

# CITY OF WICHITA

PROPOSED 2006

## LEGISLATIVE PROGRAM

Presented by Scott J. Schneider J.D.

December 13, 2005



### PRIORITY ISSUES

#### **1) Affordable Airfares**

South Central Kansas serves as a business, entertainment, and transportation hub to approximately 2/3 of the State. Wichita Mid-Continent Airport serves this regions air service needs. The City of Wichita supports state funding to keep airfares competitive with airports in Missouri and Oklahoma. These competitive fares are crucial for business growth in Kansas.

#### **2) Business-Driven Technical Education.**

The City of Wichita supports business-driven technical education for South Central Kansas. A collaborative local, state, federal and private sector plan will be required to ensure the system and facility are developed to world class standards, and are flexible to meet business needs.

#### **3) Eminent Domain**

The City of Wichita supports reasonable use of eminent domain for the purpose of economic development. Special care must be used not to limit eminent domain in such a way that it would inhibit government's ability to provide needed services to its citizens.

#### **4) Delivery of Law Enforcement Services**

The Wichita Police Department opposes legislation that impacts the proactive delivery of law enforcement services and leads to de-policing in Wichita.

#### **5) Banking Services**

The City of Wichita supports allowing local governments to use any federal or state chartered financial institution for banking and financial services. The current marketplace protection scheme costs the Wichita taxpayers nearly \$500,000 annually as well as limits the type of services available. Local governments should be allowed to use any federal or state chartered institution that local officials determine offers the best value for the taxpayers they were elected to represent.

#### **6) Municipal Courts**

The City of Wichita supports local control of Municipal Courts but seeks to work in partnership with the Legislature to make Municipal Courts as effective as possible for the benefit and fairness of all citizens. The City of Wichita requests several changes in the Municipal Court Procedures Act regarding the authority of Municipal Courts to enforce the law:

- **Civil judgments.** Municipal Courts should be allowed the same authority as District Courts to convert fines to civil judgments when those fines have been declared non-collectable.

- **Collection fees.** Municipal Courts should be allowed the same authority as District Courts for collecting unpaid fines by requiring delinquent defendants to pay the cost of the collection fee as well as the fine owed.
- **Mailed notice.** When a person fails to comply with a traffic citation, the Municipal Court is required to “mail” a notice stating that if the person does not appear or pay the fine within 30 days, that person’s driver’s license will be suspended (KSA 8-2110). One-half of these “failure to comply” notices are returned undeliverable. If the officer giving a moving violation ticket could also “give” this notice, it would save the cost of postage. It would also reduce the perception that violators are not being given a notice of the suspension.

### **7) Street Violence Enforcement and Prevention**

Strengthen laws on gang membership, gang recruitment, seizure of property from known gang members and proposed changes on how gang members bond out of jail. Kansas laws do not adequately reflect how street gangs interact with society when compared to other states. Preventing organized street crime is critical to creating safe neighborhoods and allowing the most vulnerable in our society – the children – an opportunity to succeed.

### **8) Annexation**

The City of Wichita’s ability to grow by annexation is necessary for the economic well being of the region, and it is a matter of equity and fairness in financing the costs of services used by residents living on the fringes of the urban city. The City of Wichita believes that the current laws adequately protect this municipal power while balancing the interests of private citizens and surrounding communities.

## **OTHER ISSUES OF IMPORTANCE**

### **Additional Visioneering Agenda Items**

- 1) Shift current mill levy authority for Adult Basic Education from USD 259 to the Wichita Area Technical College.
- 2) Continue state investments in aviation research at the National Institute for Aviation Research at Wichita State University.
- 3) State funding to cover expansion costs in nursing programs in post-secondary public educational institutions in south central Kansas.

### **Urban Redevelopment**

The City of Wichita supports changes to state law to allow earlier intervention in rehabilitating homes through special tax sales. Currently, the length of the redemption period contributes to further deterioration of an abandoned structure. Earlier intervention, without the risk of losing costs, will create more stable and vibrant neighborhoods.

