

STATE OF KANSAS)
WYANDOTTE COUNTY)) SS
CITY OF KANSAS CITY, KS)

SPECIAL SESSION, THURSDAY, NOVEMBER 21, 2019

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Session, Thursday, November 21, 2019, with nine members present: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Townsend, Commissioner First District; McKiernan, Commissioner Second District; Kane, Commissioner Fifth District; Markley, Commissioner Sixth District; Walters, Commissioner Seventh District; Philbrook, Commissioner Eighth District; and Alvey, Mayor/CEO; presiding. Murguia, Commissioner Third District; and Johnson, Commissioner Fourth District; were absent. The following officials were also in attendance: Doug Bach, County Administrator; Ken Moore, Chief Legal Counsel; Bridgette Cobbins, Unified Government Clerk; Emerick Cross, Melissa Sieben, Alan Howze, Assistant County Administrators; Mike Taylor, Public Relations Director; and Officer Jay Doleshal, Sergeant-at-Arms.

Wyandotte County Legislative Delegation present: Representatives Pam Curtis, Kathy Wolfe-Moore, Tom Burroughs, Louis Ruiz, Stan Frownfelter; and Senator David Haley.

MAYOR ALVEY called the meeting to order.

Mayor Alvey said I want to thank everyone for being here tonight and I welcome our Wyandotte County Legislative Delegation. Thank you for being here.

ROLL CALL: Townsend, McKiernan, Kane, Markley, Walters, Philbrook, Bynum, Burroughs, Alvey.

NOTICE OF SPECIAL SESSION of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Thursday, November 21, 2019, at 5:00 p.m. in the 5th floor conference room of the Municipal Office Building for a Legislative Program/Dinner. Immediately following the 7:00 p.m. Commission meeting, the Commission will recess from the Commission Chambers to the 9th floor conference room for an executive session regarding the Administrator's review.

CONSENT TO MEETING of the governing body of Wyandotte County/Kansas City, Kansas, accepting service of the foregoing notice, waiving all and any irregularities in such service and in such notice, and consent and agree that we, the governing body, shall meet at the time and place therein specified and for the purpose therein stated.

Mayor Alvey said tonight we will have a presentation regarding the 2020 Unified Government's Legislative Program. I'll turn it over to Administrator Bach.

Doug Bach, County Administrator, said annually we try to reach out to our delegation at the State and have you come in so we can talk through a few of the ideas that we are proposing this year, our issues that we would like to take forward to the State. Mike Taylor will give a presentation of the different items and then we will open it to any kind of discussion or any other thing we would like to get into on the topics or if you have other ideas that maybe you think we should be looking at that maybe we don't have in our program.

Mike Taylor, Public Relations Director, said we will talk about the State issues first and then I want to hit a few quick things on the Federal agenda.



We will start with kind of a Legislative Landscape of what we're looking at going into the session. We do get reports that revenues are increasing for now, but shortfalls are predicted within the next two years and that's a little iffy depending if there is a recession or not a recession. The fact is, even though we're seeing increases in revenues, the state is still spending more money than it's

taking in, so that's going to create an issue that will have to be dealt with. The fact that revenues are showing an increase I think will continue to push by the majority party of legislators to want to cut taxes. That was a big issue last year and the Governor vetoed bills that would have done that. I think the Governor's view is we need to build up those revenues and fund services that have fallen short over a number of years so there will be a struggle over whether to cut taxes or leave them where they are.

Property Appraisal Reform will be a big issue and we will talk more about that in a minute. That is—I guess the colloquial phrase for that is the dark store theory although that's not exactly accurate, but that's kind of what it has been identified as. We will talk about that.

Medicaid Expansion; I was in a meeting in Topeka just yesterday and that is getting a big push. We think something will happen this year on Medicaid Expansion. Of course, it passed three years ago and then Governor Brownback vetoed it. The House passed a version last year, the Senate wouldn't take it up, now the Senate is looking at it. I got a briefing yesterday on the different options that the Senate is looking at and some of them are really not very desirable so we will be figuring out the big collations, working that, we will be figuring a strategy on how we address on how we address that.

Public Rights-of-Way will be a big fight. It started last year over expansion of 5G and the ability for us to control our own rights-of-way. We will talk more about that.

Sports Betting is getting some traction. States around us have approve that. Our legislator has been looking at it for more than a year since the Supreme Court ruling. I think we will see action on that.

Legalizing Medical Marijuana is likely to happen this year too. That's kind of a landscape of some of the big issues that we see.

Unified Government Priority Issues

• Property Appraisal Reform

The Unified Government supports appraisals based on fair market value as historically used in Kansas statute. State law should be changed to clearly indicate fair market value does not include a hypothetical lease fee.

- The Unified Government favors procedural changes to the tax appeals process that are balanced and sensible for both the taxpayer and local governments. State law should require the Board of Tax Appeals to adhere to the same rules, guidelines and accepted practices County Appraisers are required to follow. County governments should be allowed to appeal property tax decisions to District Court, the same as the taxpayer is allowed.

Our top priority issue, and I'm going to go through our Priority Issues, is the Property Appraisal Reform. We do support appraisals based on fair market value as historically used in Kansas statute and there is actually a definition of fair market value in the statute which basically says it is the price that a willing buyer will pay to a willing seller for that property. That's fair market value, so that's why our appraisers look at comparables, so if my house—if I sell it for \$200K, that's going to be the fair market value of that house because somebody willingly agreed to pay that for it.

The problem that we've seen is more with commercial properties and we would like to see a change in statute that says fair market value does not include hypothetical lease fee. That's the dark store theory. That's where someone, and it's happened in a number of cases to us and particularly in Johnson County as well, but it's starting to spread where a big box store, for example, will be valued at \$10M and they appeal to the Board of Tax Appeals and the Board of Tax Appeals says it's only worth \$3M. That has been a trend that is continuing and continuing. These tax representatives have made a case with the dark store theory and one thing to keep in mind with them is they are very entrepreneurial, but they work on a commission, so if they can get a whole bunch of big box stores or a chain to come in and get all of them to appeal their taxes and they get the taxes cut from \$100K to \$50K, that tax rep gets a cut of that. It's very profitable for them to do. They have no reason not to file it and for the company if they can get those taxes reduced, then why not. That's what we've been facing and it's a problem starting to spread all over the state.

