

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 9:00 A.M. on March 14, 2008 in Room 519-S of the Capitol.

All members were present except Representative McCray-Miller - Excused

Committee staff present:

Chris Courtwright, Legislative Research Department
Gordon Self, Office of Revisor of Statutes
Ryan Hoffman, Legislative Research Department
Scott Wells, Office of Revisor of Statutes
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:

Representative Steve Lukert
Representative David Crum
Warren Plager, Brown County Commissioner
Richard Boeckman, Barton County Counselor/Administrator
William H. Johnson, Butler County Administrator
Dave Christy, Jefferson County Commissioner
Jeff Herrig, Undersheriff, Jefferson County

Others attending:

See attached list.

Representative Kinzer requested a bill introduction for a Kansas child tax credit. Representative Siegfried seconded. The motion carried.

The Chairman advised the Committee that if, after hearing the four bills on today's agenda, there is no opposition, it is his intent to combine the bills into one and pass it out favorably. No one expressed opposition.

HB 2823 - Sales tax authority for Brown County

Scott Wells said that **HB 2823** would allow the Brown County Commission to submit to voters the question of imposing an additional 0.25 percent countywide sales tax for the purpose of financing the construction or remodeling of a courthouse jail, law enforcement facility, or other county administrative facility. If approved by voters, the tax would expire upon payment of all costs associated with the financing of the proposed project.

The Chairman opened the hearing on **HB 2823**.

Representative Steve Lukert advised the Committee that the authority is for a voter approved 1 cent sales tax for the construction of a new county correctional facility in Hiawatha, Kansas. He said the amount of increase stated in the bill is 1.25, as listed on page 8, line 26. He introduced Warren Plager, Brown County Commissioner in attendance and Lamar Shoemaker, Brown County Sheriff (Attachment1). He said the jail is outdated and "worn out."

At the Chairman's request Warren Plager, Brown County Commissioner, explained that the sheer distance that sheriffs need to travel makes a regional correctional facility difficult if not impossible..The Committee recommended several options for the county commissioners to consider.

To address the discrepancy, Chris Courtwright, said the bill needs the following technical amendments:

1. On page 8, line 38, insert *Brown*, after Barton
 2. A separate sub-section would be added, that would state that Brown County could go *up to* 1 cent
 3. Add a sunset clause upon expiration of the bond, or fifteen years, whichever comes first
 4. Make an amendment to K.S.A.192 regarding the county sales tax apportionist formula.
- He said that if it is the Committee request to move all the bills into one bill, he recommended they use

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on March 14, 2008 in Room 519-S of the Capitol.

HB 2932 as the vehicle.

The Chairman closed the public hearing.

HB 2930 - Authorizing retailers' sales tax authority for Barton County

Scott Wells said that **HB 2930** would allow the Barton County Commission to submit to voters the question of imposing an additional 0.5 percent countywide sales tax for the purpose of financing the costs of roadway and bridge construction and improvement and infrastructure development. The tax rate authorization would be in addition to the 1.0 percent statutory cap. If approved by voters, the tax would expire ten years from the date the tax is first collected.

Richard Boeckman, Barton County Counselor/Administrator, rose in support of **HB 2930**. He explained the Barton County tax sales distribution, and said this legislation would result in revenue derived from the sales tax being shared between the county and the incorporated cities within the county based on the statutory formula. The long-term goal is to maintain and strategically enhance transportation, utility and communications infrastructure to meet the needs of existing businesses and contribute to community's goals of attracting new businesses (Attachment 2).

Chris Courtwright recommended that the following language, *up to*, be inserted, on line 10, before .5%.

The Chairman closed the public hearing.

HB 2932 - Sales tax authority for Butler County

Scott Wells said **HB 2932** would allow the Butler County Commission to submit to voters the question of imposing a countywide sales tax for the purpose of financing the costs of public safety capital projects and/or bridge and roadway construction projects. The sales tax could be imposed at a rate of 0.25 percent, 0.5 percent, 0.75 percent, or 1.0 percent. If approved by voters, the tax would expire upon payment of all costs associated with the financing of the proposed project.

The Chairman opened the public hearing.

Representative Crum rose in support of **HB 2932**. Passage of this bill would provide the Butler County Commissioners another option in meeting the needs of their constituents. He introduced William H. Johnson, Butler County Administrator (Attachment 3).

