

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Richard Carlson at 9:11 a.m. on March 4, 2010, in Room 783 of the Docking State Office Building.

All members were present except:

Representative Tom Hawk- excused
Representative Mario Goico- excused
Representative Larry Powell- excused

Committee staff present:

Gordon Self, Office of the Revisor of Statutes
Scott Wells, Office of the Revisor of Statutes
Chris Courtwright, Kansas Legislative Research Department
Brandon Riffel, Kansas Legislative Research Department
Marla Morris, Committee Assistant

Conferees appearing before the Committee:

Representative Pat Maloney, District 116
Robert Reece, Pottawatomie County Administrator
Corwin Seamans, Pottawatomie County Commissioner

Others attending:

See attached list.

Introduction of Bills:

Representative Kleeb moved to introduce a bill to have a Tax Amnesty Program much like the one in the mid 2000's. The motion was seconded by Representative Brown. The motion carried.

Chairman Carlson opened the hearing on:

HB 2689 - Sales tax authority for Kingman county

Staff Gordon Self, Office of the Revisor of Statutes, presented a brief summary on **HB 2689** which grants Kingman County the authority to hold an election to establish a sales tax for the purpose of construction and furnishing a law enforcement center and jail facility, as well as roadway and bridge improvements. The specified rate that is authorized is an additional .25, .5, .75, or 1 percent, the authority would expire 20 years after the date it is first collected. All revenue received from this sales tax will be retained by the county and utilized by the purposes described. He stood for questions.

Representative Pat Maloney, District 116, supports **HB 2689** which, if passed, would permit Kingman County authority to put to vote a proposal to impose a countywide sales tax for the purpose of construction and furnishing a law enforcement center and jail, as well as financing roadway and bridge improvements in the county (Attachment 1). He asked for prompt attention to this legislation, as the county commissioners seek to place the proposal on a ballot this year. He stood for questions.

There were no opponents testifying against **HB 2689**.

Chairman Carlson closed the hearing on **HB 2689**.

Chairman Carlson opened the hearing on:

HB 2725 - Sales tax authority for Pottawatomie county

Robert Reece, Pottawatomie County Administrator, supports **HB 2725** requesting authority for the Pottawatomie Board of County Commissioners to place a referendum on a ballot for a county wide one-half (½) percent sales tax (Attachment 2). He stood for questions.

CONTINUATION SHEET

Minutes of the House Taxation Committee at 9:11 a.m. on March 4, 2010, in Room 783 of the Docking State Office Building.

Corwin Seamans, Pottawatomie County Commissioner requested the passage of **HB 2725**, to allow voters of the county the opportunity to say yes or no to the use of a sales tax to remodel the current courthouse, construct a jail, sheriff's office, Emergency Management Office and court rooms with accompanying office space (Attachment 3). He stood for questions.

There were no opponents testifying on **HB 2725**.

The Chair closed the hearing on **HB 2725**.

Chairman Carlson requested permission from the Committee to work **HB 2689** and **HB 2725**.: Without objection the Committee began discussion and action on **HB 2689** and **HB 2725** simultaneously.

Representative King moved to amend the contents of **HB 2725** into **HB 2689** and create a substitute bill for **HB 2689** while keeping the contents of **HB 2689** intact and authorizing Revisor Self to make any technical amendments necessary, including amendments to reconcile statutory conflicts with another bill recently passed. The motion was seconded by Representative Frownfelter. The motion carried.

Representative King moved to pass out **HB 2689** as amended. The motion was seconded by Representative Schroeder. The motion carried.

The next meeting is scheduled for March 5, 2010.

The meeting was adjourned at 9:26 a.m.

PAT MALONEY
REPRESENTATIVE, 116TH DISTRICT
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TOPEKA

HOUSE OF
REPRESENTATIVES

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March 4, 2010
House Taxation Committee

Testimony on HB2689

Thank you, Chairman Carlson and members of the House Taxation Committee, for the opportunity to speak to you in support of HB2689. The County Commissioners of Kingman County, my home county, are seeking to institute a sales tax election to finance construction and furnishing of a law enforcement center and jail, as well as finance roadway and bridge improvements in the county. The bill would permit Kingman County to impose a countywide sales tax. This bill would allow the cities' share of revenues from the county sales tax to be dedicated to the project. This sales tax would be used to retire bonds used to finance this project and could not be imposed for more than 20 years. The county commissioners hope to have this legislation in place to have the proposal on the ballot this year.

Again, I thank you for your consideration and urge your prompt action on this bill.

I will be glad to stand for question.

A handwritten signature in blue ink, appearing to read 'Pat Maloney', with a large, sweeping flourish extending from the end of the name.

