letters to 164 employers required to file electronically who instead filed by paper, encouraging them to amend and file electronically. We received 90 calls from these employers and 50 have now filed electronically. We advised the 45 that did not amend and file electronically that their paper W-2's were accepted, and 44 of them replied that they would be prepared to file electronically next year. On February 20, 2007, the department sent a letter to the remaining employers that have filed paper W-2's indicating that their paper filing will be accepted. We are calling those employers with over 250 employees that filed by paper and requesting electronic copies.

This is the first year for requiring electronic filing of W-2's. Most employers who filed by paper have indicated they will be able to file electronically next year. By next year's W-2 filing season, we intend to make available free of charge downloadable software for those employers that otherwise do not have the means of filing their W-2's electronically.

Below is a timeline describing the department's efforts to timely inform employers of the electronic filing requirement and work with them to implement this change.

Suggested Amendment

We do not believe this bill is necessary, but if the Committee does consider it, we suggest that the text of Senate Bill 347, as amended by the Senate Committee on Assessment and Taxation, granting authority to the Secretary to waive the W-2 electronic filing requirement when it would otherwise be a hardship for the employer to comply, be adopted (attached).

Communication of Senate Bill 432, Section 7 to Withholding Taxpayers Timeline

August 2006

- Information letter mailed to all Withholding taxpayers informing them of Senate Bill 432, Section 7, with pertinent information on what it means to them and how they are affected. The letter also provided a toll free number for them to call if they have any questions. In addition, the KDOR website was included to inform of all formatting and development updates they would need.
- Email communication sent to the Kansas Society of Certified Public Accountants (KSCPA) Executive Director with the same communication note above being mailed included. The KSCPA responded they would put the information in the KSCPA Newsletter for all its membership.
- Email communication sent to the Public Accountants Association of Kansas (PAAK) with the same communication note above being mailed included.
- Email communication sent to the Wichita Independent Business Association (WIBA) President Cliff Sones, with the same communication note above being mailed included.
- KDOR Website updated to include the new withholding information.

October 2006

- Withholding Coupon Booklets start being mailed to taxpayers. On every coupon booklet, in red letters on the front and back of the booklet, it states, "*More than 50 Payees? NEW LAW! Mandated electronic filing ... see page 4*".
- Presentation to the National Association of Tax Professionals Annual Conference October 23, 2006 in Wichita, Kansas.

November 2006

- Presentation to the National Association of Tax Professionals November 20, 2006 in Overland Park, Kansas.
- Mailed Instructions for form KW-3E, which is the withholding electronic submission annual reconciliation form for all filed KW-5 forms to all Electronic Funds Transfer filers.
- The KW-100 withholding tax guide was published on the KDOR website. On page 19 of the instructional guide concerning W-2s it states "*... employers submitting more than 50 W-2 records must file electronically using the Department's online business tax system at www.webtax.org. Employers reporting less than 51 records can file on paper but are encouraged to use WebTax to submit their W-2s as well as manage various business accounts.*"

SENATE BILL No. 347

By Committee on Federal and State Affairs

2-14

10 AN ACT concerning income tax; relating to withholding; annual state-
11 ment, electronic filing; amending K.S.A. 2006 Supp. 79-3299 and re-
12 pealing the existing section.
13

14 *Be it enacted by the Legislature of the State of Kansas:*

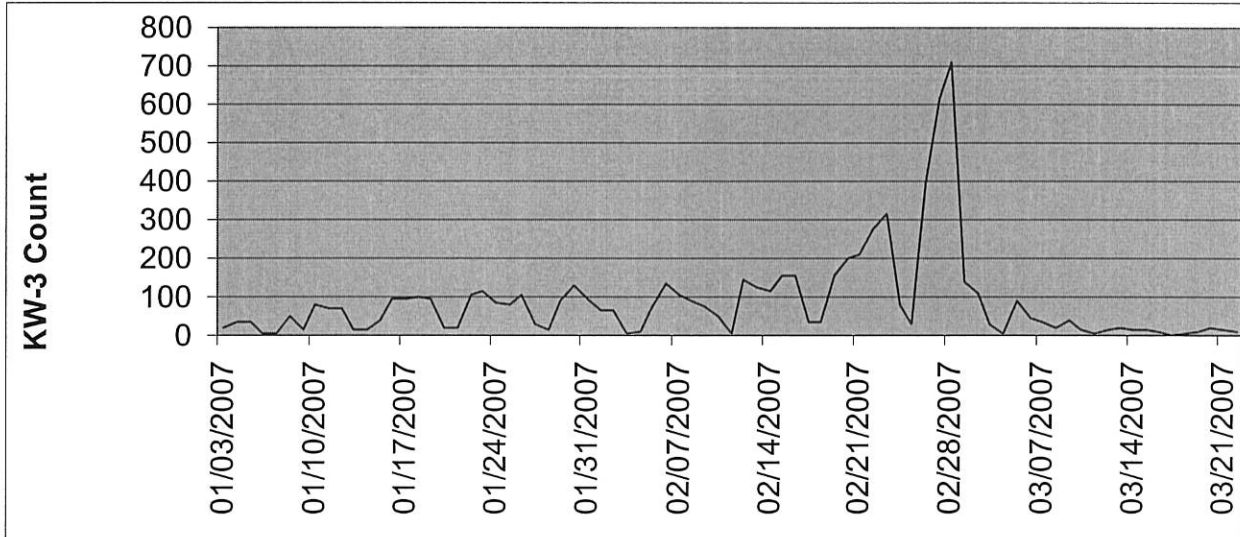
15 Section 1. K.S.A. 2006 Supp. 79-3299 is hereby amended to read as
16 follows: 79-3299. (a) Every employer, payer, person or organization de-
17 ducting and withholding tax, on or before January 31 of each year, shall
18 prepare a statement for each employee or payee on a form prescribed by
19 the director stating the amount of wages or payments other than wages
20 subject to Kansas income tax paid during the preceding year, the total
21 amount of tax withheld, if any, from such wages or payments other than
22 wages by the employer, payer, person or organization pursuant to this act
23 and such other information as may be prescribed by the director. One
24 copy of such statement shall be filed by the employer, payer, person or
25 organization with the division of taxation on or before the last day of
26 February of each year. **If Except as otherwise provided, if** the em-
27 ployer, payer, person or organization files statements which report such
28 withholding information for ~~51~~ **100** ~~51~~ or more employees or payees, the
29 statements shall be filed by electronic means. *With regard to the filing of*
30 *statements required to be filed pursuant to this section for such wages*
31 *paid and amount of tax withheld during calendar year 2006, any em-*
32 *ployer, payer, person or organization that files statements which report*
33 *such wages paid and withholding information for at least 51 employees*
34 *or payees but less than 100 employees or payees with the division of*
35 *taxation on or before February 28, 2007, by means other than electronic*
36 *means, shall be deemed to be in compliance with the provisions of this*
37 *section as it existed prior to the effective date of this act, and no penalties*
38 *shall be imposed against such employer, payer, person or organization.*
39 **If filing such statements by electronic means would be a hardship**
40 **for any such employer, payer, person or organization, the secretary**
41 **may permit such statements to be filed other than by electronic**
42 **means.** Two copies of such statement shall be given to the employee or
43 payee concerned, one of which will be filed by the employee or payee

**Kansas Department of Revenue
W-2 / Withholding Report Status
23 March 2007, 6:30 am**

The following table reflects all KW-3s successfully submitted through the KDOR web application. Reports include W-2s and 1099 informational returns.