### **Homeland Security Grant Funding**

The City of Wichita recommends a review of the current process for determination of funding and distribution of the Office of Domestic Preparedness Homeland Security Grant in Kansas. The current process for determining the distribution of Homeland Security Grant funds to the local level is in the control of the Governor and has been delegated to the Kansas Highway Patrol. As the state administrative agency, the Kansas Highway Patrol has authority to determine how funds will be spent at the local level and may require that funds be spent through specific sources. The City of Wichita believes that the current funding formula discriminates against the large population centers as a significant percentage of the weighted formula is centered on factors other than population. Population centers are the primary focus of both domestic and international extremists and should likewise receive the focus of our efforts to secure the nation. No locations in Kansas will benefit from the Urban Area Initiative that provides nearly half of the national grant funding to the top fifty population centers. It is recommended that the Kansas funding formula be reviewed and adjusted to reflect a more realistic approach to protecting the vulnerabilities in our state. These adjustments should include the ability of local communities to have flexibility in local spending and reassessment of the requirement that money be spent through a single source vendor. It is recommended that the control of funding and purchasing decisions be left up to the local level of government.

### **Privately Placed Bonds**

The City of Wichita supports increasing the statutory cap to \$2,000,000 on the amount of privately placed bonds for special assessment projects. The purpose is to interact more favorably to the marketplace and reduce special assessment costs by reducing interest for residents.

### **Electronic Signature Confirmation**

The United States Postal Service provides electronic signature confirmation service in place of certified and restricted delivery. This service provides a printable electronic signature stored in a postal database. Use of this feature could save the City significant postal costs in large mailings such as environmental health notices, assessments, and condemnations. Under current State law, the City cannot make use of the cost-savings elements of this service. The City of Wichita supports an amendment to KSA 60-103, 60-304, and other statutes to allow such electronic confirmations to meet restricted mail requirements.

### **Historic Preservation**

The City of Wichita supports changes to the Historic Preservation Law to ensure careful review of actions that may impact historic properties. These changes would reduce environs review from 500 ft to 250 ft., provide legal notification to property owners of the 250 ft environs area, and require environs reviews for demolition, infill construction, signage, and major additions. (Major additions are those that are more than half the footprint of the original structure.)

### **Sales Taxes**

The City of Wichita continues to support the ability of locally elected officials and their citizens to determine local sales and use taxes and their rates. In addition, the State sales tax should be applied to local communities and local government operations in a fair, practical, and nondiscriminatory manner. The City of Wichita supports continuation of laws allowing cities to effectively utilize sales taxes for STAR bonds in order to promote economic development. The City of Wichita supports changes to State sales tax policies in several areas:

- **Sales Tax Exemption for Railroad Corridor Project**

Although the City of Wichita is generally exempt from paying sales tax on City capital construction projects, the City will have to pay sales tax on the Central Rail Corridor project, according to a Department of Revenue ruling. This would amount to “re-circulation” of \$2 Million to \$3 Million (on the \$67 Million project) in tax dollars. The City of Wichita supports the clarification of the Sales Tax law to exempt this project from sales taxes.

- **Water Sales Tax Exemption Procedures**

Because transactions of the Water Utility are subject to retailer’s sales tax, the City of Wichita has determined the portions of citywide purchases that are attributable to the Water Utility, such as the percentage of electricity used in City Hall. Prior to 1996, there was 100% exemption for electricity used at City Hall, but this was changed to 98% based upon the 2% use of the building area by the Water Utility. In 2004 the Kansas Department of Revenue shifted the burden of allocation of usage and now is imposing upon the City a significant degree of expense and administrative effort. The practical result is that all electricity purchased for City Hall is subject to sales tax. The City of Wichita supports legislation to allow sales tax exemptions to be maintained when it is obvious that a portion of the usage is exempt.

- **Streamlined Sales Tax Implementation**

The City of Wichita supports development and growth of electronic commerce over the Internet, but not at the expense of Main Street businesses and local government revenues. Continued exemption of all Internet transactions from the sales tax will have a dramatic impact on state and local sales tax structures. State and local sales taxes should apply to Internet sales the same as they do to traditional business transactions. Any federal Internet tax legislation should not preempt state and local sales tax authority. Local sales tax should be included in any formula developed to collect sales tax on Internet, mail order and other remote sales. A number of changes have already been made related to this topic, including a controversial destination-sourcing rule. It is important we monitor and have input to make sure local government is not left out.