We also favor procedural changes to the tax appeals process that are balanced and sensible. We believe State law should require the Board of Tax Appeals to adhere to the same rules, guidelines, and accepted practices that County Appraisers are required to follow. That's not

happening now with the Board of Tax Appeals. I will just kind of bluntly say they just kind of make up numbers and they don't follow any accepted appraisal practices and the dark store theory is not an accepted appraisal practice anywhere in any appraiser manual or book anywhere.

The other thing that was done a few years ago that we would like to see changed is we used to as a county government be able to appeal a decision to the District Court. Legislator prohibited us from doing that, but they do allow the taxpayer to still go to District Court in what became a binomial trial or with new facts. We believe we should be able to have the same rights as that taxpayer to appeal a case in the District Court.

Those are some changes that we are going to be promoting along with a number of other counties. We're not sure exactly of our strategy whether we will introduce legislation. We're still kind of debating that because that could backfire on us, but we also have heard rumors that the tax reps that are pushing the dark store may come to a legislature with their own bill and try to codify that theory into State law and actually put hypothetical lease fee language into the statute which would undermine what traditionally has been fair market value. That's going to be a big fight.

Commissioner Philbrook said you might want to share with them what the major conversation was down at the Kansas Association of Counties that basically that was what took up most of the time for a full hour almost about how the whole state of Kansas is going to deal with this because when you get out into the rural areas, you have the one big box store, Walmart. Then that is going to rip out from underneath all those little towns their tax base. The whole state is up in arms about it. They are really worried. **Mr. Taylor** said they are, and I've had meetings with—the League of Municipalities has adopted, not this exact language, but in principal, the same affect. I've talked to the school boards and I've also talked, just yesterday in fact, with the Association of Community Colleges because they were kind of missing this on their radar and they now understand that this is not just a county issue, it undermines everybody's tax base; the states, community colleges, public schools, so it's really a threat to our entire tax base and the revenues we used to pay for all the services people want. This is going to be a real hot issue and it has been building and kind of boiling over the past couple of years and we think this year we will see some real action on that.

The other thing I will point out that is also part of our strategy which is not legislative, but two members of the Board of Tax Appeals their terms are expiring and Governor Kelly will get to appoint two new members come January. I know Mayor Alvey and other Mayors have met

with her to discuss this issue and kind of put it on her radar so it could be that changing the members of the Board of Tax Appeals could help in this problem as well.

Representative Kathy Wolfe-Moore asked if the legislature codified that, would the Board of Tax Appeals have—even if we get a more local government friendly people on there, would they be able to do anything about that if it was codified in to law. **Mayor Alvey** said that's interesting because currently they're not following accepted guidelines and practices of the County Appraisers—you would assume that when you move to the state level, you would follow the same processes and guidelines that the County Appraiser so they would be consistent, fair and equitable, but they're not doing that, so the problem is with the Board of Tax Appeals. Then should there be legislation which would codify it, would they be free, they could be because they already are violating. I would think they would be under some kind of need to follow just to be consistent.

The problem with this is, just so people understand, is if these things continue to go through the Board of Tax Appeals and the assessment on commercial buildings like Walmart, CVS and Walgreen's continues to follow the hypothetical lease fee, we're not going to get those taxes. That burden is going to shift to every other taxing—anybody else's tax, so it's going to shift now to residents. We will still have to get the revenues necessary to run our operations. We're just going to have to shift the burden to manufacturers, but the manufacturers will simply employ the attorneys as well. They will follow the same process because they will have the moneys and funds to hire these attorneys and the process will continue. The only ones who won't be able to access this will be residents frankly and small businesses.

Ken Moore, Chief Legal Counsel, said the other issue though, if this was incorporated into a statutory change, that would kind of change the framework of any appeal if we appeal a Board of Tax Appeals decision because right now they have some discretion in how they make that determination and they can use this theory. If it's prohibited in the statutes, then our bases on the appeal would be a lot different.

Mr. Taylor said to follow up on the Mayor's point, there is concern that if the big box stores keep having success with this, other businesses, small mom and pop's could start looking at this. Manufacturer's could start looking at this. I'm quite honestly surprised that some of the big

grocery store chains haven't picked up on this. Quite honestly, and this is a bit of a hyperbole example, but you know I have a four-bedroom house, but there is only two of us, so why should I pay full tax value on those two bedrooms I don't use, so I could use dark house theory. That's probably not likely to happen, but if you carry this out far enough, why not try it.

Unified Government Priority Issues

• Medicaid Expansion

The Unified Government supports the expansion of Kansas Medicaid program which will improve access to care for those most vulnerable in Wyandotte County. It is estimated that expansion would provide insurance for 10,131 uninsured Wyandotte County residents, bring \$67.8-million in new annual healthcare spending to Wyandotte County and create hundreds of new healthcare jobs.

The next issue Medicaid Expansion which has been a priority issue for us for five years now, we are continuing to support that, and like I said in my opening remarks, it depends on what kind of version of this bill we see. The Senate version, which is coming from Majority Leader Jim Denning, Senator Denning, two of his options would only allow—under the law under the Affordable Care Act, what most states have done is poverty level up to 138%. His two options say only up to 100% and he would ask under that version—would ask the federal government then for a waiver that would say we only want to cover people up to 100% of poverty, but we still want you to fund—the federal government 90% of the cost. The federal government is not likely to do that and they're not doing it anywhere else, so we think that's a bit of an obstruction to sort of a proposal. We think, and when I say we, I think us and this coalition, broad coalition of organizations that are working on Medicaid Expansion, would support 138%, make it clean, make it simple, quite throwing blockades in the way like work requirements.

