

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE.

The meeting was called to order by Chairperson Senator Audrey Langworthy at 11:17 a.m. on March 15, 2000, in Room 519-S of the Capitol.

All members were present except: Senator Greta Goodwin – Excused

Committee staff present: Chris Courtwright, Legislative Research Department  
April Holman, Legislative Research Department  
Don Hayward, Revisor of Statutes Office  
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Mary Birch, Overland Park Chamber of Commerce  
T. Nelson Mann, Greater Kansas City Chamber of  
Commerce  
Representative David Adkins

Others attending: See attached list.

**SB 643—Amending and supplementing the Kansas and Missouri metropolitan culture district compact**

Mary Birch of the Overland Park Chamber of Commerce testified in support of **SB 643**, which is similar to **HB 2680**. She noted that the chambers of commerce and the business community in Johnson County were strongly supportive of the most recent bi-state effort. That effort was extremely successful and provided an opportunity to select for development a unique facility (Union Station) of regional importance in the community. She noted that the support for the bill stems from the fact that it is time to look at what options will be available in the future. The bill will ensure that the community will be prepared for economic development opportunities which may occur in the future. She emphasized that the cultural efforts in the community occur with a large amount of deliberative effort, discussion, and consensus building. In this regard, she called attention to a copy of a memorandum from the Johnson County Chambers Presidents Council which lists five important factors regarding bi-state tax efforts. She also called attention to a list of businesses which have endorsed bi-state revision legislation as an opportunity to explore future possibilities. (Attachment 1)

In answer to a question from Senator Steineger regarding where and what projects would be included on the Kansas side, Ms. Birch said she believes that there are safeguards in the current bi-state cultural tax bill which will control those decisions. She pointed out that there are several steps in the process wherein a community has the opportunity to say “yes” or “no” to participating in a cultural project. She believes that there is strong support from the Missouri side that Kansas play a role in the compact.

T. Nelson Mann testified in support of **SB 643** on behalf of the Grater Kansas City Chamber of Commerce, the Arts Council of Metropolitan Kansas City, and the Arts and Humanities Association of Johnson County, noting that all three organizations recognize and appreciate the importance of culture in their community. Mr. Mann emphasized that it is important to realize that the definition of “culture” includes sports, not athletics itself but everything occurring in connection with athletics. He noted that sports franchises are essential to the vitality of any modern metropolitan area, and they have a wide impact on surrounding communities. He went on to say that, while the proposed modifications to the compact are designed to include sports facilities and activities, the organizations he represents specifically view the arts as an essential component of any new bi-state initiative. In conclusion, Mr. Mann discussed multi-jurisdictional efforts in Memphis and Denver to establish first class cultural activities. He feels the Kansas City area should have the same opportunity to engage in the same type of dialogue that occurred in those cities. He pointed out that the process would be a very public process in which Kansans would be heard. He emphasized that, before any proposal goes on the ballot, it must be approved by the county commissions. In support of his testimony, he called attention to copies of studies reporting culture tax successes in other cities. (Attachment 2) Representative David Adkins gave final testimony in support of **SB 643**. He pointed out that his written

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testimony includes information on the following questions:

- What does the current bi-state compact allow?
- Has any bi-state sales tax been approved under this compact?
- If we wish to change the compact, how can we do that?
- How does **SB 643** change the current compact and why are these changes needed?
- What safeguards does the compact provide taxpayers? (Attachment 3)

Representative Adkins noted that it is important to keep in mind that the compact does not sunset. The bill does not renew or extend the compact but simply contains revisions which provide greater flexibility, greater local ownership, and which protect the interests of Wyandotte County and Kansas City, Kansas, subsequent to the unification of their county and municipal governments.

Representative Adkins feels that the revisions to the compact allow those who worked for the passage of the 1/8 of cent sales tax (dedicated to the renovation of Union Station and the construction of Science City at Union Station) to honor their pledge to voters that the sales tax would expire, pursuant to the ballot language, when \$118 million had been raised from that tax. When the tax reaches \$118 million, now projected in March of 2002, the tax expires. Rather than extending the tax, those who made the pledge that the tax would expire felt very strongly that no new proposal should go before the voters until the existing tax actually expires. Thus, any new ballot language submitted to the governing bodies of the counties that could participate would be on a blank slate. He emphasized that trust is a very important issue when bi-state cooperation is being considered.

Representative Adkins said, "It is important to keep in mind that the heart and soul of this revision has been reported to be some kind of raid on Kansas taxpayers to pay for professional sports stadiums in Kansas City, Missouri." In this regard, he noted that the sale of the Royals to David Glass was announced yesterday. He observed that Mr. Glass has significant financial resources, and his plans for the team and the stadium may very well not include any further public participation or any proposal to have Kansas taxpayers participate. He emphasized that under no circumstances does voting for this measure constitute an overt or implied idea that Kansas taxpayers are going to pay to upkeep any sports facility. The measure will allow county and city civic leaders to come together and discuss what is the best package of amenities that will enhance our region's ability to attract and retain a quality workforce, allowing economic development to continue to flourish, and what mix of projects is possible to allow a valid initiative to be approved.

Senator Langworthy called attention to written testimony in support of amending and supplementing the Kansas and Missouri metropolitan district compact submitted by Thomas R. Burke, who is the President of Kansas City Kansas Community College. Mr. Burke states that the bill is simply enabling legislation which allows voters of each eligible county to decide whether or not they favor the compact. (Attachment 4)

Senator Bond informed the Committee that only 49 percent of the cost of Union Station Science City was generated by the bi-state tax. As a result of the tax being passed, 51 percent was generated by private dollars and by some federal dollars due to the Union Station transportation tie. He commented that the bill provides an opportunity for the Kansas side to do some cultural pursuits which can stimulate private contributions metropolitan wide. It is his hope that voters can be assured that, if they vote a tax upon themselves, they will get significantly more in return for their tax dollars by way of private contributions. He noted that many large corporations have their headquarters on the Missouri side but have great interest in the Kansas side; therefore, Kansas could be the beneficiary of private dollars to a greater extent than its tax contributions. With this, the hearing on **SB 643** was closed.

The meeting was adjourned at 11:54 a.m. The next meeting is scheduled for March 16, 2000.

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