

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 9:00 A.M. on February 17, 2006 in Room 519-S of the Capitol.

All members were present except:

Representative Pat George- excused
Representative Mario Goico- excused
Representative Kasha Kelley- excused

Committee staff present:

Chris Courtwright, Legislative Research Department
Martha Dorsey, Legislative Research Department
Gordon Self, Revisor of Statutes
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:

Proponents:

Representative David Huff
David Warm-Exec. Mid-American Regional Council
Marge Vogt, Olathe City Council, KS Co-Chair, MARC Total Transportation Policy
John Segale, Johnson County Commissioner
Irene French, KC Area Transportation Authority Board Member (KCATA)
James White, KCATA Commissioner
Chuck Ferguson, Deputy Director, Johnson County Transit
Steve Klicka and Mark Greene, Chair. and Member of the Transportation Council of
the Johnson County Bd of County Commissioners
Janis McMillen, United Community Service of Johnson County
Greg Lever, Executive Director, Regional Transit Alliance
Mike Taylor, presenting statement by Mayor Reardon, Unified Gov., Wyandotte County
*Ron Butts, KS Public Transit Association
*Sandy Braden, Civic Council of Greater Kansas City
*Lauri Henry, Tri-County Paratransit Council, Inc.
*Written only

Neutral:

Senator Steineger

Opponents:

Wayne Flaherty, Kansans Against Bi-State
Karl Peterjohn, KS Taxpayer's Network
Tracy Thomas, Citizen - Shawnee

The Chairman called for bill introductions.

Representative Mike Burgess requested a bill introduction regarding income tax exemptions for military personnel stationed overseas. Chairman Wilk moved that request and Representative Carlson seconded the motion. The motion carried.

Representative O'Malley made a motion to introduce two bills concerning work force development. Representative Gordon seconded the motion. The motion carried.

The minutes from the January 12, 18, 19, 20, 25, and 26, 2006 Taxation Committee Meetings were approved by consensus of the Committee.

HB 2751 - Enacting the Kansas and Missouri regional investment district compact.

Gordon Self said that the bill creates a compact between Kansas and Missouri that allows the Kansas City metro area to pool funds across the region to pay for improvements that are regional

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in nature, benefitting residents throughout the metro area. This compact is an agreement or contract between Kansas and Missouri that provides benefits and requires certain duties of both parties.

The Chairman opened the public hearing on **HB 2751**.

Proponents:

Representative Huff explained that the Greater Kansas City area is made up of Leavenworth, Wyandotte and Johnson Counties in Kansas and Clay Platte, Johnson, Cass and Ray counties in Missouri. The population of this area will be over two million in the next few years and transportation in the greater Kansas City area will become more of a problem with each passing year. He urged the Committee's support of the bill (Attachment 1).

Neutral:

Senator Steineger testified that he supports the concept of providing one good mass transit system for the Kansas City metro area, however he suggested three changes were needed to accomplish this goal:

- The governance and management structures of the various mass transit agencies in the metro must unite and consolidate.
- Buses, bus operators, fuel, and routes are the core essence of bus mass transit, thus no administrators, consultants, lawyers, offices, etc. may be funded with a bi-state tax.
- Additional reference to Oversight Committees or programs other than mass transit shall be stricken from the bill. Suggested language was provided (Attachment 2).

Proponents, Con't:

David Warm, Executive Director, Mid-American Regional Council, commonly referred as MARC, explained that the association is made up of city and county governments in the Kansas City area and is also the Metropolitan Planning Organization and as such has a legal role in transportation planning for the entire region. He cited five reasons that the legislature should consider **HB 2751**.

- Public transit is critical for workers to have access to jobs that are increasingly dispersed across the region.
- Public transit is an important, cost-effective strategy for managing congestion.
- Public transit is a lifeline for the disabled, the transit dependent, and for many elderly people.
- Public transit saves money, saves fuel, and saves the environment.
- Public transit is necessary to support destination tourism locations such as those developing in western Wyandotte County.

He summarized by saying that the legislation would enable their region to begin developing a modern, comprehensive public transit strategy. Attached to his testimony were pamphlets on "*Smartmoves*", a regional transit plan (Attachment 3).

Marge Vogt, Olathe City Council, KS Co-Chair, MARC Total Transportation Policy, testified that **HB 2751** was the result of years of technical study and unprecedented public participation. By passing the bill the region could move forward and ultimately allow citizens the right to vote on the local transportation issue (Attachment 4).

John Segale, Johnson County Commissioner, said **HB 2751** is about giving the people of their

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counties and the regional community additional local control over their transportation by giving citizens the opportunity to choose a transportation future that meets their high standards ([Attachment 5](#)).

Irene French, KCATA, said a regional funding mechanism that supports seamless, transportation services across jurisdictional boundaries was the missing link in the Kansas City metro area. She introduced James White, a fellow KCATA Commissioner who spoke of the ongoing coordination and collaboration of the three transit agencies, an excellent framework from which to build a regional system ([Attachment 6](#)).