The other thing that's in Senator Denning's proposal includes is a lockout provision, so you would have to pay a premium of up to 5%, which again, violates some of the federal mandates that are out there or guidelines that are out there. So, that would be for a family of four with poverty guidelines of 100% would be \$50 a month. Under the provision that's in the proposal now, if you miss two months of that premium, you would be locked out of Medicare for six months,

so you would be on the program, off the program, maybe never get back on it. If you're in the midst of getting treatment for a disease, you would suddenly be locked out of getting coverage for that and so we don't think that's very workable. We're just going to have to work through all these details and see, but at least we've got the traditional opposition over the years saying we're willing to talk about it, so we will see how seriously that happens.

I want to stress for us that Expansion, we estimate would provide insurance coverage or the bill to get insurance for an additional 10,000 Wyandotte County residents, we think it would bring almost \$68M in annual new healthcare spending and it would create hundreds of new healthcare jobs. Healthcare is a major industry for Wyandotte County and keep in mind, KU Hospital and Providence are writing off tens of millions of dollars a year in uncompensated care because these citizens are being treated but they're not able to get the Medicaid. So, big issue, we're hoping that will get it accomplished this year.

Unified Government Priority Issues

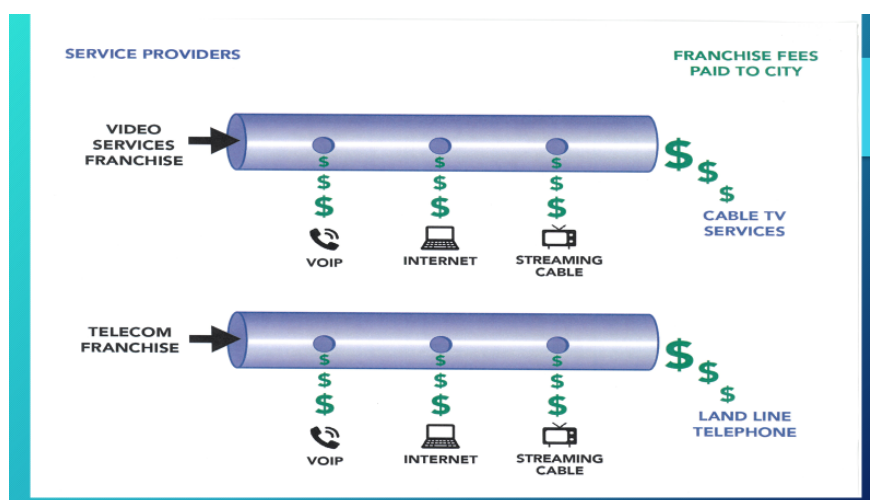
• Public Right-of-Way

Cities must maintain their ability to regulate the public right-of-way and recover reasonable compensation for use of the right-of-way. Kansas policy should not be dictated by overreaching federal mandates. The Unified Government opposes efforts to codify in State law Federal directives limiting the power of cities.

Public Right-of-Way; this fight started, and it involves federal government mandates as well. This has to do with using our public right-of-way, land that we are stewards of that's owned by the public that we feel we should have a right to control; where you can put those pipes and those wires and those poles and what's really been pushing this is the expansion of 5G broadband with these little boxes that they have to put in. Unlike the big phone towers with 5G, these transmitter boxes which are about like this, have to go every 1,500 ft. so you can see these things hanging from every pole eventually. Now the cable companies have expanded into mobile phone, cell phone service, and we saw cases last year where the Cox Communication which is the city of Wichita's primary cable provider, wanted to start hanging boxes off the wires in-between the two

poles so here comes the wire and they wanted to be hanging these boxes off—without any regulation, without having to get permits and so we’re watching that very closely. We’re going to see that bill again this year.

The federal government meanwhile through the FCC has issued some guidelines and we would—I’m recommending that we would oppose codifying those into state law and we’re going to see a move to do that.



There is an illustration because it’s a complex issue. Here’s kind of what we’re talking about. On the top pipe, a conduit, you see video services, cable TV, streaming, Netflix, that kind of thing. So, already we have franchises for cable TV service so that money comes through and comes out the end, but voice over internet prodigal phone service, internet service, streaming cable; we’re not able to get the franchise fees on that so it’s falling out of the pipe. With Telecom, it’s kind of the same thing, so basically what we will end up being able to do is collect franchise fee only on cable TV and landline phone service. Landline phone service is going away, and cable TV is becoming less and less because people are streaming now more. It is a threat to a revenue source that we’ve traditionally considered that’s another aspect of this.

The argument that the cable folks make, kind of the analogy we used is, with adding the 5G and not having to pay for adding these boxes or using the right-of-way for that is it would be kind of like if I went to the Legend’s movie theatre and I paid to see the 7:00 movie, but then I’m like I’ve already paid to see the 7:00, I want to see the 10:00 show too, but I shouldn’t have to buy another ticket, I should just be able to walk down the hall and go into the other theatre and watch that movie for free. Well, no, it shouldn’t work that way, but our argument is that 5G service is

an entirely different service, a new service, and you should have to pay some kind of compensation for using our right-of-way for that as well. So, that's going to be that issue and I think that will be a big fight because they will be very well funded.

Unified Government Priority Issues

• **STAR Bonds and Economic Development**

STAR Bonds have proven to be one of the most effective economic development and job creation tools in the State of Kansas. The Unified Government encourages the Kansas Legislature to continue a workable STAR Bond policy with maximum flexibility and without unnecessary restrictions. The Unified Government encourages the Kansas Legislature to work with local governments in developing innovative economic development tools.

STAR Bonds; the five-year approval of STAR Bonds that was done expires this year so we have to get the STAR Bond legislation renewed or STAR Bonds will go away. I think there will be some opposition to renewing STAR Bonds from some folks. Most people would want to renew STAR Bonds and I think they will probably renewed. Our concern is, as the language says in the lower part, is that we want to make sure that whatever STAR Bond legislation, the new policy remains flexible and does not include unnecessary restrictions. There are some, particularly on the Senate side, in the Commerce Committee that are proposed changes to STAR Bonds that would make them unusable or very difficult to use. While they might approve them again, they might be so difficult and burdensome that we wouldn't really be able to use them, so we want to make sure what gets passed is still workable.

