



City of Olathe, Kansas

STATE LEGISLATIVE PROGRAM

2020

DRAFT

“Setting the Standard for Excellence in Public Service”

CITY OF OLATHE, KANSAS

SUMMARY OF 2020 PRIORITY LEGISLATIVE INITIATIVES

1. **Internet Sales Tax and Fee Collections**-As a result of the Supreme Court Decision in Wayfair, states can now collect internet sales tax on remote sales as well as other fees and special assessments. Those would include local transient guest tax and special assessments in economic development related projects such as CIDs, TDDs and TIF districts. The City supports establishing a program to help Kansas collect and redistribute local internet sales and other local taxes or fees due from in-state purchases.
2. **Creating Jobs and Economic Investment in Kansas**—The City of Olathe has seen thousands of new jobs added and hundreds of millions of dollars in economic investment over the course of the last decade. The vast majority of that growth and investment would not have occurred if the City did not invest in the infrastructure it required. Local governments' ability to invest in growth related infrastructure is essential to growth in the state, and the City strongly opposes legislative efforts to limit revenue collection. That includes removing exemptions for growth and bond payments from the tax lid, or any other efforts to limit local governments' ability to responsibly and reasonably collect revenue. While the City recognizes repealing the lid may not be realistic, the City supports efforts to increase exemptions to reflect true cost increases.
3. **Comprehensive Transportation Program** – Recognizing it is critical to maintain Kansas infrastructure, the City supports responsible long-term investment the Comprehensive Transportation Plan. Funding should be allocated strategically to ensure there is an identifiable long-term return on investment for the entire state. Investing in growth areas is critical to creating a sustainable revenue stream that will address the shortage in statewide infrastructure needs. High growth areas such as the eastern K-10 corridor should be considered, and information about one specific Olathe project meeting that criteria is attached.
4. **Will of Local Voters**—The City shares the concerns of Legislators about the federal government's penchant for consistently elevating historically state decisions to the federal level. The City applies that same principal to local decisions. The City strongly urges the Legislature to consider respecting local voters when making decisions. The City believes government closer to the people is more effective, accountable and accessible. Currently, every Olathe resident can vote directly for four of the seven members of the governing body. However, Olathe residents can only vote for two of the 165 members of the Kansas Legislature.
5. **Municipal Elections** - The City opposes efforts to consolidate municipal elections with state and federal elections and/or to make them partisan. The City believes this dilutes local election significance.

6. **Representation of Local Taxpayers**—As the voice for local taxpayers, the City strongly opposes legislative efforts to limit or eliminate City engagement with the Legislature. In the last several sessions alone, the City has been able to prevent costly and unnecessary expenses for local taxpayers and protect their investments in their infrastructure. In many cases, issues that could negatively impact local taxpayers are strongly supported through legislative advocacy by other interest groups. It is imperative that local governments are in positions to provide accurate and timely information, so legislators can make informed decisions.
7. **Statutory Pass-Through Funding** – The City strongly opposes any effort to redirect local revenue that passes through the State of Kansas Treasury. This revenue pass-through is based on a longstanding partnership between local governments and the State of Kansas, and the funding sources were established as a means to fund local programs. Both the Special Alcohol Tax funds and the local portion of the Motor Fuels Tax should remain as intended; to be used by local governments rather than siphoned off for State use. Redirecting that revenue would not only impact the City’s ability to provide service, but it would devastate the City’s ability to maintain its infrastructure.
8. **State Aid** – Facing the same financial pressures as the State, the City recognizes it may not be realistic to expect a restoration of Local Ad Valorem Tax Relief (LAVTR/Demand Transfers) in the 2019 session. However, the City reminds the Legislature of its commitment to restore LAVTR to statutorily required levels.
9. **Right of Way Management** - The City supports the authority of cities to control the use of public property and right of way, including the ability to franchise entities that utilize the public right of way. The City opposes any further efforts to undermine local taxpayer (including adjacent property owner) ability to responsibly control local right of way usage, including the placement of temporary signs.
10. **Annexation** – The City has demonstrated time and time again that annexation can be used fairly and responsibly. The City opposes efforts that further limit local units of governments’ abilities to responsibly grow in well planned ways that ensure a high quality of life, sound economic practices and economic growth.
11. **State Sales Tax Exemptions** – The City opposes any effort to remove local government exemption from state-imposed sales tax. This cost would only be passed through to local taxpayers who are already paying state taxes.
12. **Enforcement of Liquor Sales Laws** - The City supports efforts to allow local government greater enforcement ability for violations of the Kansas Liquor Control Act regarding the sale of alcohol to minors. In addition, the City supports measures that would allow the City to require meaningful training for owners and employees of establishments found guilty of selling alcohol to minors and allow the costs of that training to be passed on to violators.