Chuck Ferguson, Deputy Director, Johnson County Transit, said his position enabled him to hear what the bus riding public said day in and day out. In many surveys county residents overwhelmingly want improved transit options, which a regional system would provide, and he urged passage of **HB 2751** ([Attachment 7](#)).

Steve Klicka, Chairman, Johnson County Transportation Council, said that the council supports the proposed legislation because Johnson County citizens desired the development of a regional program that would provide access to the residents of the whole metropolitan area through an integrated public transportation system ([Attachment 8](#)).

Mark Greene, Johnson County Commissioner, testified that no group of people in the metropolitan area would see a bigger and better improvement in their quality of life than the people with disabilities who rely on a mass public transportation system. The implementation of the Regional Transportation District would give a greater sense of freedom and mobility for hundreds of people that are limited in their ability to get around the city ([Attachment 9](#)).

Janis McMillen, United Community Services of Johnson County, said that as the population in Johnson County continued to increase, as existing companies expand and new companies locate in the area, addressing public transit is integral to economic development and quality of life issues of the future ([Attachment 10](#)).

Greg Lever, Executive Director, Regional Transit Alliance, rose in support of **HB 2751**, on behalf of 4,000 plus advocates in the Kansas City region network. He said it was time to move forward and allow the people at the local level to show their resolve on the issue ([Attachment 11](#)).

Mike Taylor, Unified Government Public Relations, said that Mayor Joe Reardon and the United Government Board of Commissioners supported the concept of regional cooperation, metro transit and the opportunity for citizens to voice their opinions at the polls ([Attachment 12](#)).

Written testimony was received and distributed from: 1) Ron Butts, KS Public Transit Association ([Attachment 13](#)); 2) Sandy Braden, Civic Council of Greater Kansas City ([Attachment 14](#)); 3) Lauri Henry, Tri-County Partransit Council, Inc. ([Attachment 15](#))

Opponents:

Wayne Flaherty, Kansans Against Bi-State, briefed the Committee on the history of **HB 2751**, which was developed in March 2005. In August 2005, upon his analysis of the proposal, he expressed his concern to community members, who then tried to obtain information on the proposal from MARC. He said that it was MARC's intent to exclude the public from any involvement in the project and that intent continues throughout the bill. He described the makeup of the MARC board and expressed concern that all the authority is given to MARC, without voter input.

Mr. Flaherty concluded that while Kansas is \$4 billion in debt, this is not the time to fund another big project and if **HB 2751** became a reality, Kansas would lose control over three quarters of a billion dollars to fund a regional transit system in which the three principal Kansas counties carry only 9% of the riders. He urged the Committee to consider the negative impact to citizens of the region before they pass out the legislation ([Attachment 16](#)).

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Karl Peterjohn, KS Taxpayer's Network, testified that their interest is tied to the sovereignty of Kansas. The Constitutional authority for the bill is troubling since there is no provision in the Kansas Constitution that authorizes cross-border agreements that create new units of government and establishes a new layer of governance. The bill is based upon a flawed concept that bigger is always better and if consolidation is truly needed then a more thorough and comprehensive basis for consolidation should occur (Attachment 17).

Tracy Thomas, PR & Advertising, Shawnee cited her past experience with citizens organization, and based on historic facts, offered five common characteristics of all Bi-State proposals:

- They are created without citizen involvement.
- With all Bi-State proposals, there is a lack of true accountability to ordinary citizens.
- With all Bi-Sate proposals, there is little or no definition of how Kansas money is to be spent.
- Johnson County tax revenues are always the target.
- Under Bi-State I, II, and III, most Kansas tax money winds up being controlled by, and spent in, Jackson County.

She voiced concern that if voters rejected this specific tax at the polls, the bureaucrats have inserted enabling legislation in **HB 2751**, Section 7-1 of the bill that would permit local counties to proceed to levy new taxes and fees to pay for mass transit. She urged the Committee to kill the bill (Attachment 18).

Discussion followed regarding; bonding authority, make-up and definition of the new "MARC Oversight Committee," current sales tax structure, goals and objectives of the proposal, possibility of consolidation of ruling authorities and the fiscal note.

Chairman Wilk requested that Mr. Warm provide a flow chart on the organizational structure of the new committee, as drafted, and he agreed to do so. Representative Davis asked staff for additional information on Section II and III regarding extension of the torte claim act protection and expense reimbursement. Gordon Self agreed to provide that information.

The Chairman closed the public hearing on **HB 2751**.

A memo was distributed, from Tony R. Folsom, in response to a previous Committee inquiry on **HB 2767** regarding BOTA membership and information on the number of informal appeals held at the county level(Attachment 19).

The meeting was adjourned at 11:00 A.M. The next meeting is February 21, 2006.