We also threw in here on economic development that last line, we encourage the legislature to work with local governments in developing innovative economic development tools. I mean local governments are where that economic growth is really happening in partnership with the state of course, but we want to make sure that remains possible and easy to do and maybe some new innovative tools.

Unified Government Priority Issues

• Internet Sales Tax Collections

The Unified Government supports State legislation establishing a program to collect State and Local sales tax from in-state purchasers. Remitted taxes should be distributed using existing methods for State and Local governments.

In order to ensure a fair playing field between Main Street businesses and online businesses, sales tax should be levied on digital goods transactions including print, audio, video, software, games and streaming services that provide those digital goods.

Internet Sales Tax Collections; the Supreme Court cleared the way for this with the Wayfair decision. The state does not have legislation yet that actually explains how we're going to do that and so we're just simply, and this has been our program for years, we think as a matter of fairness to Main Street businesses that as more and more people buy over the internet all kind of services, that sales tax should be paid on those. The Supreme Court has said that can happen, so now it's a matter of figuring out exactly how that happens, and part of that debate will be origin-based versus destination-based. There is some legislation that has been introduced. The KCK Chamber has been pushing this for a couple of years, the State Chamber has and here's the difference, and I will use one of our own stores, Nebraska Furniture Mart. If I have a pickup truck and I drive to Nebraska Furniture Mart and buy a 50" big screen TV and can put it in the back of my pickup, the sales tax that I pay on that TV stays here in KCK. If I have a small little car like a Prius and I can't get it home and Nebraska Furniture Mart delivers it to my home in Prairie Village, the sales tax goes to Prairie Village. That's destination-based.

The way that's also working with the internet is a small business here in KCK if they're doing business around the country, would have to know thousands of different sales tax codes and figure out what is the sales tax code for that particular city or that neighborhood of that city that I'm selling in. That's going to be, I think, part of this discussion and quite honestly if we went back to an origin-based, it would be beneficial to us because all the sales, for example, from Village West would stay here regardless of whether it was delivered or taken and picked up. That's going to be the issue there plus now with more downloading we've included the digital goods. People are subscribing to the newspaper digitally, audio, streaming, downloading your music, video, games; those all cost, and we think sales tax should be paid and collected on those as well.

Unified Government Priority Issues

• **Marijuana Legalization**

If the Kansas Legislature chooses to legalize the sale and use of marijuana, local governments must be allowed to collect local sales taxes and levy their own excise fees on those sales. Cities should have the ability to opt-in to allowing dispensaries within their city limits.

I would predict that medical marijuana will be legalized this year in Kansas. All of our surrounding states have approved it in one form or another. We have said if the state chooses to do that, we're leaving that to the state decision, I think the recommended language, and this was in last year too, was that local governments should be allowed, because there will be sales tax on it, we should be allowed to collect our local sales tax on those sales and that we should also have the ability to opt-in or out of through our planning whether we want to have dispensaries in our city. We don't believe that the state should mandate that to us, so it would be a local decision, do we want to have those growing facilities, or those dispensaries located in KCK or do we not and it would be decided through our local processes through local ordinance.

Unified Government Priority Issues

• **Expanded Gaming/Sports Betting**

The Unified Government supports the legalization of betting on sporting events.

Local governments should receive a share of the revenues generated by expanded gaming.

Sports Betting, yes we supported this for a couple of years and it's kind of gotten into a big fight over exactly how it gets implemented. There is strong support for implementing it. It's just a

matter of exactly how you do it and who gets all the money. Our position is that if they do that, we should receive a share of the revenues generated by expanded gaming, the same as we do from the casino or would from any other kind of gaming facility that opens.

Unified Government Priority Issues

• Mental Health and Jails

The Unified Government supports allocating additional resources for behavioral health programs. Funds should be allocated for community mental health centers and additional bed space for psychiatric patients to reduce the number of people with behavioral or substance abuse issues who are inappropriately incarcerated in county jails.

This one is a new one that Association of Counties, the League of Municipalities, and the Mental Community Health Associations are all pushing as well as our own Health Department, allocating for additional resources, new money, for behavioral health programs and allocating those funds for, and we're talking about state dollars, for community mental health centers and additional bed space for psychiatric patients to reduce the number of people with behavioral or substance abuse issues who are inappropriately incarcerated in county jails. There are a lot of people at our county jail, and county jails all over the state, that really shouldn't be there but there is no where else for them to go because there aren't enough treatment facilities or psychiatric beds. The state has really cutback on that funding over a number of years and so we would support that large group effort to advocate for more funding.

2020 Legislative Issues

• Expedited Partner Therapy

The Unified Government supports legislation explicitly allowing and providing guidelines for Expedited Partner Therapy in the case of sexually transmitted infections.

EPT is the clinical practice of treating sex partners of patients diagnosed with chlamydia by providing prescriptions or medications to the patient to take to their partner without a health care provider first examining the partner.

Kansas is one of only six states which do not explicitly allow EPT.

This is one the Health Department asked for and it particularly hits us because of our high rate of sexually transmitted diseases in Wyandotte County. Kansas is only one of six states which does not have what's called Expedited Partner Therapy. What that really is, if someone comes to our Health Department and is diagnosed with a sexually transmittal disease, we cannot issue them the antibiotics to take home to their partner and most states are allowed to do that. Our Health Department would like in statute make it clear because you can treat that patient that came to the Health Department, but if they go home and their sexual partner isn't being treated, you haven't really cured anything. It's just going to continue the disease, so they would like to have specific legislation that would say yes, it's okay for you—without having to have a doctor do it, the Health Department could just say here take these antibiotics home to your partner and have them start taking it. That's a health issue that—it would be a big deal for Wyandotte County because of our high rate of sexually transmitted diseases, which by the way, are spreading all over the state.

Representative Louis Ruiz said you see that as a major issue. What about the onus on the person who has a partner with the sexually transmitted disease, where does the individuality and the ownership of that come in at? You know more than being a provider people will ask for other things to be able to take home medications we usually prescribe. I think what's going to happen is we're going to be opening a slippery slope along those lines for medications to be dispensed if somebody is not present. How do you document that they do have a partner? They could be a random—you know, go around and have a bunch of partners, then what do you do, how do you determine? That would be my question.