Electronic Returns		
Report Count	KW-3 Count	Number of Reports in Range
0	426	0
1 - 50	3,106	33,903
51-249	2,433	274,061
250-	864	833,489
Total:	6,829	1,141,453
51-100	1,284	92,863

The daily traffic of KW-3s received since January 1st is reflected in the following graph.



As of March 23rd, 2007, the Department has logged 833 paper submissions from filers with more than 50 withholding reports. Additional returns (approximately 150) received are currently being added to the list. The breakdown is as follows:

Paper Returns		
Report Count	KW-3 Count	Number of Reports in Range
51-249	780	75,054
250-	53	36,837
Total:	833	111,891
51-100	509	35,800

BARBARA P. ALLEN
SENATOR, EIGHTH DISTRICT
JOHNSON COUNTY
9851 ASH DRIVE
OVERLAND PARK, KANSAS 66207
(913) 648-2704
STATE CAPITOL, ROOM 122-E
TOPEKA, KANSAS 66612-1504
(785) 296-7353



TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS
CHAIR: ASSESSMENT AND TAXATION
MEMBER: EDUCATION
JUDICIARY

March 23, 2007

Re: Substitute for SB 375

Mr. Chairman:

I am here today to ask for your support of Sub. for SB 375 in its entirety. Of particular interest to me, this bill contains two important pieces of legislation for Johnson County, granting Johnson County additional local sales tax authority of .25% to finance public safety projects, and authorizing Johnson County to establish the Johnson County Education Research Triangle Authority (JCERTA), through a sales tax not to exceed .2% or a property tax not to exceed 2 mills, or a combination of both, with any such combination not to exceed the lesser of the .2% sales tax or the two mills of property tax.

Sub. SB 375 received strong support in the Senate, passing on a vote of 36-4. Six of the 7 members of the Johnson County delegation voted for it. Both of these sales tax proposals would **allow the voters in Johnson County to decide for themselves whether they want to tax themselves** through additional sales tax – either for public safety projects, or for education research, or both.

These measures are NOT automatic tax increases. First, the Board of County Commissioners must decide whether to place the proposals on the ballot (or in the case of the Research Triangle, it can be placed on the ballot through the county's established petition process). Second, a majority of electors must approve each proposal.

These sales tax proposals are about giving the voters of Johnson County the right to decide for themselves whether they want to tax themselves. They are about giving local control to the taxpayer, who ultimately pays the bill. I am asking you to allow the **voters** in Johnson County to decide if these projects are worthy beneficiaries of their hard-earned dollars. Please don't deny them that opportunity!

Finally, Mr. Chairman, I would request these two proposals be kept together. I believe the likelihood of passage for both bills is enhanced by keeping them in the same package. Thank you for your time, and I ask for your support of Sub. for SB 375.

HS TAXATION COMMITTEE
3-23-2007
ATTACHMENT 4



OFFICE OF THE
Johnson County Sheriff

Courthouse
125 N. Cherry
Olathe, Kansas 66061

Frank Denning
Sheriff

Telephone
913-791-5800
Fax
913-791-5806

David Burger
Undersheriff

Kevin Cavanaugh
Undersheriff

To: Chairperson Wilk, Vice Chairperson Carlson, and distinguished members of the House Taxation Committee

From: Sheriff Frank Denning

Date: March 23, 2007

Chairperson Wilk, Vice Chairperson Carlson, and Committee Members,

The public safety infrastructure needs in Johnson County have exceeded the ability of the existing funding sources to keep up. The need is great, and merely saying "we can't afford it" doesn't make the need go away: it only gets worse over time.

Similar to what you have seen at the State level, Johnson County is weathering a perfect storm of societal, economic, and political demands that are challenging our ability to meet them. We've never been this big or grown this fast, so we need some way to catch our collective breath.

When I took office in 2005, I walked into an environment of studies in progress, delayed jail expansion plans, a courthouse replacement proposal, and nothing being done to expand a crime laboratory in crisis. It was operating in a facility in need of repair and only 25% of the size recommended for an accredited crime lab serving a population the size of Johnson County. Mr. Gary Howell, the Director of the Johnson County Crime Lab is here as a conferee, and will speak to you more about that need.

I'm boarding out more than 350 of our 900 inmates per day in 19 counties across eastern Kansas because we're about seven years behind on our jail building schedule. The Johnson County Commission has approved the construction of a 416 bed addition to the Johnson County jail and it is in the design stage right now. Substantial as that is, it doesn't solve the problem. Our studies and those of outside consultants show that when the new jail addition opens in late 2009, the inmate population will have grown to the point where I will still be 200 beds short. Those same studies warn of projected inmate populations of 1,376 by the year 2010. Our failing to address the demand will not reduce the demand. They're coming.

HS TAXATION COMMITTEE
3-23-2007
ATTACHMENT 5

As Johnson County continues to grow, public safety infrastructure needs will grow. The Johnson County Commission has approved and funded the hiring of 120 additional staff to run the jail that will open in 2009. That many people requires a lot of effort to, first recruit them, then hire them, then train them, and then continually keep their training and certifications current.

I enjoy a terrific relationship with the Kansas Law Enforcement Training Center in Hutchinson, and the Johnson County Regional Police Academy on the campus of the Johnson County Community College, but not even those strong affiliations can insure sufficient academy space to accommodate our training needs.

The Juvenile Intake and Assessment Center has outgrown the space available to it. In fact, a portion of the building has been condemned, and can't be used at all.

As alternatives to incarceration are explored, the Department of Community Corrections will need facilities and upgrades to keep pace with the demand for services, many of which play a critical role in controlling inmate populations and directing clients to badly needed treatment and training programs.

This is not the time to fix blame; that won't make the problem go away. This is the time to fix a growing problem our county is facing now, and into the future. The measure before you will give Johnson County a tool we can use to catch our breath.

In conclusion, I want to personally thank you, Chairperson Wilk, and all of the members of this committee who have given your time and serious consideration to this bill. It probably goes without saying that I urge your support voting it out favorably, and if you have any questions I would be glad to try to answer them for you now or after the other conferees have had a chance to speak.

