

House Local Government Committee

COMMITTEE TESTIMONY

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BILL #: HB 2296

Date of Testimony/Hearing: TUESDAY, FEBRUARY 24, 2015

Name of person testifying: JOE KNOPP

Agency Represented: PRIVATE CITIZEN

Phone Number: 785-776-9288

Email: JOE@KBNLAWYERS.COM

PLEASE CHECK ONE:

- Proponent X
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- Written only Testimony

Please complete cover form and place it on top of the 25 hard copies of testimony. Please deliver testimony to my office (149-s). If you are sending the testimony hard copies by Fed Ex, the delivery address is:

Maureen Stinson
300 SW 10th Ave, Suite 149-S
Topeka, KS 66612-1504
Ph. 785.296.1754

Please send the electronic copy of the testimony as a PDF file and name as: Bill#, Proponent, Opponent or Neutral, Last Name, Agency

Sample: HB 2164 Pro Wangemann KAC

Questions ?

Contact – Maureen Stinson ph. 785.296.1754

Email: maureen.stinson@house.ks.gov

Testimony in support of HB 2296
before the Kansas House of Representatives Local Government Committee

February 24, 2015

Mr. Chairman and Members of the Committee:

One of the greatest challenges facing local government is the financing of public improvements. In an ideal world, we all prefer the cash basis approach and pay as you go. However, that is not a real option and none of us object to the need to finance public buildings through bonds. *I do object to the imposition of a multimillion dollar obligation on my property and my family for years to come without a vote.*

Under current law, a county or city commission can establish a public building commission, appoint themselves as the PBC and then, with a majority vote of this small group, impose multimillion dollar projects which commit the tax base of the community to the repayment of this debt for decades... without a public vote.

In effect, the PBC is putting a mortgage every piece of property that must be paid over the lifetime of the debt. In these isolated and important cases, the local community should have a direct input through a ballot.

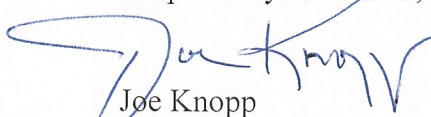
The proponents of the PBC's unfettered ability to impose financial obligations for up to 50 years will argue, "Under the current law, a vote *is* allowed." They are correct... provided that a petition is worded correctly, and some citizens are able to obtain the signatures of 5% of the registered voters in the municipality within 30 days of the decision to issue bonds.

The Declaration of Independence says, "Governments are instituted among men, deriving their just powers from the consent of the governed." On important multimillion dollar projects which will obligate generations of taxpayers to repay, it is reasonable to ask that such projects be submitted to the public for a vote in order to obtain the consent of the governed.

The preamble to the constitution states that its purpose of our republic is to ensure "domestic tranquility." The best way to preserve long term domestic tranquillity in any local community is to assure that a major decision to finance a multimillion dollar project is left to the vote of the public.

If HB 2296 passes, everyone in our local communities will have had the opportunity to cast their vote. The decision will not have been rammed down the citizen's throat by an over zealous Public Building Commissioners who believe that they are wiser than the public that was wise enough to elect them.

Respectfully submitted,


Joe Knopp

104 Oakwood Circle, Manhattan, Kansas 66502 785-776-9288 Joe@KBNLawyers.com

PUBLIC VOTES ON PUBLIC BUILDING COMMISSION PROJECTS

1. **Why do we need it?**

Currently, a county or city commission can establish a public building commission, appoint themselves as the PBC and then with a majority vote of this small group (two out of three), approve a multimillion dollar project which commits the entire tax base of the community to the repayment of this debt for decades... without a public vote.

School districts are required to submit every public improvement that utilizes bonds to the public for a vote. It is time consuming, but for a large project we need a community consensus. It is good government to require a public vote for the public building commission projects as well.

2. **Why voting is a good idea.** Getting the “consent of the governed” is always the best practice when a community is faced with monumental decisions.

I believe in the wisdom of the crowd. If it is a good idea, the public scrutiny will be a good process. If it is a bad idea, the public scrutiny will be crucial. The attention that a public vote brings to a project generally can “make the best better.”

If a Public Building Commission has doubts about their ability to convince the voting public that the project should pass, then perhaps they should question the wisdom of the idea.

The same smart voters that elected the Public Building Commissioners are smart enough to pass good projects.

3. **Voting creates a community consensus.** “Ensure domestic tranquility”

Let’s contrast two separate public processes.

- a. No vote. PBC condemns land, invests public money and resources to advance the public or private venture, commits the community to pay millions of dollars in tax liabilities to pay for it ... without a public vote.

Result. Civic dissension for years. This dissent poisons community relations and the ability for a community to come together on future needs.

- b. Public vote. School districts propose multi- million dollar building projects.

Result: Civic harmony. If the vote passes, even the dissenters cannot object because they had the opportunity to vote on the issue.

4. **Why isn't the provision for a protest petition enough? The public still has "the right to vote." Yes, but getting the right to vote is a very difficult process.**

- a. Properly worded petition. Getting the wording right takes some time and is fraught with opportunity for technical errors.
- b. 30 day requirement. The protest petition must be filed within 30 days.
- c. 5% requirement. Nearly 1500 signatures in 30 days in Riley County.

5. **What are the powers of the Public Building Commission?**

- a. Acquire land through an eminent domain action.
- b. Issue bonds for up to 50 years
- c. No restrictions on the amount. (Current law as a limit of 3% of assessed valuation)
- d. Broad Range of Building Projects
 - County Courthouse
 - Athletic facility
 - City office Building
 - Entertainment District
 - Ambulance Service
 - Educational Building for University
 - Hospital
 - Athletic Facility for a University
 - Racetrack
 - Building for the United States of America
 - Private retail center/office complex

Given these broad powers, a public vote is a reasonable protection for the public against unwise decisions.

6. **Once the Building Commission published the notice to issue bonds, the 30 -day protest time expires, and the bonds are issued... is there any recourse for the public to overturn this decision? NO.**

Even if the public votes the current commissioner out of office at the next election, the new commissioners are obligated to pay off the bonds.

7. **The proponents will argue that the public "*voted for the project*" when we elected the public officials who became the Public Building Commissioners.**

For that argument to be accurate, when we have any election, the community needed to know where candidates stand on a variety of possible scenarios that are impossible to predict over the next four years of their term.

For example, without the ability to vote on specific projects, we need to know if the candidate supports any of the project listed above. Even then, sometime unique opportunities that no one could have anticipated will arise. We do not want officials who are committed to some absolute pledge "I will never do X." Perhaps "X" is the right thing under the circumstances. The reasonable alternative is to require a vote. If the "unique opportunity" is that good, it will pass the public vote with ease.

8. **Denying a vote directly on a controversial building project, promotes a “one issue campaign.”**

We all have experienced contentious issues upon which honorable people can disagree. In that case, it is best to seek the consent of the governed. Trust the people.

Passing this bill will keep our good friends and neighbors, who sacrifice to serve us, from being placed in the position that they must take actions that require them to guess which way a majority of their constituents would vote on a particular project.

The worst unintended result of the current PBC law is that the community’s only way to express our opinion on the issue of financing a public building, is to defeat a public servant/neighbor that we agree with on 19 issues, but disagree on this one building project.

We are forced to vote for a less qualified official just because that candidate agrees with us on the one building project, but whose maturity or judgment is lacking on other issues.

Passing HB 2296 would require a vote. It will have the effect of insulating our local officials from that “one-issue” vote. It will allow us to focus on the issue of the public building and take the personality of the elected official(s) out of the considerations. It is good public policy.