- **Local Sales Tax Uniformity.**

The City of Wichita intends to monitor any legislative evaluation of the current status of local sales tax statutes with respect to uniformity and home rule power of cities and counties. The evaluation may determine whether uniformity should be assured or reestablished in the wake of multi-state streamlined sales tax simplification efforts.

### **Clean Drinking Water Fee**

The City of Wichita supports the amendment and clarification of the statutory provisions establishing this fee on water service. The Water Utility has not been able to use offsetting tax exemptions under this law because of the condition that the fee cannot be passed on to utility customers. To address the problem for Water Utility, the City of Wichita supports a clarification in the statutes on Clean Drinking Water Fee, to allow the fee to be passed on in the rate base.

### **Alcohol Regulation**

The City of Wichita supports the authority of cities to license and regulate alcoholic liquor and cereal malt beverage retailers and establishment.

### **State Funding for Libraries**

The City of Wichita supports continued State funding for local public libraries. The Wichita Public Library, along with all other public libraries in Kansas, relies on state funding to help offset the cost of delivering service to residents from outside our local taxing districts. Approximately 15% of the active customer base of the Wichita Public Library resides outside our city limits. These customers receive all of the same programs, activities and services enjoyed by Wichita residents, but contribute to the operational revenues of our library only through the funding received from state contracts and grants. Wichita currently receives approximately \$450,000 per year from state funds: \$250,000 in state grants-in-aid (population based); \$100,000 from the interlibrary loan development grant program (restricted for cooperative materials purchases); and \$100,000 to delivery library service to blind and physically handicapped residents of Sedgwick County and fifteen counties in Southeast Kansas. This equates to 7% of the department's 2004 revised general fund budget.

### **Chemical Reaction Bombs and Hoax Explosive Devices**

The City of Wichita supports criminalizing of the building and placing fake explosive devices with the intent to cause fear, panic, or disruption. The purpose is to cover chemical reaction devices under the current statute for Criminal Use of Explosives

### **Funding for Comprehensive Transportation Program (CTP)**

The City of Wichita supports the continued funding of the CTP and opposes future reductions in funding for public transportation. The CTP was enacted in 1999 to meet the ever-growing needs of all transportation modes in Kansas, including public transportation. Projects accomplished by CTP funds have been extremely critical to the success of public transportation in Wichita, particularly for the senior and disabled community. Since 2003, there has been a continued decrease in the allocation to this program.

### **Housing Trust Fund.**

The City of Wichita supports the establishment of a permanent source of funding for housing for very low-income persons and the homeless. Such efforts could be funded through the Housing Trust Fund from new revenue sources.

### **Mortgage Revenue Bonds**

The City of Wichita supports the efforts of Sedgwick County to continue its local administration of Mortgage Revenue Bonds (MRB's). The City opposes legislation and regulations that would issue MRB's statewide on a statewide rather than local basis.

### **Change in Franchise Fee Basis (Linear Foot vs. Percentage or Volume Basis)**

The City of Wichita supports a change in State law to allow the City the flexibility to base utilities' franchise fees on the linear feet of right-of-way they occupy, rather than solely as a percentage of gross receipts or on a volumetric basis. The change is needed to accommodate utilities, which will offer multiple services using a single network of infrastructure in the right-of-way. Examples include offering telephone service over the cable system or television programming over a telephone line. The franchise fee options under the current State franchise laws do not allow

sufficient flexibility to address these new services and could result in unnecessary fees for utilities (and their customers) whose infrastructure provides more than one type of service.

### **Expanded Gaming Options**

In the event the State approves expanded gaming, in any form, such as but not limited to casinos, Wichita citizens deserve and should be afforded the opportunity to vote on whether expanded gaming is appropriate in our community. The City of Wichita supports allowing the citizens to vote in a binding election on the question of whether or not expanded gaming should be allowed in Sedgwick County. Furthermore, any legislation that is enacted for expanding gaming must, at a minimum, provide sufficient revenue to the City of Wichita to offset the increased social costs to our community.

### **Domestic Violence**

The City of Wichita supports changes in the domestic violence statutes in an effort to make the law more effective and workable. The City of Wichita supports narrowing the definition of domestic battery to family members or those involved in intimate relationships. Deleting the reference to “persons who are presently living together or have resided together in the past” will strengthen enforcement efforts. Limiting the definition to people with intimate relationships and family members will allow law enforcement and court resources to concentrate on the most prevalent and troublesome cases of domestic violence.