Mr. Taylor said I would say that I think the Health Department would have to develop those procedures and I think they already have ideas on how to do that. What we're talking about, quite honestly, is antibiotics. It's not like oxycontin or some kind of drug—**Representative Ruiz** said it is now but there are certain things that you look as providers need to be—to a certain level antibiotics can lose their effectiveness after their saturation. I think it needs to be discussed more.

Mr. Bach said I might add too, we've had some discussion with this with our Health Department Director because it's one they feel very strong about. It's not like we would be reinventing the wheel with all this. I think 44 of the 50 states already allow this today, so there's a program out there that has been established in other areas. I've not heard where it has become a major problem with issuing out the additional antibiotics, antibiotics go to them where then the partners not able to. What we do know for certain is it is a continuing cycle in our community with the transmitted diseases, so we know that's a major problem for us now.

2020 Legislative Issues

• T21 Policy

The Unified Government supports raising the age of legal access for the sale of tobacco products to persons 21 years of age and older across the State of Kansas.

While all cities in Wyandotte County now have T21 ordinances, the passing of a statewide T21 law would allow for greater coordination and strengthening of enforcement.

Mr. Taylor said another health issue, and this was a request of the Health Department, to put in and it will be a large group coalition; there will be legislation introduced to make the Tobacco 21, T21, and by the way KCK Unified Government was the first in the state to adopt that some years ago that if you're not 21 you can't buy tobacco or vaping products. We did that in conjunction on the very same day that Kansas City, MO adopted that. That was very well planned and coordinated so that we both adopted that measure on the same day. Since then Bonner and Edwardsville have adopted it. There will be an effort to make that statewide legislation and I'm suggesting that we would support that. That way the law—we don't always support uniform laws, it just makes sense that that comes from the state level. This law, by the way, was challenged by a businessowner in

the city of Topeka saying that the cities didn't have authority to do that. It went all the way to the State Supreme Court who ruled under our home rule authority that cities do in fact have the ability to adopt these kind of ordinances. That's one I put in the Priority section just simply because we know it's going to be legislation that's introduced and one that we will deal with.

Mayor Alvey said on that point, is there any movement that any of the legislators know to regulate the sell or marketing of flavored vaping to teens under 21? It came to me from our Board of Education from Janet Waugh. **Representative Wolfe-Moore** said I think that has advanced the possibility that we may have a tobacco tax also because of that. I think legislators are very well aware that especially some of the cases that have been in the media lately, so I think there is a fairly good possibility that something will be done to regulate that and additionally maybe raise the tax on all tobacco products to help. Raise it significantly to try to get people from starting that practice.

Senator David Haley asked does anyone know what Missouri, what their age is currently. Are they 21 now for the sale of tobacco? **Mr. Taylor** said I think they may—I'm not positive. I think they may be 18 still. I'm not positive on that. **Senator Haley** said I'm concerned. I certainly support T21. Hopefully, all will. **Mr. Taylor** said Kansas City, MO is 21. I'm not sure about the whole state of Missouri, just downtown Missouri.

Representative/Commissioner Burroughs said I believe that T21 issue is going to be tied, as Representative Moore stated, it's going to be tied to the tax issue dealing with the Transportation Plan too. They're going to tie all of those additional revenue sources together for a Transportation Plan which will include gas tax and a few other things associated to it which may put that—T21 we know how we feel about it here in Kansas City, Kansas that the move is to at least address the tobacco issue. When you start putting the tax on it where those revenues will be designated to go will be the conundrum as to what kind of support the issue gains from the full legislative body. **Mr. Taylor** said I agree, and I know that one of the proposals on Medicaid Expansion that Senator Denning has put out includes as part of the way to pay for that expansion is an increase in tobacco tax and he would have that revenue go towards help to offset the cost of Medicaid Expansion.

Commissioner Kane said I just pulled a McKiernan. There are five Missouri cities; Columbia, Kansas City, Independence, Gladstone, and Grandview that has adopted an ordinance.



2020 Legislative Issues

- **Municipal Utilities**
The Unified Government supports the ability of cities to operate municipal electric, water, sewer, storm water, solid waste, telecommunications and broadband services.

We further support the ability of cities to set and control the rates of municipal utilities.

The Unified Government supports continued local control over power supply decisions.

Mr. Taylor said I put in Municipal Utilities because there is a huge study going on right now, a rate study, of all utilities in the state of both, private utilities, municipal utilities, and we were included in this because we're one of the larger municipal utilities. They're looking at where rates are, where they fall in the region and we wanted to reinforce the fact, and we're in conjunction with the League of Municipalities on this, but we support the ability of cities to set and control the rates of municipal utilities. We're concerned that as this study comes back and they look at where rates are from what is now Evergy and some of the other, Sunflower out west which is private utilities, there could be some effort, and we've seen that effort in the past, to put municipal utilities like BPU under the control of KCC or try to dictate rates. This has been in our program. I just pulled it up a little higher because we know that legislation is underway to make sure that we can still at the local level deal with that locally, under local control for our BPU, so that's why that's there.

Senator Haley said I appreciate this. I've had a little interest in the BPU recently and will continue to. The KCC or the Kansas Corporation Commission can set some opinions that I think our city might look at by way of comparison as we look at the rate study which will be held. We hope that part of this agenda would be to hold the line on an imbalance of different fees whether they are soon to come stormwater fees, which many of our small businesses and our ratepayers, to a lesser extent will feel. That part of the policies that come out of this as it pertains to the BPU is to look

at what opinions have been promulgated for other utilities though they may not be municipal utilities and to place those as a priority for easing what some consider to be a burden for our monthly electric and water bills from our jewel of a municipality. I certainly will be one of those continuing to try and see the KCC or Kansas Corporation Commission opinions that could relate or might relate to our constituency though a municipal utility might somehow be applied.