Respectfully,

Frank Denning
Johnson County Sheriff



OFFICE OF THE
Johnson County Sheriff

Courthouse
125 N. Cherry
Olathe, Kansas 66061

Frank Denning
Sheriff

Telephone
913-791-5800
Fax
913-791-5806

David Burger
Undersheriff

Kevin Cavanaugh
Undersheriff

To: Chairperson Wilk, Vice Chairperson Carlson, and distinguished members of the House Taxation Committee

From: Gary Howell, Johnson County Criminalistics Laboratory Director

Date: March 23, 2007

Chairperson Wilk, Vice Chairperson Carlson, and Committee Members,

The Johnson County Sheriff's Office Crime Laboratory has significantly outgrown its current facility. The current building has been modified 4 times since 1975 to accommodate the needs of the public safety community. The current facility is grossly inadequate to accommodate the forensic science services the community needs. An independent study by McClaren, Wilson & Lawrie, Inc. indicates there should be at least 51,000 square feet of laboratory space to meet the needs of our community. The current laboratory occupies an equivalent of approximately 19,000 square feet.

The increase in need for forensic services is unprecedented and has both national and local contributing factors.

During this decade, Johnson County is growing at an incredible rate for a community of its size. The population is growing at a strong 3% per year. Disturbingly, the rates of serious crime offenses are surpassing these other trends by increasing 9% a year. Serious crime, also known as Part 1 crime, entails murder, rape, robbery, aggravated assault, burglary, grand theft, motor vehicle theft and arson.

FBI statistics show that Johnson County citizens were the victims of a reported 15,844 serious crimes in 2005.

The Law Enforcement community is responding:

- 1) Cities are significantly increasing the number of police officers.
- 2) New crime prevention programs are being developed with renewed emphasis on crime awareness and crime prevention.
- 3) The Sheriff's Office is forced to handle more prisoners in a burgeoning jail population.
- 4) Crime Scene Investigation (CSI) specialists are being added to investigation units. In 2000, there were no full-time CSI's in Johnson County. Now there are 8 dedicated CSI's collecting evidence to be sent to the Crime Lab.
- 5) All CSI's are collecting more sophisticated evidence.

HS TAXATION COMMITTEE
3-23-2007
ATTACHMENT 6

In recent years, there has been a paradigm shift on how crimes are investigated. DNA analysis is the most powerful investigative tool ever developed. DNA analysis is still developing and is challenging the forensic science community to institute even more specific and more sensitive methods. Evidence awareness and contamination issues are being addressed with detectives and district officers. The emphasis on DNA analysis has precipitated interest in all areas of forensic science; there is now more dependence on physical evidence to help solve crimes than ever before. Digital video analysis, automated fingerprint identification, automated bullet and cartridge case searching, and DNA database searching are all in our tool chest of forensic technologies. These advancements in forensic science capabilities lead to the need for more comprehensive crime scene searches. The application of enhanced technologies to the management of crime scenes produces better evidence. A recent comprehensive study of the effectiveness of forensic science has recently been published. The business model determined that for every dollar spent on DNA typing in a crime laboratory; saved the community \$34 in costs to society. The constantly evolving forensic science capabilities of the JCCL make the laboratory an effective and efficient tool in the reduction of crime in this community.

The Johnson County community is at a crossroads with respect to the number one quality-of-life issue: public safety. Investment in public safety will assure the ability to concentrate on the other quality-of-life issues so important to our citizens.

The new powerful forensics will impact crime by:

- 1) Solving minor crimes and thereby intervening earlier in offenders lives will have a dramatic impact on addressing the problem.
- 2) Solving more difficult cases by the use of the new emerging sciences will solve cases that were "unsolvable" just a few years ago.
- 3) Advancing CSI training to allow the investigation to put into practice this new resource on more types of crimes than in the past

A new Crime Laboratory built to accommodate our existing operation as well as growth in personnel and technology will help reduce the amount of crime in our community.

Respectfully,

Gary R. Howell
Director, Johnson County Criminalistics Laboratory

Robert Regnier
3400 W. 119th Street
Leawood, KS

HOUSE TAX COMMITTEE
TESTIMONY
3/23/07

Thank you Mr. Chairman. My name is Bob Regnier with Bank of Blue Valley. Today I am representing the Johnson County Education Research Triangle as one of its community co-chairs. It is a pleasure to appear before you to talk about a very exciting project for Kansas.

I will be making brief comments about the Education Research Triangle project and then turn the podium over to Mary Birch our administrative coordinator to present the specific details of the project.

1. Johnson County has a long and strong history of supporting quality education both in K-12 and with the Johnson County Community College. We liken the impact of the Triangle Project to that of JCCC. Over 35 years ago community leaders supported the purchase of about 200 acres in southern Johnson County to build the community college. Many people in the community thought this was a crazy idea. Today we have one of the best community colleges in the country and its economic development impact has been significant.

2. The Triangle Project is a unique opportunity for Johnson County citizens to enhance all of the current efforts in Kansas and the metropolitan area for the life sciences. It definitely compliments the great work being done by the Kansas Bio

Authority And it can establish an important role for our county to play in the metropolitan area in the areas of higher education and research.

3. This special partnership between K-State, KU and the citizens would provide three new higher education facilities in Johnson County funded by a special sales tax and or property tax.

A. The first leg of the Triangle would build one building of the Cancer Center in northeast Johnson County near the new KU Hospital outpatient facility at the Old Sprint Headquarters. This Phase I Clinical Trials building would allow our county to contribute to the success of the Cancer Center.

B. The second leg of the Triangle would be the first building on the new K-State Campus located in Olathe. The National Food Security Research building would house food safety research and offer graduate degrees in animal health, food safety and agri-terrorism.

C. The third building would be the fourth building at the KU Edwards Campus and would offer 10 new degrees in engineering, applied sciences, information technology and business. These much needed degrees will help our area companies remain competitive in the global market place. It will also enhance and expand the wonderful relationship and cooperation that has been built between the Edwards Campus and JCCC.

We can provide these facilities and start the knowledge based economy engine in Johnson County for about \$15 -\$18 Million per year. The revenue will be divided equally between the three pieces of the Triangle.

4. Our citizens will receive many benefits from this investment in our future. There will be a tremendous economic impact with new

degrees helping our citizens to be better trained and obtain better jobs. Additionally, new investment in research for cancer and food safety will leverage new federal and private money into the area.

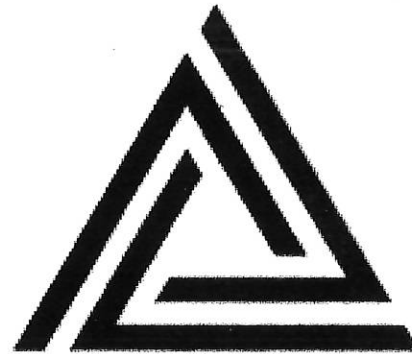
And most importantly, there are human benefits. Johnson Countians should they vote to support this project will be able to help find cures and treatments for cancer and help keep our food supply safe.