### **Long-Range Revenue Structure Planning Group**

A task force is studying the tax and revenue structure of the state and will be making revenue projections into the future by five to ten years, develop governmental expenditure projections for the same time period, review potential revenue adjustment options and study State General Fund cash flow requirements. City of Wichita needs to monitor and minimize damage to local government finances.

### **Replacement Roofs**

The City of Wichita supports legislative efforts to allow homeowners to use certain alternative flame resistant roofing materials, even where restrictive covenants require wood shingles or wood shake roofs. The City supports these efforts as a matter of public policy for both fire safety and allowing consumers to benefit from potential insurance premium savings.

**2006 LEGISLATIVE SUMMARY  
CITY OF WICHITA**

May 2006

**LEGISLATION PASSED**

<b>SUBJECT</b>	<b>BILL #</b>	<b>DESCRIPTION</b>	<b>ACTIONS AND STRATEGIES</b>
Air Fares	SB 475 & Omnibus Appropriations Bill	<p>Establishes a State Affordable Airfare Fund. Annual grants of \$5 million to REAP, to be matched with 25% from local governments, to provide more air flight options and more competition for affordable air fares. Annual report to Legislature.</p> <p>The funding bill earmarks \$25 in the General Fund over the full 5 years, with \$5 million annually to be put into a fund managed by the Department of Commerce.</p> <p>(City legislative priority. Supported by City, County, Chamber, and local businesses.)</p>	<p>Work with Dept. of Commerce on necessary regulations for management of fund.</p> <p>Work with Interim Legislative Budget Committee which will annually review the REAP activities.</p> <p>Develop agreement with REAP on distribution and use of the funds.</p>
Eminent Domain	SB 323	<p>Restricting government authority to take private property for economic development purposes where there is a transfer to a third party, effective 7/1/2007. Economic development condemnation (including for blight remediation) is subject to approval by the Legislature and a recommended 200% FMV payment. Interim Legislative Session will study blight remediation and policy issues. (Opposed by City and League; successful in limiting its application to only Eco Devo projects.)</p>	<p>Participate in Interim Legislative hearings to emphasize the negative impact of the bill and the need for blight remediation authority; seek 2007 legislative amendments.</p>

<b>SUBJECT</b>	<b>BILL #</b>	<b>DESCRIPTION</b>	<b>ACTIONS AND STRATEGIES</b>
Machinery & Equipment Tax Exemption	HB 2883	Exempts new commercial and industrial machinery and equipment acquired after 6/30/2006 from property taxes. "Slider" provision reimburses counties for tax revenues loss at 90% for tax year 2007 (payment Feb. 2008) reducing yearly to 10% reimbursement for 2012. LAVTR payments to local governments will be reinstated July 2009. (The City sought complete reimbursement for local governments. Local business supported the exemption.)	The City should work aggressively on local economic development initiatives to help assure that projected new business development will offset tax loss.
Public Funds Deposits	SB 264	Allows local government more flexibility in choice of banks for deposit of idle funds. (Compromise bill between local governments and bankers.) (City legislative priority.)	A win for cities.
Criminal Street Gangs	SB 366	Defines and increases penalties for gang activity, including recruitment and intimidation, and increases bail to inhibit immediate return to the streets. Final version included in a bill with other criminal laws. (City legislative priority for WPD. Supported by local legislative delegation.)	WPD to work with District Attorney for vigorous enforcement and prosecution under the law.

SUBJECT	BILL #	DESCRIPTION	ACTIONS AND STRATEGIES
Video Franchising (Video Competition Act)	SB 449	Grants a statewide franchise to video service providers and preempts cities from franchising. Bill allows cable companies to modify local franchises to match the video service franchise when competition comes into the City. Such modifications will change the definition of gross receipts and reduce the revenue to the City and will require only two PEG access channels to be provided. (City and League opposed.)	Work with Cox Cable to explore ways to mitigate impacts on the City. (Will not directly impact City until a competitive video provider enters the local market.)
Concealed Weapons (Personal and Family Protection Act)	SB 418	Allows permitting and carrying of concealed weapons. Exceptions for many government buildings (including City Hall and libraries); other facilities can post signs prohibiting them. AG will issue permits after 1/1/2007. (City opposed preemption provisions and sought exemptions for City facilities.)	Review polices relative to weapons (concealed and unconcealed) in various City facilities. Revise City ordinances that have been preempted.
Sales Taxes (Uniformity in Sales Tax Act)	SB 55	Eliminates the various classes of cities and makes local sales tax legislation uniform (not subject to home rule). Increases sales tax authority for cities (3%). Makes excise tax law uniform (taking away home rule power to impose) but authorizes a local "seat tax" in city and county-owned facilities.	Does not impact current local sales taxes imposed Countywide.
Replacement Roofs	HB 2676	Allows use of fire resistant roofing in place of wood shingles when wood is required by covenants. (City legislative program. Recommended by fire officials. Supported by local legislator.)	A win for cities.