William H. Johnson, Butler County Administrator, described the two countywide projects, Emergency Communications, and the Butler road project. Each project will require a public vote and each tax will have a sunset clause (Attachment 4).

The Chairman closed the public hearing.

HB 2941 - Sales tax authority for Jefferson County for employer contributions for certain KP & F retirement system members.

Scott Wells said that **HB 2941** would allow the Jefferson County Commission to submit to voters the question of imposing a 0.25 percent countywide sales tax for the purpose of financing the costs of the county's obligation as participating employer to make employer contributions and other required contributions to the Kansas Public Employees Retirement System for eligible employees of the county who are members of the Kansas Police and Firemen's Retirement System. If approved by voters, the tax would expire upon payment of all costs associated with the financing of the proposed project.

Dave Christy, Jefferson County Commissioner, spoke in favor of **HB 2941**. He justified an increase in tax in order to have a better ability to attract prospective employees; retain employees and promote longevity; and prevent job burnout.

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Jeff Herring, Undersheriff, Jefferson County spoke of the need for additional funds to offer additional benefits in order to remain competitive in attracting professional candidates (Attachment 5).

The Chairman closed the public hearing.

Representative Crum made a motion to pass out **HB 2932**, with amendments, favorable for passage.

Representative Siegfried made a substitute motion, to amend the contents of **HB 2823**, **HB 2930**, **HB 2941**, with amendments, as previously discussed, into **HB 2932**. Representative Treaster seconded the motion. The motion carried.

Representative Crum made the motion that they advance **HB 2932**, as amended, favorable for passage. Representative Menghini seconded the motion. The motion carried.

The meeting adjourned at 10:15 a.m. The next meeting is March 18, 2008.

STATE OF KANSAS



TOPEKA

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COMMITTEE ASSIGNMENTS
AGRICULTURE AND NATURAL RESOURCES
TAXATION
VETERANS, MILITARY AND HOMELAND SECURITY

March 14, 2008

Chairman Wilk and Members of the Taxation Committee:

I am testifying today on behalf of the Brown County Commissioners in requesting authority to implement a 1 cent sales tax for the construction of a new county correctional facility in Hiawatha, KS.

The current Brown County jail was constructed in 1929 and, in my opinion, simply is outdated and "worn out." After extensive facility studies and considering a variety of options the Brown County Commissioners believe that new construction is their best option.

This would be subject to voter approval and would sunset after 15 years or whenever the facility is paid off.

HB 2823

Testimony of Richard Boeckman
HB 2930

I am the Barton County Counselor/Administrator. I am testifying in support of H.B. 2930. Thank you for allowing me to testify.

HB 2930 provides that Barton County could, with the consent of the voters of Barton County, institute a ½ cent sales tax.

This proposed sales tax developed from the Barton County strategic planning process. From September 2007 through February 2008 70 Barton County citizens were involved in a county strategic planning process. We were involved in that process to obtain designation from the Kansas Department of Commerce as a non-metropolitan business region. Such designation leads to enhanced incentives for local business, as provided by the Kansas Enterprise Zone Act, KSA 75-50,113 et seq. These 70 local businessmen, farmers, educators, and other local leaders were involved in a number of meetings to determine the five most important economic development issues for the county and to determine methods to solve these issues. One of the issues was infrastructure investment. The long term goal is to maintain and strategically enhance transportation, utility, and communications infrastructure to meet the needs of existing businesses and contribute to the community's goals of attracting new businesses. An action step was to determine community support for a local sales tax to help fund county transportation infrastructure improvement by referring a ballot question for the November 2008 election.

To accomplish this goal, Barton County has requested the legislation provided in H.B. 2930.

The city councils of Great Bend, Hoisington, and Ellinwood, and the Board of County Commissioners, Barton County, have approved the strategic plan. This legislation would result in revenue derived from the sales tax being shared between the county and the incorporated cities within the county based on the statutory formula. That formula considers population and assessed valuation.

Should this legislation be enacted, and the voters of Barton County were to authorize the sales tax, the county intends to use revenues to build new blacktop roads near Great Bend, Hoisington, Ellinwood, and in some of the rural parts of the county. Some money may be used to repair existing blacktops. Barton County presently maintains 389.5 miles of blacktop roads. The amount of roads to be built will depend on revenue raised and costs of building those roads.

