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**Written Only Statement to
Senate Committee on Federal and State Affairs
Opposing SB 76
by Dick Carter, Jr.
City of Overland Park
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Thank you for allowing the City of Overland Park to submit testimony in opposition to SB 76. Cities require occupational licenses in order to protect the public's health, safety, and welfare. Removing this tool and prohibiting cities from recouping administrative expenses will make Kansas citizens less safe and our communities less appealing to live in.

The City of Overland Park does not require a general business license, but instead uses specific occupational licenses to address public safety, health, and welfare issues. The City requires occupational licenses for massage therapists, adult businesses, pawn shops, scrap metal dealers, payday lenders, solicitors and several other professions. Each of these licenses was created in response to a problem impacting the community. For example, in the mid-2000's massage therapy businesses were being used as a front for human trafficking and prostitution. In response, the City created and enforced an occupational license to prevent these illegal activities. The licenses have been incredibly effective, and these crimes are no longer a major problem in Overland Park.

Compare the results of the City's massage therapy licensing program with the State, which has debated for years about whether to create their own massage therapy regulations, and never settled on any. This is the perfect example of why a local governing body, operating year-round and connected closely to its constituents, is better at responding to local problems than a part-time legislature. The proposed freeze on any future licensing requirements will handcuff local governments from responding to future problems within the community. Never in Kansas's history have such restrictions been placed on its cities, and doing so now would be a disservice to its citizens.

The City is also concerned that the impact of SB 76 will go beyond its intent and will create unanticipated detrimental impacts to the public safety of our communities. For example, Overland Park (like most other cities) has adopted the 2012 International Building Codes to provide safe building and fire code requirements and standards. These codes are drafted by the International Code Council and are a nationally recognized standard that is carefully, reviewed, revised and updated by industry and government experts on 3-year cycles. The definitions of "Occupational fee" and "Licensing" are so broad that this legislation will prevent Overland Park and other cities from updating to a newer building code series or from making smaller specific

changes without nullifying their entire building codes. Further, Johnson County has established Contractor licensing requirements to protect the public welfare by establishing and maintaining minimum standards for licensed contractors and by providing quality education to enhance contractor knowledge of the building codes. Overland Park, like all other Johnson County cities, requires contractors to have a Johnson County Contractor license in order to pull a permit. The impact of SB 76 will nullify this program and these standards, which will cause a negative and detrimental impact to the public safety of the community.

SB 76 could also conflict with several local activities authorized by state law, such as franchise fees for use of City rights-of-way, transient guest taxes, business improvement district fees, cereal malt beverage licenses, and many others. Upending the broad scope of state-local licensing partnerships would cause disarray to existing regulatory frameworks and local finances. Imposing an arbitrary \$25 cap on occupational licenses also makes little sense since it has no relation to the actual costs of administering and enforcing the licenses. For example, for massage therapy licenses, the City Clerk has to process the application, the City pays for background checks for the applicant, and police conduct on-site inspections throughout the year. If there was a \$25 cap on the license, the City couldn't recoup a fraction of its costs, and would have to seriously reconsider its ability to provide this service.

The proponents of SB 76 incorrectly assume that cities arbitrarily impose occupational licenses in order to generate revenue or create a barrier to entry for market participants. Neither is true. The City of Overland Park uses these licenses to protect the community, and only collects those costs needed to administer the program (and often times less). For these reasons, the City respectfully requests that you not report SB 76 out favorably for passage. Thank you for your consideration.