I also should say that there will be pending legislation to look at what percentage of Unified Government charges of those line items from the PILOT and other entities, waste, stormwater, what percentage of the overall bill can that be on every monthly bill, what percentage of UG charges will be on the utility bill would be something I would hope the UG could look at a cap. It's supposed to be 15% for the PILOT, but the cumulative could be so much more. I just hope the spirit comes out from around this table and actually among our mutual constituencies that we've got to find a way to balance the scales a little bit for the benefit of the public and our small businesses when it comes to our Board of Public Utilities which in many peoples eyes have gotten away from the public service.

Mayor Alvey said I would suggest that the methodology—you know trying to do this from the state level really is inconsistent with, again, one of our hopes, one of our legislative priorities is to allow local control over our taxes, our revenues, and to continually have legislators, governors, whomever, control those kind of decisions that the local government has to make, we have oversight over those decisions. That's what our elections are for, so I would strongly oppose any attempt for the state to control rates or even the proportion of fees. What it should be as a percentage of the bill, frankly, I think that's not workable.

Representative Pam Curtis said I was just going to say from maybe more of a birds eye view, but I was recently in Lawrence to participate in the Kansas Department of Commerce workshop for their new Strat Plan they're putting, and high utility rates was like a big issue as far as like that is a huge detriment to economic development in our state. On the chart that they had it showed Wyandotte County as having very high rates but it's really hard to do that comparison, so that always puts you in an awkward position trying to defend that perhaps our rates aren't as high as what some of the private utilities are. I was just going to point that out that is a huge issue across the state and a real detriment to economic development and it would be great if we could have

some comparison or some way to compare our local rates to what others are paying. **Mr. Taylor** said I think, Representative, that's the point of this larger study that's going on at the state level. I think all of this position is we just wanted to reinforce, as the Mayor said, local control. We believe we should keep local control over our local utility and not have the state mandating things to us.

Unified Government Priority Issues

• Budget Timeline

The Unified Government supports legislation to allow the adoption of local government budgets by November 30, but keep the August 25 deadline for certification of the amount of ad valorem tax revenue needed.

Mr. Taylor said there's one more thing we've tried, and we may get a little closer this year, this is one I know our Chief Financial Officer and Budget Director would appreciate. This has to do with when we actually have to certify and approve the budget. We would support along with a number of other cities, in fact, all cities legislation to allow adoption of local government budgets by November 30th. We would keep the August 25th deadline for certification of the amount of ad valorem tax revenue needed but right now we have to work those budgets in July, approve them by early August. This would allow us to identify the revenues but then we could have those extra months to actually do budget workshops and figure out within that confines how we want to spend that money. It would give us a little more time, perhaps thoughtfully, to actually assemble the budget then and we worked this out, quite honestly, in conjunction with the Clerks because they felt like in many counties, most counties, they actually oversee elections, they've got to get tax notices out and they said we can't deal with all of this. This would give us more time as you the governing body to actually put together a budget and not impose on them those extra hardships.

2020 Legislative Issues

Questions?

Discussions

Before I get into this, I want to mention a couple other things. Some interesting developments. The Governor had assembled a Tax Counsel made up of a number of citizens, private, former legislators around the state. In fact, our former County Administrator Dennis Hays is serving on that Counsel. They have been looking at a comprehensive view of the tax base in Kansas and are expected the week after Thanksgiving to meet again and make a couple of recommendations, preliminary recommendations, to the 2020 Legislature. They will then continue to meet throughout 2020 and recommend some final decisions for the 2021 session.

The interesting point I wanted to make was the other day one of the members, one of the Chairs of that committee, former Senate President Steve Morris raised an interesting point and he said that he thinks that the legislature should seriously look at restarting the LAVTR, the Local Ad Valorem Tax Reduction, funding which was stopped in 2003. It was revenue sharing that was negotiated between cities, counties, and the state way back 50+ years ago. Just a little history on that, cities gave up a lot of taxing authority on sales taxes in order to make that simpler and for the state to do it in exchange for sharing that revenue back with us. Well, the state given the financial situation they were in in '03 stopped that and so it has been 16 years since we received that funding. I researched this and this year had that still been in place Wyandotte County, KCK, the Unified Government would have received \$2.6M in revenue sharing. Cities and counties combined since that stopped has lost over \$2B, \$2B in revenue over those 16 years. The whole point of the LAVTR is to help reduce property taxes, keep the mill levy down by providing that shared sales tax revenue.

I just mention it and it's something I'm keeping an eye on and I'm not terribly optimistic that it will get restarted because it would require the state to actually come up with the money to fund it but it was an interesting discussion and so we will keep an eye on that.

I don't want to get into a lot of detail on the federal agenda but it's largely the same as last year.

Mayor Alvey said before you move on, I just have a couple of things. First off, is there any movement at all to restore prevailing wage? **Representative Curtis** said unfortunately I've tried for six years, but I do have a bill that is still alive and if I can get a hearing on it, hopefully, we can get some momentum going but that has been a challenge. I would have had it out of committee if the Speaker wouldn't have called my seatmate right next to me during the committee and asked him to vote against it and he had voted for it three times, so anyway, it's a challenge, I'll keep trying and I know the delegation as a whole supports that and we've all advocated for it.

Mayor Alvey said one other point, under Energy & Environmental Mandates, the statement is, and I think we ought to amend this before we actually adopt and we come to vote, the Unified Government opposes federal and state mandates which regulates the operations of municipal electric, water, solid waste, stormwater, communications and broadband utility services. I think that's an overstatement. I don't think we oppose all federal regulation or state regulation of our operations. I think that's kind of a fruitless statement. Now, at the same time any mandates imposed on city's should come with adequate funding to address the mandate. I think that's also kind of an overshoot. I think, obviously, one of the reasons why utility rates are where they are is because the environmental mandates that have come down in the last 10 years and that was passed on to customers. I just think that first statement is certainly an overstatement.

Commissioner Kane said I just want to support the part about the casino gaming. The Unified Government supports legislation measures which assist The Woodland's in reopening as a gaming facility so as long as the owners make a good faith effort to work the Unified Government development of The Woodlands. I think that's huge.

