

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Barbara Allen at 10:45 A.M. on March 7, 2007 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Kansas Legislative Research Department
Martha Dorsey, Kansas Legislative Research Department
Gordon Self, Office of Revisor of Statutes
Jason Thompson, Office of Revisor of Statutes
Judy Swanson, Committee Assistant

Conferees appearing before the committee:

Frank Denning, Johnson County Sheriff
Gary Howell, Johnson County criminalistics Laboratory
David Lindstrom (Written only)
Doug Wood, Johnson County Commissioner
Mary Birch, Johnson County Education Research Triangle
Bob Regnier, Triangle Advocacy Council
Annabeth Surbaugh (Written only)

Others attending:

See attached list.

Hearing on SB 370—Countywide retailers’ sales tax authority for Johnson county

Frank Denning, Johnson County Sheriff, testified there is great need to improve the public safety infrastructure in Johnson County. (Attachment 1) Johnson County Commission approved the construction of a 416-bed addition to the county jail, but it does not solve the problem of more inmates than the county can handle. After discussion, Sheriff Denning said he was agreeable to taking operational costs out of the bill. He had no objection to language in the bill, “not to exceed 10 years”.

Gordon Self, Revisor, explained the mechanics of **SB 370**. The passage of the bill would not necessarily mean an additional sales tax will be imposed, it must be voted on in a local election first.

Gary Howell, Director of the Johnson County Criminalistics Laboratory, expressed the need for additional money in his department. (Attachment 2) The Johnson County population is growing at a 3% rate annually, and the rate of serious crime offenses is increasing by 9% annually. He explained how the laboratory is solving crime in Johnson County. A new crime laboratory will help reduce the amount of crime in the community.

Doug Wood, Johnson County Commissioner, reviewed county projects that would benefit if **SB 370** passed. He will provide written testimony at a later date to the Committee. Jails are being used as mental health facilities and are not equipped to meet these needs. The highest sales tax in any city in Johnson County is 7.685%. A 1/4 cent sales tax would raise approximately \$36 million, which would be shared two-thirds to the county, one-third to the cities. The current reserve in Johnson County is \$53 million in unrestricted funds. Senator Allen said the total reserve is about \$125 million.

Written testimony was received from David Lindstrom, Johnson County Commissioner, in support of **SB 370**. (Attachment 3) The hearing was closed.

Hearing on SB 375—An act creating the Johnson County education research triangle authority

Bob Regnier, Triangle Advocacy Council, explained the need for the Johnson County partnership among three educational institutions. He will provide written testimony at a later date. If passed, this would allow a sales tax or property tax to be split among the University of Kansas Cancer Center, Kansas State University Food Security & Research Institute and the University of Kansas Edwards Campus. Mr. Regnier reviewed the potential benefits for the three campuses with regard to jobs, research and community benefits.

CONTINUATION SHEET

MINUTES OF THE Senate Assessment and Taxation Committee at 10:45 A.M. on March 7, 2007 in Room 519-S of the Capitol.

(Attachment 4) The Johnson County Research Triangle Authority is a long-term project, and would have tremendous infrastructure benefits. There would be an election to create the Authority. The language would be placed on the ballot by the Johnson County Board of Commissioners, or alternatively, through the petition process. Proceeds from such imposed tax would be used for bricks and mortar at all three sites simultaneously. The project is a combination of education and economic development, (not just education,) and is a far-sighted approach. Olathe has donated 40 acres for the KSU campus.

Mary Birch, Johnson County Education Research Triangle, said the emphasis of the project is that Johnson County should play a role in the development of educational facilities. There is strong combined support for this project within the Johnson County community by KU and KSU. For every \$1 invested into research, an \$8-\$10 return is realized by a community. Ms. Birch reviewed the proposed buildings that will be constructed if funds become available. With regard to governance, a seven-member board, consisting of Johnson County elected officials, would be created. This board would oversee the equal distribution of taxes collected among the three beneficiaries.

Richard Cram, KDOR, suggested a technical amendment to the bill to make the legislation conform to the streamlined sales tax law. He will provide appropriate language to the Committee for consideration.

Written testimony was received from Annabeth Surbaugh, Chairman of the Johnson County Commission, stating the Commission remains neutral on both Johnson County bills. (Attachment 5) The hearing was closed on **SB 375**.

Chairman Allen announced the Committee would meet March 8 for the purpose of consideration of **SB 337**, **Sub HB 2171**, **SB 347**, **SB 305**, **SB 370** and **SB 375**.

Being no further business, the meeting adjourned at 11:50 A.M.