6. I am here today as a volunteer because I believe in this project and this partnership. More Importantly I am passionate about investment in education at all levels. I believe that education is the key to a successful community and a high quality of life.

We ask for your support of this enabling legislation. We ask you to give us a chance to construct a plan for our voters to decide if this vision can be a part of the future of Johnson County and Kansas.

Thank you.

Johnson County Education & Research Triangle



JOHNSON COUNTY
EDUCATION & RESEARCH
TRIANGLE

**A unique partnership for the future of higher
education and the Johnson County economy**



Triangle Advocacy Council

Co-Chairs:

Robert Regnier

Fred Merrill

Ron Wimmer

Mike Brown

James Hubbard

Laura McKnight

Greg Graves

Laura McConwell

Drue Jennings

Samuel H. Turner, Sr.

Barb Unell

Sandy Price

Charles Sunderland

Jeffrey Gaidos

Lyle Pishny



Our Purpose

To secure enabling legislation and voter support for a permanent revenue source to fund higher education research and degree offerings and to request that KU and KSU locate three new facilities in Johnson County to enhance the economic future of Johnson County residents, the state of Kansas and the region.

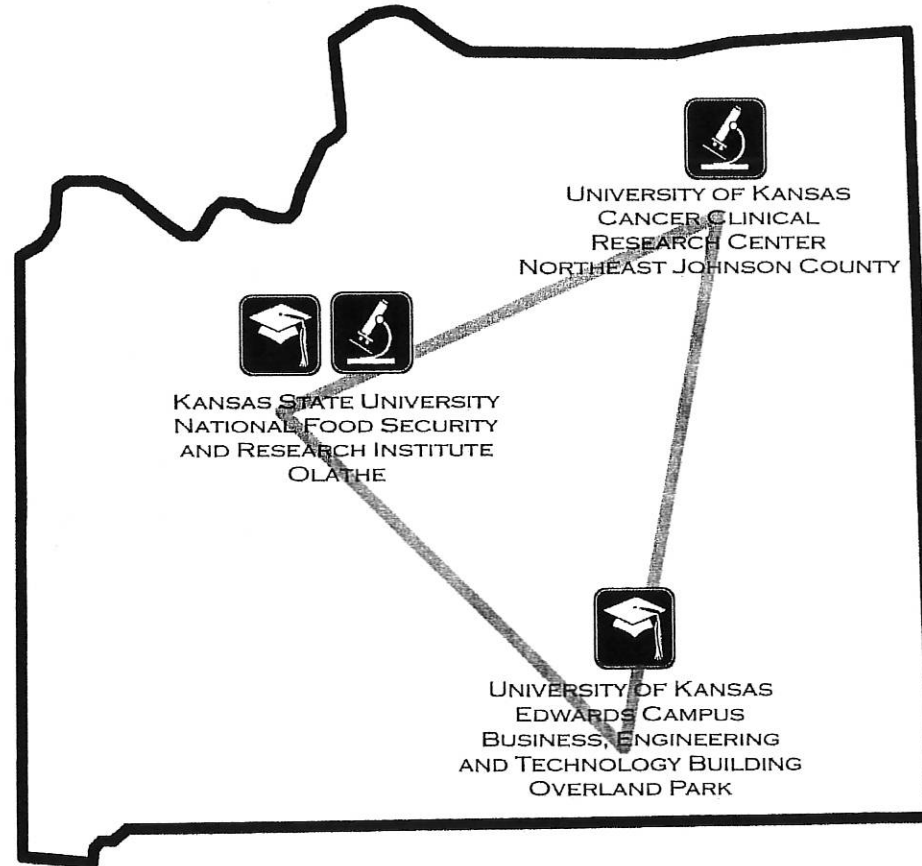


3 New Higher Education Facilities

1. University of Kansas Cancer Research Center
2. Kansas State University National Food Security Research Institute
3. University of Kansas Edwards Campus Business, Engineering & Technology Center

The Triangle

JOHNSON COUNTY EDUCATION AND RESEARCH TRIANGLE



Time To Get It Right

A Strategy for Higher Education in Kansas City

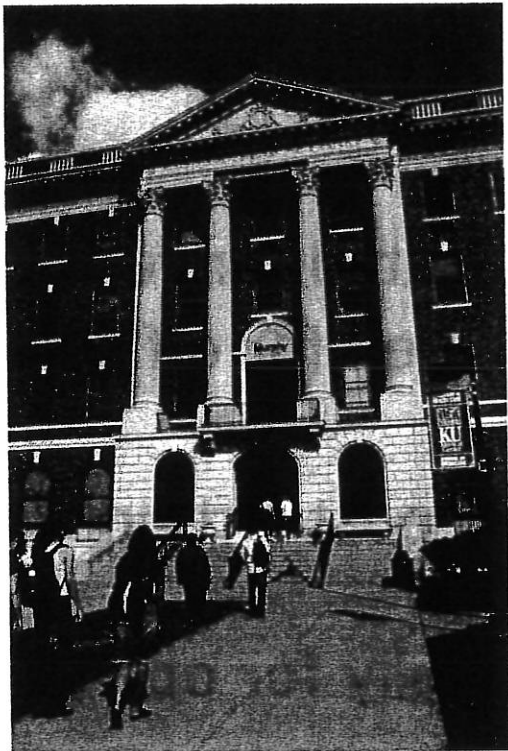
- Cancer Prevention & Cancer Cures
- National Cancer Institute Designation
- KSU World-Class Biosecurity Research
- Growing Animal Health Life Sciences Industry in Greater Kansas City
- Graduate Degrees in:
 - Business applied science, technology, engineering, food safety and animal health research
- Investment in Research & Degrees has a significant economic impact:
 - Attracts & produces new companies and jobs and increases personal earnings for Johnson County residents



TIME TO GET IT RIGHT
A STRATEGY FOR HIGHER EDUCATION IN KANSAS CITY



University of Kansas Cancer Center



- NE Johnson County location
- Located close to KU Medical Center campus, The University of Kansas Hospital Westwood Campus, Stowers Institute for Medical Research & Midwest Research Institute
- Phase I Clinical Trials Unit





University of Kansas Cancer Center

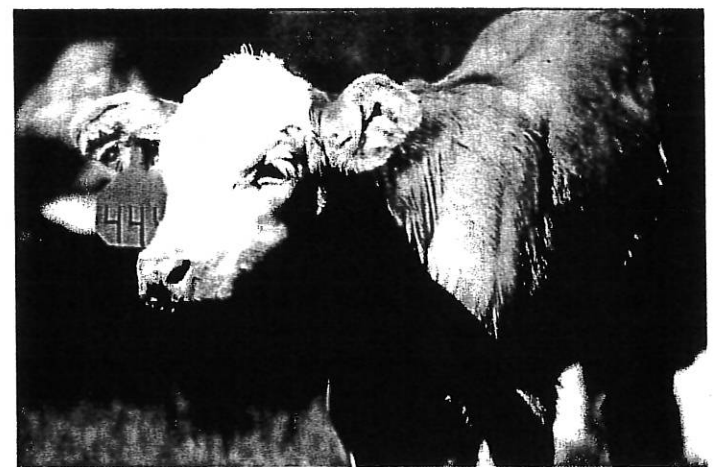
By the Numbers:

- 70,000 square ft. facility
- 67,000 square ft. dedicated for research
- 3,000 square ft. dedicated for office space

- \$25,000,000 worth of construction & equipment costs
- \$500,000 needed annually for operation

National Food Security Research Institute

- Core research areas in cooperation with Midwest Research Institute
- Focused areas include:
 - Threat Assessment & Prevention, Forensic Ag Science, Agroinformatics & Modeling, Communications Strategies, and Advanced Ag Technology
- Potential Graduate Programs:
 - Forensic Biology, Strategic Studies in Food Science, Food Safety & Security, and Public Health/Animal to Human Translation



National Food Security Research Institute

International Certificate and short course offerings for professionals in the fields of:

- Agricultural & Food Emergency Response
- Federal Law Enforcement & Intelligence



National Food, Security & Research Institute

By the Numbers:

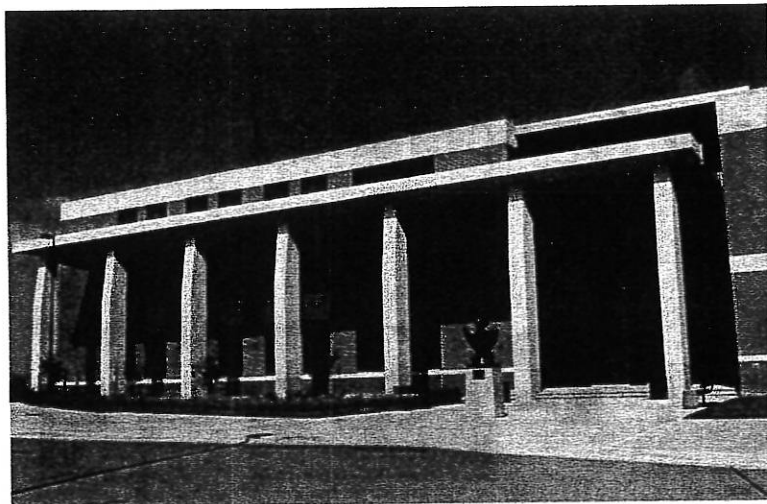
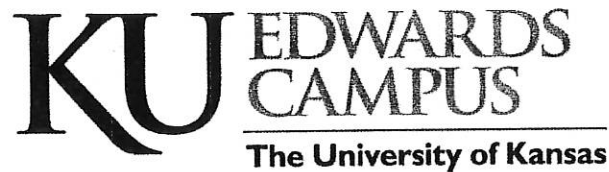
- 103,000 square ft. facility
- 30,000 square ft. dedicated for lab space
- 73,000 square ft. dedicated for classrooms

- \$28,000,000 worth of construction & equipment costs
- \$800,000 needed annually for operation



8-12

KU Edwards Campus Business, Engineering & Technology Center



- Undergraduate Partnerships with JCCC & Masters Degrees:
 - Business
 - Applied Science & Technology
 - Liberal Arts & Sciences
 - Engineering
- Professional Science Masters Degrees:
 - Molecular Bioscience
 - Engineering

KU Edwards Campus Business, Engineering & Technology Center

By the Numbers:

- 75,000 square ft. facility, dedicated to classrooms and offices
- \$23,300,000 worth of construction & equipment costs
- \$650,000 needed annually for operation

How will this benefit the citizens of Johnson County?

- Better Training, Jobs, Quality of Life
- Knowledge Economy Competitiveness
- New Jobs
- New Businesses
- Nationally Recognized Expertise



How will this benefit the citizens of Johnson County?

Humanitarian and Economic Gains

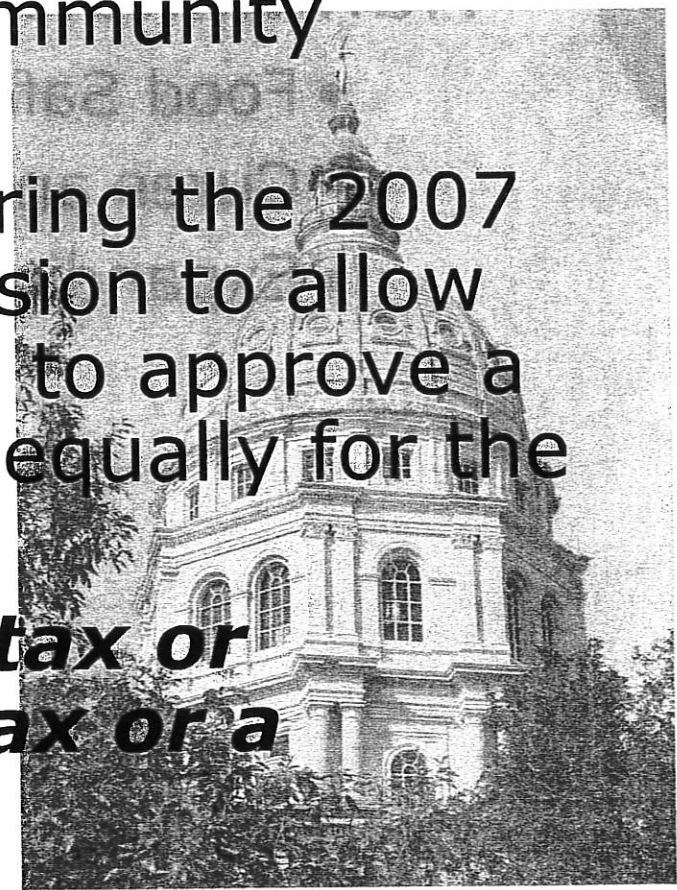
- Food Safety
- Cures and Treatments
- Expanding Educational Opportunities



How Do We Make It Happen?