Pat Maloney
State Representative
116th District

House Taxation
Date: 3-4-10
Attachment: 1

House Bill 2725

Pottawatomie County ½% Sales Tax Authority Request

Since 2004 the county has experienced substantial residential and commercial growth related to the expansion and troop buildup of Fort Riley and most recently as a result of a growing Bio-Science industry related to the announcement of the NBAF. A byproduct of this growth was a need to allocate additional resources to the departments that provide public safety and criminal justice services in order to maintain desired service delivery.

Related to the increase demand on services came the increased demand on county infrastructure. Coupled with aging facilities the county courthouse and jail experienced increased usage and wear. At the request of County Stake holders utilizing the criminal justice facilities, expressed concerns of citizens and the result of increased maintenance costs, access issues, increased out of county inmate housing costs and life safety hazard write-ups from the state fire marshal's office the Board of County Commissioners in 2007 established a citizens committee made up from citizens around the county to provide a recommendation to the BoCC on how to proceed. The committee identified numerous concerns and deficiencies in the facilities and recommended the County hire an experienced criminal justice system consultant to assist in formally identifying building needs but more important operational deficiencies that influence service delivery and drives space needs.

Current facility and operations were evaluated, criminal justice data was analyzed and system stakeholders interviewed. At the end of this process, late 2009, a 257 page pre-architectural needs assessment was presented which identified system deficiencies and solutions as well current and future space requirements. At the final presentation of the study with stakeholders, citizen committee members and public present a discussion was held to identify possible funding mechanisms. An Architect was retained to work with the consultant in developing preliminary designs based upon the final report and develop a project budget range. The solution included utilizing the existing courthouse facility. Additionally the architectural program includes the ability to expand the facility in the future if the need should arise.

The Board of County Commissioners discussed possible funding options with County Bound Council. In the late 1990's and early 2000's The County began the process of identifying facility needs, establishing a CIP fund and systematically budgeting for the day when they will need to make major improvement to county facilities. It was determined that utilizing a dedicated funding source such as a county wide sales tax which would sunset once the debt was extinguished may be the best possible option. We are here before you today requesting authority for a ½% sale tax in order for the BoCC to place a referendum on a ballot for citizens to consider and vote on.

Respectfully Submitted by;



Robert Reece

County Administrator, Pottawatomie County

House Taxation
Date: 3-4-10
Attachment: 2

House Bill 2725

The County Commissioners of Pottawatomie County would like to thank you for allowing us to present our request to the state legislature.

The Pottawatomie County Board of County Commissioners request, per state statues, the privilege of presenting the question of levying up to a ½% sales tax to the citizens of Pottawatomie County. Allowing voters the opportunity to say **yes or no** to the use of a sales tax to remodel the current courthouse, construct a Jail, Sheriff's office, Emergency Management Office and Courts rooms with accompanying office space.

We first sought to determine whether the present Court House was viable for remodeling. It was found to have many deficiencies, but was structurally sound. We believe this to be the 2nd oldest Court House of continuous use in the state of Kansas. The residents and Commission favor retention of the present structure.

A consultant was retained to assist the commission, a citizens committee, staff and stakeholders in determining: does our criminal justice system have a problem, if so what are the causes of the problem and what are the possible solutions to the causes? Following many months of discussions, data gathering and analyzing combined with observations and input from the stakeholders a final report was generated. The report identified major space needs and inefficiencies in: utilities, security, movement of people (staff, public, and prisoners), and movement of documents. The solution included adding space; reconfigure the relationships of offices that existed and improving processes in all areas. The consultant worked with stakeholders and an architect firm to develop a preliminary relational facility that enhanced and improves process flow and efficiencies utilizing the current Court House.

Over the past five years Pottawatomie County has realized substantial residential and commercial growth related to the expansion of Fort Riley and the evolving Bio-Science Industry related to the development of NBAF. Data trends support the increased demand on the current criminal justice system and law enforcement. We are overcrowded and would be unable to develop a solution to the present problems without remodeling and adding space. Our goal is to provide a facility that will serve the people of Pottawatomie well into the future with a structure that is conducive to future expansion.

Through a CIP fund established more than 10 years ago the County has systematically set aside resources for this project and through a public process has determined to move forward with the project in order to accommodate the identified needs. This project is important and allowing the people to vote on a designated sales tax that exists only until the project is paid for, is an excellent idea that should be allowed. Thank you for considering this valuable piece of legislation.

Respectfully Submitted by,
Corwin K. Seamans
Commissioner Pottawatomie County

House Taxation
Date: 3-4-10
Attachment: 3