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TOPEKA
HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
TAXATION
HEALTH AND HUMAN SERVICES
SOCIAL SERVICE BUDGET

03/14/08

Testimony by Representative David Crum before the House Taxation Committee, Kenny Wilk, Chairman

Regarding- HB 2932

Chairman Wilk and fellow committee members. Thank you very much for the opportunity to testify in support of HB 2932. This bill would authorize the Butler County Commission to submit a question to the voters of imposing a countywide retailer's sales tax at the rate of between .25% and 1% for the purpose of financing the cost of public safety capital projects, bridge and roadway construction projects or both. Passage of this bill would provide the Butler County Commissioners another option in meeting the needs of the their constituents.



BUTLER COUNTY
ADMINISTRATION DEPARTMENT

March 14, 2008

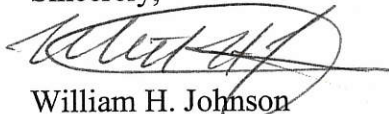
House Taxation Committee
Representative Wilk – Chairperson
HB 2932

Dear Committee Members:

Butler County would like to thank you for this opportunity to testify on behalf of House Bill 2932, concerning sales tax authority for Butler County. Currently, Butler County is challenged with upgrading of the County emergency communications radio systems as a result of federal regulatory changes, rendering the current system obsolete. Butler County is moving forward with development and purchase of a new system, which will include participation with the statewide communications program. The project is projected to cost the county between \$12 to \$14 million dollars over a ten-year period, and the only funding currently available is revenue generated from property tax proceeds.

Projections are a ¼ cent sales tax will generate \$1.5 million, which would be sufficient to fund this program over a ten-year period. Butler County is also exploring the widening of Butler Road from Andover to Rose Hill to account for rapid growth in the area. The County will explore the potential for a dedicated sales tax to fund the Butler Road project, with a sunset clause attached similar to the communications sales tax. The opportunity to explore dedicated sales taxes for capital projects will allow the County to reduce the burden on property taxes to our constituents, while funding required major capital projects. Legislative approval of this special dedicated sales tax gives the constituents of Butler County alternatives to consider in their funding of capital projects. The Butler County Commission supports the proposed changes and would appreciate the support of the taxation committee on this proposal as well. We thank you again for this opportunity offered today to testify.

Sincerely,



William H. Johnson
Butler County Administrator
Butler County, Kansas

William H. Johnson, Jr., County Administrator

HS Taxation
3-14-08
Attachment 4



Jefferson County Sheriff's Office

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ROY G. DUNNAWAY, SHERIFF

JEFF L. HERRIG, UNDERSHERIFF

JUSTIFICATION FOR KP&F

BETTER ABILITY TO ATTRACT PROSPECTIVE EMPLOYEES THAT HAVE EDUCATION AND EXPERIENCE.

BETTER ABILITY TO RETAIN EMPLOYEES AND PROMOTE LONGEVITY.

TO PREVENT JOB BURNOUT.

REDUCE THE OLDER AVERAGE AGE TO A YOUNGER AVERAGE AGE TO INSURE THE ABILITY OF AN OFFICER TO PERFORM THEIR DEMANDING JOB SAFELY AND SUCCESSFULLY.

REDUCE WORKER COMPENSATION CLAIMS IN A PROFESSION THAT IS STRENUOUS ON OLDER INDIVIDUALS BODY AND MIND.

STRENGTHENS MORAL WITHIN THE DEPARTMENT BECAUSE EARLIER RETIREMENT ENABLES PROMOTIONAL OPPORTUNITIES.

AVERAGE LIFE EXPECTANCY OF LAW ENFORCEMENT OFFICERS IS FIVE YEARS AFTER RETIREMENT. THE TREND ACROSS THE NATION IS TO GET 20-25 YEARS OF SERVICE FROM THE OFFICERS AND GET THEM OUT OF LAW ENFORCEMENT.

IT IS OUR BELIEF THAT IT WOULD CUT THE HEALTH INSURANCE BECAUSE OF FEWER CLAIMS DUE TO AGE AND NATURE OF THE OCCUPATION.