- Educate & organize community support
- Enabling legislation during the 2007 Kansas Legislative Session to allow Johnson County voters to approve a local tax to be divided equally for the 3 projects

***2/10th cent *sales tax or*
2 mills of property tax or a
*combination of both***





Oversight & Governance

Johnson County Education and Research Triangle Authority consisting of seven to eight Johnson County elected officials appointed by:

- Governor
- Kansas Board of Regents
- Johnson County Commissioners
- Kansas State University
- University of Kansas
- University of Kansas Medical Center
- Johnson County Community College

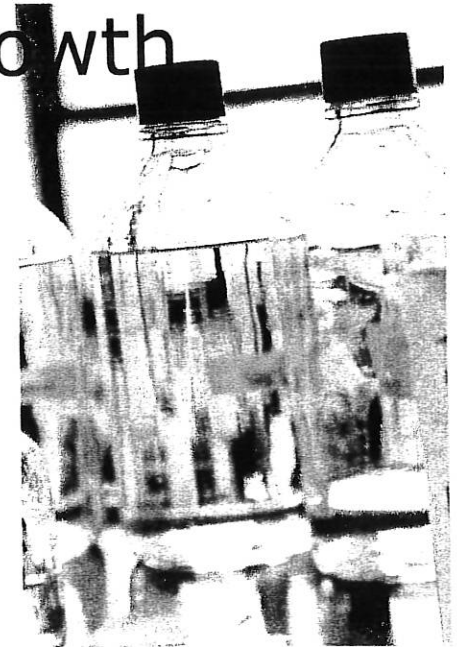


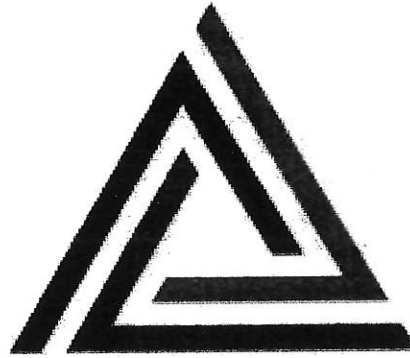
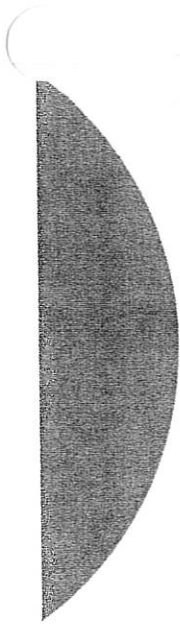
Oversight & Governance

- Ensure revenue is divided and distributed in three equal parts
- All money remains in Johnson County
- All money is “new” money for new construction, research and education programs
- Not to be used as substitute revenue for existing high education programs from the State

The Opportunities Ahead

- Private Contributions
- Federal Grants
- National Cancer Institute Designation
- New Companies and Jobs
- Potential Partnerships for Growth
- Safer
- Smarter
- Healthier





JOHNSON COUNTY
EDUCATION & RESEARCH
TRIANGLE

Safer. Smarter. Healthier.

Benefits the Edwards Campus brings to the Economy and Community

- KU's Edwards Campus is always used as a selling point to companies – particularly high profile companies – considering moving to the County. The availability and quality of higher education is a top question people ask, and KU has the national reputation that people respond to.
- “Business = Johnson County” Understanding this helps to focus on what helps business. KU Edwards Campus has expertise to contribute to filling business needs now and in the future.
- “KU Edwards Campus helps to brand Johnson County” through its linkage with KU and KU's national reputation.
- Education produces wealth and KU Edwards Campus produces world-class education.
- KU Edwards Campus contributes to a stronger workforce and a stronger workforce brings a stronger County economy and community.
- Image is important to marketing the County and its cities; a growing KU Edwards Campus adds to the image.
- A growing KU Edwards Campus will bring the research of KU, and the economic impact that follows, to Johnson County.

Impact of the JCCC Partnership

- Creates a groundbreaking partnership, merging the strengths of two great institutions by creating a complete public higher education environment in Johnson County
- Significantly broadens access for Johnson County citizens and employers to nationally recognized, high quality, public higher education
- Offers JCCC students and faculty the opportunities associated with being, in effect, the lower division partner of a major research university; offers KU students and faculty the opportunity to be the upper division partner of a major community college
- Creates a high quality public higher education infrastructure that strengthens Johnson County's competitive position to attract and retain business, yielding significant economic impact

EXECUTIVE SUMMARY

The KU Edwards Campus has proposed to expand its facilities and programs through the passage of a local property tax levy. This study sought to estimate the economic impact generated in Johnson County by the KU Edwards Campus over the twenty-year period from 2007 through 2026 – the estimated term of bonds to be issued to finance the project.

The current facilities and programs at the Edwards Campus are important assets in the community and generate considerable economic activity within the Johnson County economy. The proposed expansion would not only add to the physical infrastructure of the campus, but would provide for the addition of numerous new degree programs, campus-based university research programs, and expanded training and continuing education programs and seminars. These new programs would significantly increase the economic impact initiated through the Edwards Campus. In order to distinguish the contributions to the local economy from each of these components, the analysis separated the economic impact generated by the current Edwards Campus from the incremental impact provided by the proposed expansion. The studies conclusions are as follows.

ECONOMIC IMPACT OF CURRENT EDWARDS CAMPUS:

If the Edwards Campus were to continue operating in its current form between 2007 and 2026, it would generate total industry output of \$686.5 million in the Johnson County economy. This level of output would support 331 local jobs and provide for \$148.4 million in household earnings.

	<u>Industry Output</u>	<u>Employment</u>	<u>Household Earnings</u>
Impact of Current Campus	\$686,524,232	331	\$148,435,757

INCREMENTAL ECONOMIC IMPACT FROM PROPOSED EXPANSION:

The proposed expansion of the Edwards Campus would generate an additional \$551.5 million in industry output in the local economy over the twenty-year period. This would support an additional 256 jobs and \$126.3 million in household earnings.

	<u>Industry Output</u>	<u>Employment</u>	<u>Household Earnings</u>
Impact of Proposed Expansion	\$551,517,550	256	\$126,335,212

TOTAL ECONOMIC IMPACT (Current + Expansion):

The combined economic impact of the current Edwards Campus added to that generated by the proposed expansion would total an estimated \$1.2 billion in local industry output between 2007 and 2026. This output would support 587 jobs and \$274.8 million in household earnings.

	<u>Industry Output</u>	<u>Employment</u>	<u>Household Earnings</u>
Total Economic Impact	\$1,238,041,782	587	\$274,770,969

Bayer HealthCare
Animal Health Division



Joerg Ohle
President and General Manager
North America

To Whom It May Concern

On behalf of Bayer HealthCare LLC, Animal Health Division, I would like to convey our sincere support for the Johnson County Education and Research Triangle Partnership and enabling legislation for a permanent revenue source to fund higher education research and degree offerings in Johnson County.

As a major employer in this region, Bayer strongly recognizes the critical importance of supporting an ongoing and growing skilled labor pool, particularly in the scientific and technology disciplines. Adding additional higher education facilities to our region represents a significant and essential step toward this realization. The three new facilities proposed by the Partnership will also assuredly bolster the region's growing opportunities in the life sciences and animal health industries. In addition, funding these new facilities will add new degree holders that will enhance the regional talent pool and thereby further contributing to our ability to attract new companies and industries to the region.

In closing, I urge you to support the Johnson County Education and Research Triangle partnership and its mission to secure the enabling legislation and voter support for a permanent revenue source to fund new facilities that will make us all safer, smarter, and healthier!