Mike, I don't see the food sales tax on here anywhere. **Mr. Taylor** said you don't see it because I didn't put it in here. I can certainly add that. I was viewing that as really an issue for the state. I mean I would be happy to put in something that says we would support a reduction in the food sales tax. **Commissioner Kane** said one of the biggest complaints I get is food sales tax,

so I think we should add it on there. **Mr. Taylor** said if there is consensus to do that, I would be happy to do that.

Commissioner Bynum asked is it Missouri that has eliminated the state portion of their food sales tax, but you still pay a small portion. I would be in favor of removing the state portion of the food sales tax.

Representative/Commissioner Burroughs said I want to talk about the Tax Lid issue. It has kind of slid down as a priority. It's still something out there to be discussed by local government. The other issue, Mike, you talked about the LAVTR. I did introduce a bill last year to put \$40M back into the formula to that revenue sharing and the numbers you quoted are pretty accurate having read through the study this last session prior to introducing the bill. My understanding is the Governor is even looking at the LAVTR issue, so I do hope that revenue sharing starts coming back to the cities. When we were in dire straits on the state side, those dollars were captured and were never reimplemented, and as you stated, \$2B is a lot of money to withhold from local governments which affects all the programs and services that we want to provide as a city. I appreciate you bringing that up, but there is a bill out there for \$40M into the formula as a starting point.

The other one was the Tax Lid. Do we know if that is going to be discussed? Are we going to find remedies or dealing with the Tax Lid again this session in reference—**Mr. Taylor** said we're always making that effort and, of course, our baseline position is that we want it repealed. We don't see that happening so we've proposed to the League and the Association of Counties and we've supported to this some other exceptions that would make it perhaps a little more—a little easier to work with. One of them that we supported last year and actually got a hearing is a five-year lookback. The way that would work, and it didn't advance out of committee although we had a pretty good hearing on it, so, the way that would work if we lowered as we have done our mill levy and suddenly an economic disaster hits, a recession again, we would be able to raise the mill levy back to that level, the highest level in the five years, without having to have an election. That's why it's called the five-year lookback. We would lower the mill levy and suddenly another recession or depression hits, we would be able to increase that mill levy without having to go to a public vote as long as we didn't exceed that highest point.

We got some favorable comments on that although the committee did not pass it out of committee, but I think we may see that effort again. I think there will be some work. We're finding now that most cities have figured out a way to make the Tax Lid work and so support to get rid of it is kind of weaning, quite honestly, and I think legislators have gotten used to it being there. Cities are figuring out how to deal with it, so while we would like to see it repealed I don't see a huge push but there's always still that legislation out there.

Mr. Taylor said I wanted to touch quickly on something in the federal agenda and as I said it's largely the same as last year which it's very detailed so I'm not going to go through all of this. A lot of it looks at funding opportunities mostly. I mean we're not going to influence policy on Capital Hill that much except through getting funding. There is a new development we just learned about this past week and it has to do with Surface Transportation Block Grants. The House Transportation Infrastructure Committee is looking at a proposal, and I will remind you that Representative Sharice Davids serves on that committee, but what this would do is it would make more dollars directly available to local governments instead of sending so much money through KDOT or the state agencies. In those local grants, you know, those are generally a passthrough through the State Department of Transportation. This could potentially increase the revenue directly to local government by 10-15%. We received \$13.2M in Block Grants in 2019. If you can imagine a 10-15% increase in that, and the proposal basically says, instead of passing that money to the state and then them sharing it back to you, we would send more of it directly to the local government. I recommend we be very supportive of that and we will stay in touch with Representative Davids and see if we can't help shepherd that along because it would be very beneficial to us.

Other than that, I'll just open it up for any other discussion that you all may have.

Representative Ruiz said several years back, and I know it's been an ongoing issue a concern of mine and other people, is our Wyandotte County infant mortality rate. We have been the top, which is said the statistic to be one or two with the highest infant mortality rates in the state. Do we know where we're at on that? **Mayor Alvey** said we're still there. **Mr. Taylor** said we did add, I don't know the numbers Representative, but we did at the request of the Health Department, add a proposal and it's on page 8 of the federal agenda that you have. There is an issue about

infant mortality supporting the Mothers Offspring Mortality Morbidity Awareness Act, it's HR 1897 or called the MOMMA Act. It's funding for various programs to help that. We're recommending that we support HR 4768 which would double the Maternal Infant Early Child Home Visiting Program from \$400M to \$800M nationally over two years so we would presumably get a bigger share of that and it would allow our Health Department then to engage more footwork in the community to visit homes and help homes with pregnant women with small kids. We are supporting funding for those two programs because you're right, it is an issue here.

Senator Haley said I guess beyond the concerns with day in and day out expenses that our Wyandotte Countians have to live with, beyond the BPU, which clearly half of our constituencies are concerned may be disproportionately high in that ratepayers study will be coming out along with the add-ons and certainly I'll continue, as I mentioned, to try to raise those issues at the state level to find better balance in governance.

An additional concern that many people that I've spoken with and I hope we can look toward stemming the tide on has come from our neighbors in Missouri with the property tax valuation in Kansas City, MO and how that could disproportionately impact what they pay in their taxes, how it went from one year to the next. I know that we did have some of those issues that were addressed last year. We almost passed what was called the Golden Years bill. We were co-sponsors in the Senate that would give certain exemptions for property tax elevation to those who had lived in their primary and were of certain age for certain numbers of years, that there would only be a step increase and not a drastic one from one year to the next.

I guess my question is beyond the golden years which is incredibly popular among my constituents, many are longtime homeowners who beyond having to pay other bills like the BPU, the food sales tax, and other things that nickel and dime them and picks their pockets; they're concerned about the property tax increase, an overnight one, alarmed because of Kansas City, MO and what's happening over there with their appraisal. I would hope that the UG would support our efforts to continue to find some stopgap measures for drastic elevations in property taxes from one year to the next with property valuation.