<b>SUBJECT</b>	<b>BILL #</b>	<b>DESCRIPTION</b>	<b>ACTIONS AND STRATEGIES</b>
Racial Profiling	SB 486	The Governor's Task Force on racial profiling is extended and directed to work with state and local law enforcement to review and recommend policies for implementation of previous legislation on racial profiling.	Review the role of the City in providing data and testimony to the Task Force.
Animal Cruelty (Scruffy's Law)	SB 408	Better defines and increases penalties for pet animal cruelty. Intentional and malicious injury is a felony for 1 <sup>st</sup> offense; multiple offenses of other provisions become felonies. (City testimony supported certain provisions.)	Revise City ordinances to reflect changes.
Sex Offender Registration and Housing (Miki's Law)	SB 506	Extensive provisions on registration and housing of sex offenders. Includes prohibition on transitional housing for violent sexual offenders residing within 2000 feet of places where children might be. Preempts certain local regulations until 7/1/2008. (City unsuccessfully sought to grandfather its existing and more effective local housing regulations.)	Evaluate the effect on City Alternative Correctional Housing and zoning regulations.
Municipal Court Docket Fees	HB 2122	Increases the docket fee paid to the State by \$10 on all municipal court cases, to fund the Kansas Law Enforcement Training Center and law officer certification. (City opposed the \$7.50 increase for KLETC as City does not use that training.)	
Contractor Education	SB 498	Allows cities to increase training and education requirements for electrical contractor licensing. (City supported.)	

<b>SUBJECT</b>	<b>BILL #</b>	<b>DESCRIPTION</b>	<b>ACTIONS AND STRATEGIES</b>
Utility Liens	HB 2592	Prohibits a municipal utility (water and sewer) from placing a lien on property for delinquent bills incurred by tenants. (City opposed a provision that would have limited utility deposits for new service – this was defeated.)	Ordinance and procedure changes
Library Funding	HB 2968	City is one of 5 sites to share the funding that adds \$265,000 from the State General Fund for Tutor.com (an online student help program) in FY 2007 and \$75,000 from the State General Fund for the Talking Books Service program in FY 07. (City legislative priority to continue State funding)	Continue to seek State funding to help offset costs of services to residents outside the City.
		<b>NO LEGISLATION PASSED</b>	
Gaming	No bill passed	(City policy supported allowing a local vote and sharing in revenue to offset social impacts.)	
Funeral Picketing	No bill passed	Would have restricted protests at funerals and memorial services. Failed to find language acceptable to both houses (City adopted resolution supporting SB 421)	
Municipal Golf Course Sales Tax	HB 2596	Would have imposed sales tax on green fees of City courses. (City opposed.)	
Annexation	No substantive changes	(City policy opposed any change in annexation law.)	

<b>SUBJECT</b>	<b>BILL #</b>	<b>DESCRIPTION</b>	<b>ACTIONS AND STRATEGIES</b>
KORA/KOMA	No substantive changes	A number of bills introduced and not passed.	
Municipal Court Collections	HB 2113	Would allow municipal courts the same authority as district courts to convert fines to civil judgments and to allow a city to recover collection fees. Never got hearing in the Senate. (City priority issue)	City can introduce again in 2007. Seek local delegation support.
Public Libraries	No substantive changes	Efforts to increase requirements related to the use of Internet filters and/or mandated rules for circulation of DVDs, videos and other visual media were unsuccessful. This retains local authority.	
Campaign Finance	Vetoed (SB 142)	Various election and campaign finance changes. Includes increase in individual contribution limits to candidates for office to \$750. No City position.	