Sincerely,

A handwritten signature in cursive script, appearing to read "J. Ohle".

Joerg Ohle
President and General Manager

March 1, 2007

Bayer HealthCare LLC
Animal Health Division
P. O. Box 390
Shawnee Mission, KS 66201-0390

Phone: 913 268-2750
Fax: 913 268-2855

Dr. Ron Wimmer
26458 W. 109th Terrace
Olathe, Kansas 66061

March 4, 2007

Mary Birch
Government Relations Coordinator
Lathrop & Gage
10851 Mastin St., Ste 1000
Overland Park, KS 66210

Dear Mary:

Please accept this brief letter indicating support for legislation to create authority to pursue realization of the Johnson County Education Research Triangle. As a resident of Johnson County for the past forty two years and an involved community member for most of my professional career, I have seen many projects proposed for Johnson County and the metropolitan Kansas City area. I honestly believe the Education Research Triangle project brings to Johnson County and Kansas one of the most exciting opportunities from which all Kansans will benefit.

Several years ago I had the opportunity to travel to San Diego with other community leaders to see firsthand the impact of biotechnology and medical research on education and the local economy. All who made this exciting trip left California with a greater understanding of the tremendous value of research initiatives on higher education, economic development, local and state tax revenues, and the medical discoveries saving lives and creating new cures. We can do the same in Kansas if only we have the creativity and courage to take bold steps to implement possibilities included in the Education and Research Triangle.

As Superintendent of Schools in Olathe for fourteen years prior to my retirement in 2005 and as an active community member of Olathe and Johnson County, I offer my full support and encouragement for support of this unique and timely opportunity. I am confident that we have the leadership, knowledge, and skills in Kansas to make this project work for the benefit of our country, state, and county.

Sincerely,



Ron Wimmer, Ed.D.



Uncle Dan's Report CardSM

3004 West 118th Street, Leawood, Kansas 66211 • Phone: 913-481-6364 • Fax: 913-451-6269
Web: UncleDansReportCard.org • Email: bob@uncledansreportcard.org

February 26, 2007

To Whom It May Concern,

As a parenting author, parent educator and education advocate for over 25 years, I have been a strong supporter of Johnson County's proactive role in providing educational excellence. I am proud to have been a founding board member of the Blue Valley Educational Foundation in 1990, an innovative strategy that has offered exceptional learning opportunities in K-12 public education and character development for over 15 years.

It is this life long commitment that leads me to support the new Johnson County Research and Education Triangle. This investment in this cornerstone of progress locally, as well as the national implications of this project, will return huge dividends for our county's and country's citizens in the years ahead. The education it will provide will help us prepare for the technology jobs of the future right here in the Heart of America.

For employers who demand a technically proficient employee base, the benefits are also great. They will now be able to provide their employees with the needed skills; and new technology employers will be motivated to bring their businesses—and new jobs—to our county.

I must note another benefit of this project that connects with a cause of profound local and national concern. As the founder of Back in the Swing, the area's only organization that focuses on program development and clinical research in the new field of breast cancer survivorship, I cannot overstate the critical importance of this investment in cancer research to lifelong health and well-being, and to the national reputation of our area's medical services.

Finally, I unequivocally support the leadership role for Johnson County as our metropolitan area's economy shifts to become a bio-industry center.

I urge you to support the Johnson County Education Research Triangle.

Sincerely,
Barbara C. Unell, President

March 2, 2007

To Whom It May Concern:

I am proud to be part of the effort to advance the future of higher education in Johnson County. Many who are much more eloquent than I will address the myriad reasons for increasing public support for our Kansas universities, particularly by way of the Research Triangle concept. The vision is sound, and now is the time to pursue it.

I have been actively involved in regional economic and educational development matters for over 25 years. I learned early that our most valuable natural resource is our intellectual capital, and our ability to leverage it for preserving and enhancing the quality of life we enjoy in this region. We CREATE intellectual capital with high-quality educational systems; we RECRUIT same because of those systems; and, we RETAIN our best and brightest when we offer them enhanced local educational and career opportunities. The Research Triangle will be a vital catalyst in moving this area to a level far beyond what we now enjoy.

Spending on research and advanced education is occurring, and will continue. Our challenge--indeed our responsibility--is to see that that investment is made HERE--not in Charlotte, Dallas or Palo Alto. Let's get going!

Drue Jennings

March 2007



*Samuel H. Turner, Sr.
President & Chief Executive Officer*

March 5, 2007

To: Whom It May Concern

Re: Johnson County Education Research Triangle

As a volunteer co-chair to the Triangle Advocacy Council, I would like to express my sincere support for the proposed Johnson County Education Research Triangle project.

This project will bring many benefits to the citizens of Johnson County and Kansas.

It will establish Johnson County's role in the new knowledge economy bringing life sciences and food safety research to the forefront.

This new economic engine will provide opportunities for cancer cures and treatments, for food safety research and degrees and the battle against agri-terrorism, and much needed higher education degrees in the areas of engineering, technology, applied sciences and business.

Our citizens will be able to access these opportunities to have a smarter, safer and healthier life for themselves and there family as well as better training for better jobs.

As a healthcare executive for over 20 years, I have worked all over the country. The high quality of life in this community is because our citizens have continuously made education a priority from K-12 to our nationally ranked Johnson County Community College. The Triangle is the next step toward that continued excellence.

Sincerely,

A handwritten signature in black ink, appearing to read 'Samuel H. Turner, Sr.', written in a cursive style.

Samuel H. Turner, Sr.
President and Chief Executive Officer

SHT:cjc

T 913-676-2000

9100 W. 74th Street
Shawnee Mission, KS 66204
www.shawneemission.org



WILLIAM A. HALL
ASSISTANT TO THE CHAIRMAN

March 2, 2007

Ms. Mary Birch
Government Relations Coordinator
Lathrop & Gage
10851 Mastin Street, Suite 1000
Overland Park, KS 66210

Dear Mary:

I am writing in support of the research triangle proposal. We believe this is an exciting opportunity for both Johnson County and the entire Kansas City region.

As the *Time to Get It Right* report indicated, we have a great opportunity to advance our community through enhancing our higher education resources. The research triangle builds upon those resources – K-State and the animal health industry, the Edwards Campus and engineering/technology, and the Medical Center and cancer research.

With regard to animal health, K-State is a world leader in food safety and security and Kansas City is a world leader in animal health sciences. This opportunity to bring advanced research together with commercial interests will yield great dividends.

Kansas City is a major center for engineering but not a major center for engineering education. Firms like Black & Veatch, Garmin, Burns and McDonnell, and HNTB all have the need for advanced engineering degrees. Enhancement of the Edwards Campus to provide additional engineering, technology, science and business will allow these firms to expand and maintain Kansas City as a true engineering center.