Mr. Taylor said I remember that the Golden Years legislation was introduced, I think, primarily by Senator Holland. We did not oppose that at all. I think that there are some things that the state

has looked at also which is property tax circuit breakers that have actually been taken away or tax credits back to people who are renters even. There are some steps here that the legislature took away a few years ago that could be easily added back. One of the things I will say in terms of the appraisal process in Kansas, for better or worse, so much of it is dictated in the State Constitution so it's not easy, you can't just change it statutorily so that complicates things and given the constitutional language, if you put a cap on appraised values going up like a value can't go up more than X percent in a given year, it creates a real situation where you're going to possibly create an unconstitutional situation. There are things that can be done, and we would be glad to look at those obviously. From a legislature standpoint you have to be careful how you do it because it's in the Constitution. Some of those things I don't think we would oppose, and I don't think there's anything in our program that says we would oppose them.

Representative Curtis said Senator Pat Petty and I recently attended a meeting and an issue was brought up to us that we said we would bring forward at this meeting and that is the discretion on whether or not to check the box on U visas when you have a victim of crime who has come forward and reported a crime and is cooperating with law enforcement officials. When you have that situation, you want people to come forward and report crime. That's the only way we make our community safer and so several states have passed state legislation that removes the discretion on whether perhaps a local law enforcement looks that and says whether or not that is a solvable crime and makes that discretion or whether or not to check that box. It's an issue we were asked to look into. I've asked Legislative Research to look at what other states are doing and see how others are handling it, but we did promise we would bring that issue forward here, so I am doing that so that it's on your radar and that you're aware there is some concern in our community about that.

Representative Ruiz said another concern, the shootings that were on Central Avenue a while back, the violence in the cities, and one of the most violent city in Kansas is Topeka which has been ranked as one of the most violent cities in the country I believe and read the data on this. I've had some retired police officers come and talk to me, and also current police officers, Hispanic, Mexican-American or a liaison to a Latino community here in Wyandotte County, somebody that could reach out and maybe feel the pulse of what's going on. I think maybe that's paramount if we could take a look at that because we're seeing too many things happening and I don't even

know if the second gentleman, I won't call him a gentleman, has been apprehended that was in the shooting on Central Avenue. I think he's probably still on the run. I think we're losing communications just based on what we see. I don't know what our law enforcement officer population looks like for the Latino community.

I know expenses are always coming to discussions as far as what we can afford and what prioritization of our funds are. I feel very strongly about that being in the legislature and what I see around me and also discussions around the different parts of my community as what is the city doing to help protect—being more so protecting our Mexican-American Hispanic population when we see this type of situation happening around Central Avenue and different parts of our city. I'm just putting a bug in your ear that I would like to have further discussions on that and maybe see some data with our Latino law enforcement officers, what they're seeing out there and if we can maybe look at having a liaison specifically to the Latino Hispanic community in the future.

Representative Curtis said I just want to say thank you for hosting this every year. This is very helpful for us to have this dialogue particularly right at this time before we go back into session and it gives us a chance then to address some of the issues that you have, but it definitely helps to have this dialogue and to know all of you so that when we do get hot and heavy in the session and we need a quick answer, we know who to call and have relationships that we've built and it's just so very helpful. I just want to say thank you so much for doing this every year.

Representative Wolfe-Moore said ditto to what Representative Curtis said, but, Mike, will you make sure you keep us very well informed on the Property Appraisal Reform and any efforts that might be starting with the codifying of the hypothetical—that could just be so damaging to us. We could take step forward with maybe getting potentially some open-minded board members and then this could happen, so I think we have to be on our game on that one. **Mr. Taylor** said it is our top issue. We've got a number of other cities and counties and I said I always like to go in on an issue with a coalition which is why I met with the community college folks, the Association of School Boards and kind of put it on their radar because it affects all of us. If that kind of legislation does get introduced at least all those groups, all of us as a big group can come in together and oppose that. We're still working on a strategy of whether we want to introduce our own legislation and that's being weighed and a number of us sees some danger in doing that but we're definitely

keeping an eye out for legislation that might be introduced by that other side to codify that, so yes, I will keep you very well informed of that.

Representative/Commissioner Burroughs said, Mike, should you not want to introduce a bill because I could see what the damage could come from doing something like that, it might be well worth it to be prepared as to what you would put on the table should they, those in opposition, to us addressing this issue, come forward. It may serve us well to work with a coalition to insure that we're ready to go with those issues that we feel are important that we need to protect. That way if they throw something out, we're ready to respond right away instead of waiting and drafting a bill and let them pick us apart. **Mr. Taylor** said very good and I can send to all of you, certainly you in both your roles, but we've got a lot of information about some actual motive decisions that affect Wyandotte County. Also, a number of those cases from Johnson County of how that's reduced or potentially could reduce their owners. I would be glad to provide all that to you, so you've got some talking points in terms of here's a decision and here's what it did because some of them are just absurd quite honestly.

Commissioner Bynum said I wanted to speak to Representative Ruiz comment about concerns about infant mortality and it's still high, but I was able to look up through our Community Health Assessment that was undertaken the rates and overall in the county it's been able to decrease a tiny bit down from 8.3 per thousand to 7.9. Unfortunately, there is a huge disparity in the African-American community still experiencing 12.9 per thousand. There's a little tiny bit of good news in there and still some significant bad news, but what the Commission has done is adopted a Community Health Improvement Plan and it addresses issues across four priority areas one of which clearly is access to healthcare and within that is the Medicaid Expansion component. This is one of the reasons, just one of many reasons, why we remain so hopeful and so supportive of the efforts that you all are undertaking with regard to Medicaid Expansion. I thank you for asking that question. **Representative Ruiz** said thank you, Commissioner. We have been talking about this since Mayor Reardon and Kathleen Sebelius, Governor Sebelius, made us appoint of Blue Chip Commission to study this issue and some of the Blue Chippers are still around that could supply with more data and some of their causes that affect for our infant mortality rates being so

high. Maybe we can get together and discuss this later and find out who we can talk to. I appreciate you Commissioner.

Mayor Alvey said in interest of having enough time to eat and digest before our next meeting, we are adjourned.

**MAYOR ALVEY ADJOURNED
THE MEETING AT 6:07 p.m.**

dt

Bridgette D. Cobbins
Unified Government Clerk

November 21, 2019