13. **Municipal Government Water Rights** - The City opposes any change to awarding water rights that could impact its ability to effectively provide water to its customers.
14. **Detachment of Annexed Properties** – The City believes land annexed into its boundaries and served by its fire department should be detached from the tax rolls of the prior rural fire district serving the area in a timely and reasonable manner. Based on recent legislative changes, residents living in these areas will be paying a higher tax rate to the rural district for an undefined amount of time. However, they will not receive services from those districts. While the City provides the service, Olathe typically will reduce impacted residents' property tax by the portion that would cover the city fire service. However, those residents continue paying the higher rates charged by the rural departments for a service they do not receive. The City recognizes those residents may have an obligation to finance the rural department's bonded indebtedness incurred while they were in their service area.
15. **Communication and Citizen Engagement** - The City believes it is irresponsible and unethical to use tax dollars to expressly advocate for the passage of ballot initiatives or election of candidates. However, the City believes an engaged population with easy access to city related information is critical to good government. As such, the City opposes legislative efforts to undermine its ability to keep taxpayers informed and engaged about key issues impacting them.
16. **Removal of Tax Exempt Property from Assessed Valuation**-The City supports giving local tax assessors the ability to remove land owned by political subdivisions from the tax rolls. Currently, that removal must be done by the Board of Tax Appeals, and the delay can make it difficult for local governments to accurately estimate mill rates for local taxpayers.
17. **Alternative Property Valuations**-The City supports requiring the Kansas Board of Tax Appeals to allow all three methods of valuations when determining a property's value.
18. **Budget Calendar**-While some relief was provided during the 2016 session, the City once again supports adjusting the municipal budget calendar. That could include delaying submittal time until after assessed valuation is available or separating setting a mill rate from the actual budget submittal deadline. The City would support a working group to include cities, counties and the state to jointly identify opportunities to address concerns without unduly shifting challenges from one level of government to the next.

CITY OF OLATHE, KANSAS
SUMMARY OF STANDING LEGISLATIVE POSITIONS

1. **Employer-Employee Relations** - The City opposes legislation that would eliminate the local option provision in the Kansas Public Employer-Employee Relations Act (PEERA).
2. **Kansas Open Records and Open Meetings Act** - The City fully supports open and transparent government. However, the City recognizes there are circumstances the public is better served by preventing the disclosure of sensitive information. That includes instances where cities could be placed in a disadvantaged situation in negotiations, legal processes or exposure to unnecessary civil liability. In addition, the release of such information can impact government's ability to successfully prosecute criminals.
3. **"One-Call" Mandates** – The City opposes legislation requiring all municipal water and sewer services to participate in the "One-Call" program. This presents a significant cost burden on local utilities. Water and sewer utilities do not present the hazards of electrical utilities, and Olathe has experienced very few problems caused by digging near City lines. The City supports continued voluntary participation as well as continued assurance that the program and governing body remain subject to KORA and KOMA.
4. **Home Rule Authority** – The City opposes legislation that would directly or indirectly limit the constitutionally granted home rule authority of cities.
5. **Mandates** – The City opposes legislation that imposes additional state mandated functions, activities, or practices on units of local government without the funding required for compliance.
6. **Property Tax Abatement** – The City opposes legislation that would restrict municipal governing body discretion in the use of this economic development tool.
7. **Municipal Finance** – The City supports legislation that preserves existing municipal revenue sources, or provides authority for local option municipal revenue enhancement. Conversely, the City opposes legislation that erodes municipal revenue sources.
8. **Alcohol and CMB Regulation** – The City supports the continued authority of cities to license and regulate establishments where alcoholic liquor or cereal malt beverage is sold or consumed.
9. **KPERS/KP&F** – The City supports achieving a fully-funded public employee retirement system within a reasonable amount of time. In addition, the City supports separating the local government portion of the KPERS system from the state and school portion. The City believes KP&F employer contribution increases should be done in a more accountable and open way to ensure adequate public scrutiny and input.

10. **Eminent Domain** – The City opposes efforts to undermine the responsible use of this essential tool to foster economic development, improve blighted neighborhoods, revitalize economically stagnant areas and provide public infrastructure.
11. **Economic Development** -The City supports having the continued use of tools such as Transportation Development Districts, Tax Increment Financing and tax abatements to help create jobs and economic growth. The City supports the continued use of STAR Bonds as an economic development tool.
12. **Impact Fees/Excise Taxes** - As Kansas’ fastest growing major city, the City opposes efforts to further undermine new infrastructure funding through excise taxes and impact fees. The City has and continues to use excise taxes to directly finance infrastructure projects supporting new development. Should that tool no longer be available, the City would have no choice but to either slow growth in Kansas or pass the cost along to current taxpayers.

CITY OF OLATHE, KANSAS ISSUES TO MONITOR

1. **Massage Therapy**: The City will monitor efforts to create statewide safeguards in place for the safe and legal operation of massage therapy providers.
2. **Asset Forfeiture**: The City will continue monitoring any proposals which may limit or impede the City’s enforcement or ability to retain proceeds from forfeiture sales.
3. **Immigration**: As the federal government continues to grapple with immigration reform, state legislators often consider immigration issues. Such reforms could have a substantial impact on local governments in terms of enforcement and local resources. We will monitor any action which may impact the City of Olathe.
4. **Utilities Assessments**: Assessments on utilities as a source of revenue for the state continue to be one option legislators discuss during the 2019 session, that includes funding changes to the State Water Plan. We will monitor any discussions and alert the City if legislation advances that increase costs on the Olathe utilities users.
5. **Expanded Gaming**: There have been recent court cases and discussions about the possibility of expanding gaming in Kansas, primarily sports betting. The City will monitor any activity and work to ensure local governments are considered when allocating new revenue and addressing any associated costs.

6. **Body Cameras**: The City will monitor efforts to unduly undermine local governments' ability to implement policies governing the use of body cameras and associated footage.

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CITY OF OLATHE

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