The Stowers Institute makes Kansas City a life science center. Their efforts, combined with recent advances by the KU Medical Center, provide an opportunity to not only dramatically increase research efforts and the resulting spin offs, but also advance clinical care to a world class level.


Ms. Mary Birch
March 2, 2007
Page Two

We are in a knowledge based global economy. While the nineteenth century was about bigger and better farms, and the 20th century about bigger and better factories, the 21st century is about bigger and better ideas. This is one of those ideas that could significantly transform Johnson County, the state of Kansas and the Kansas City region. It brings together the knowledge economy with existing assets and builds upon three community strengths.

Visionaries are not only those who see opportunity but those who seize it. This is one of those visionary moments where we have an opportunity to transform our future and the futures of our children and grandchildren. I hope that we can find a way to take advantage of this unique opportunity.

With best regards.

Sincerely,



William A. Hall

wt



March 21, 2007

The Honorable Senator Barbara Allen, Chair
The Honorable Senator Derek Schmidt, Vice Chair
Senate Committee on Assessment and Taxation
Statehouse, Room 122-E
Topeka, KS 66612

The Honorable Representative Kenny Wilk, Chair
House Committee on Taxation
Statehouse, Room 519-S
Topeka, KS 66612

Re: Letter of Support for Substitute for SB 375

Dear Senators Allen and Schmidt and Representative Wilk:

At our March 20, 2007 City Council meeting, the Lenexa Governing Body unanimously voted to approve a motion supporting Substitute for Senate Bill 375, specifically authorizing additional sales tax authority for Johnson County for designated public safety purposes.

Public safety consistently ranks as a significant priority for both Lenexa residents and businesses as reflected in the City's biennial Citizen Survey. The City recognizes the County has the same tight budget constraints and challenges Lenexa and other Johnson County communities face. There are substantial public safety capital needs in Johnson County, including a jail expansion and crime lab improvements, which are necessary to address the increasing and diverse inmate population, as well as the unique forensic challenges and demands on law enforcement.

Lenexa supports new Substitute for SB 375 which authorizes up to a quarter-cent sales tax to be levied by Johnson County for public safety projects which would include a jail, detention center and crime lab. The City appreciates and conditions its support on the bill's continuing tradition of city and county cooperation in revenue sharing the sales tax in accordance with the existing special Johnson County distribution formula. This 2/3 County – 1/3 City model represents a reduction in revenue sharing to cities from the general county-city statutory formula, but it recognizes the cooperative spirit of Johnson County communities to work together to address funding of regional issues such as transportation and public safety in a coordinated approach, benefiting all residents and businesses.

**HS TAXATION COMMITTEE
3-23-2007**

City of Lenexa / 12350 West 87th Street Parkway / Lenexa, Kansas
City of Lenexa / P.O. Box 14888 / Lenexa, Kansas 66285-
Telephone 913-477-7500 City Hall / Fax 913-477-750

ATTACHMENT 9

Senators Allen and Schmidt
Representative Wilk
March 21, 2007
Page 2

The City urges both Committees' support of Substitute for SB 375, authorizing Johnson County additional sales tax authority for public safety purposes.

Sincerely,
CITY OF LENEXA, KANSAS



Michael A. Boehm, Mayor

Cc Senator Nick Jordan
Senator Julie Lynn
Senator John Vratil
Senator Dennis Wilson
Senator David Wysong
Representative Stephanie Sharp
Representative Ron Worley
Representative Pat Colloton
Representative Jeff Coyle
Representative Owen Donohoe
Representative Benjamin Hodge
Representative Terrie Huntington
Representative Mike Kiegerl
Representative Lance Kinzer
Representative Ray Merrick
Representative Ronnie Metsker
Representative Judy Morrison
Representative Robert Olson
Representative Tim Owens
Representative Gene Rardin
Representative Arlen Siegfried
Representative Sheryl Spalding
Representative Sue Storm
Representative Kay Wolf
Representative Kevin Yoder

Johnson County Board of County Commissioners
Frank Denning, Johnson County Sheriff
Lenexa City Council



8500 Santa Fe Drive
Overland Park, Kansas 66212
913-895-6000 • Fax: 913-895-5003
www.opkansas.org

Testimony Before The
House Taxation Committee
Regarding
Substitute for Senate Bill 375
Submitted by Erik Sartorius

March 21, 2007

The City of Overland Park appreciates the opportunity to submit this written testimony in support of provisions contained within Substitute for Senate Bill 375 authorizing a sales tax in Johnson County for public safety purposes.

In surveys conducted annually by the City of Overland Park, public safety is continuously named one of the top two priorities of our citizens. Johnson County is no different than the rest of the state in facing challenges in providing public safety services while funding other facets of government.

As Sheriff Denning has made clear, the county has several public safety capital projects needing funding, with expansion of the jail at the top of the list. Technological advances and the demand by juries for more detailed forensic evidence make upgrades to the county's crime lab a high priority, as well.

The legislation authorizes up to a quarter-cent sales tax to be levied for public safety projects. Included within this definition are projects such as a jail, detention center, and crime lab. Amendments made by the Senate to SB 370, which was then folded into a new Substitute for SB 375, significantly improve the legislation and more properly focus the legislation.

The City of Overland Park appreciates Sheriff Denning's willingness to discuss this important initiative with cities. The legislation maintains the tradition in Johnson County of sharing countywide sales taxes between the county and its cities. This is a vital provision as cities, too, work to find ways to fund the public safety expected by their citizens.

We ask the committee to support the sections of Substitute for SB 375 authorizing Johnson County to place a sales tax for public safety purposes on the ballot.



The Voice of Small Business®

**Legislative Testimony
Derrick Sontag, NFIB State Director
Senate Bill 347
March 1, 2007**

Madam Chair and members of the committee:

Thank you for the opportunity to provide written testimony in support of Senate Bill 347.

Senate Bill 347 would require businesses of 100 employees or more to electronically file a statement with the Department of Revenue, listing the total amount of tax withheld from wages from each employee.

This is a change from current law in that presently, businesses with 51 or more employees must electronically file the required statement.

The requirement of small businesses to electronically file these statements can be burdensome and expensive. Many of our smaller businesses only use the internet for standard operating procedures that require only minimal safeguards for privacy and protection.

The electronic filing of sensitive tax information poses a problem for many of our businesses, in that they are forced to invest in expensive safeguards such as firewalls, in order to maximize protection of the transmitted information. This results in government imposing an expensive mandate on small businesses solely for the purpose of making things more convenient.

The current requirement of 51 employees or more is helpful in that it eliminates this mandate for many of our members. However, after learning of SB 347, many of our members who employ more than 51 employees expressed the same concerns as it relates to the electronic filing requirement.

I would encourage the committee to lessen the burden on these businesses by passing SB 347.

Thank you for your time and consideration of this important matter.

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