



KACIR

Kansas Advisory Council on Intergovernmental Relations

2007
Annual
Report

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Statutory Charge and Membership

Statutory Charge (K.S.A. 12-4001 - 4008)

The 2002 Kansas Legislature created the 15-member Kansas Advisory Council on Intergovernmental Relations (KACIR). The Council has the duty to engage in continuous study of the services provided by the various types and levels of government within the state, the division of responsibility for providing and financing governmental services, possibilities of improving the organizational structure and operational efficiency of the various governmental units serving the citizens of the state; and the state and local tax structure and the revenue requirements and fiscal policies of the state and its local units of government.

The KACIR is required to give particular attention to modernization of the structure of Kansas local government, the impact of urbanization on the organization and functions of local government, the impact of technology on the organization and functions of local government, and the relationships between state and local governments.

In addition, the KACIR is required to make an annual report in writing to the Governor and Legislature.

Membership

The Governor appoints 11 of the 15 members:

- Two members shall be elected county officials of which, one shall be a member of a board of county commissioners
- Two members shall be elected city officials
- One member shall be an elected township official
- One member shall be an elected school board member
- Two members shall be executive branch officials
- Three members shall be private citizens

The remaining 4 members are as follows:

Two members of the Council shall be members of the Kansas Senate – one shall be appointed by the President of the Senate and one by the Senate Minority Leader.

Two members of the Council shall be members of the Kansas House of Representatives – one shall be appointed by the Speaker of the House and one shall be appointed by the House Minority Leader.

Members shall serve without compensation but may be reimbursed for expenses. No more than seven members may be from the same political party.

KACIR Roster

<u>KACIR Position</u>	<u>Term End</u>	<u>Last Name</u>	<u>First Name</u>	<u>Title</u>
Exec Branch Official (1 of 2)	June 30, 2011	Anderson	Jeremy	Director Governmental Affairs and Policy
Private Citizen (1 of 3)	June 30, 2011	Arnold	John	Pres John E Arnold Company
Township Official	June 30, 2008	Finney	Tom	Zeandale Township Officer
House Min Ldr Apptee	Jan 2005	Gatewood	Doug	Representative District 1
City Official (1 of 2)	June 30, 2011	Heck	Willis	Mayor of Newton
Private Citizen (1 of 3)	June 30, 2010	Hixson	Warren	Retired
Private Citizen (1 of 3)	June 30, 2010	Vacant	Vacant	Vacant
School Board Member	June 30, 2011	Lair	Judy	KASB Board of Directors member
County Official (1 of 2)	June 30, 2008	Norton	Tim	Sedgwick Co Commissioner
House Maj Ldr Apptee	Jan 2005	Owens	Tim	Representative District 19
Sen President Apptee	January, 2009	Reitz	Roger	Senator District 22
City Official (1 of 2)	June 30, 2011	Rowlett	Jack	Paola City Councilmember
Senate Min Ldr Apptee	Jan 2005	Steiniger	Chris	Senator District 6
County Official (1 of 2)	June 30, 2010	Traster	Matt	Grant County Commissioner
Exec Branch Official (1 of 2)	June 30, 2010	Wagnon	Joan	Secretary of Revenue

Meetings staffed by Lynn Robinson, Kansas Department of Revenue

The following people also served as members of the KACIR in Calendar Year 2007:

- Richard Jackson, Mayor, Ottawa**
- Sandi Kinser, Private Citizen (1 of 3)**
- Patrick Lawless, Jr., Mayor, Osage City**
- Joe Pisciotte, Private Citizen (1 of 3)**

Report of Meetings

The KACIR is required to convene at least once every two (2) years in each Congressional District (K.S.A. 12-4004).

In Calendar Year 2007, the Council convened five (5) times. The venues for these meetings were Topeka (Congressional District 2); Overland Park (Congressional District 3); and Hays (Congressional District 1).

January 12, 2007 – Topeka, KS – Congressional District 2

Council members present: Tom Finney, Doug Gatewood, Richard Jackson, Sandi Kinser, Patrick Lawless, Jr., Chris Steineger, Matt Traster, and Joan Wagnon.

Other interested parties in attendance: Mark Beck - Property Valuation Division, Rep. Mike Burgess, Martha Dorsey – Legislative Research, Roger Hamm – Property Valuation Division, Mike Heim – Revisors Office, Lana McPherson – city clerk of DeSoto, and Kimberly Winn – League of Kansas Municipalities.

The Council discussed draft legislation to remove the remaining barriers to consolidation, particularly city-county consolidation and to provide incentives. The members worked the bill draft with the Revisors Office and the League of Kansas Municipalities. The Council then agreed to have this bill introduced. Senator Steineger and Representative Burgess expressed interest in having the bill introduced in their respective houses/committees. The bill became House Bill 2130.

The members discussed the value of undertaking a township study. Property Valuation Division distributed tax levy information to the Council.

Elections for the KACIR Chair and Vice-Chair were held per K.S.A. 12-4001(d). Chair Joan Wagnon and Vice-Chair Richard Jackson were re-elected.

March 21, 2007 – Topeka, KS – Congressional District 2

Council members present: Tom Finney, Warren Hixson, Richard Jackson, Tim Norton, and Joan Wagnon.

Other interested parties in attendance: Allyn Lockner – interested citizen and Don Moler – League of Kansas Municipalities.

Mr. Lockner prepared a paper on local government consolidation issues that he gave at the consolidation bill hearing following the KACIR meeting.

The Council discussed township project/interim studies. The Council agreed that a township study will be a valuable tool in proceeding with local government consolidation efforts. The township budget reports were identified as primary resource in obtaining data.

The members discussed House Bill 2130, the local government consolidation bill. Despite the efforts to get this legislation passed, the bill was not worked during the 2007 legislative session. However, the House Elections and Governmental Organization Committee agreed to have a briefing/hearing of the bill before legislative adjournment (the hearing followed this KACIR meeting).

Other related bills were discussed including House Bill 2331 – Electronic filing of township reports and House Bill 2434 and Senate Bill 378. Both House Bill 2434 and

Report of Meetings (cont)

Senate Bill 378 authorizes certain interlocal agreements which allow the sharing of revenue based on growth in assessed valuation and real and personal property.

Council members Warren Hixson, Richard Jackson, Tim Norton, and Joan Wagnon attended the House Bill 2130 local government consolidation bill briefing/hearing at the Capitol. Chairperson Joan Wagnon and Tim Norton gave testimony and Chairperson Wagnon asked for the bill to be put on interim studies.

Other attendees/speakers at the hearing were Allyn Lockner and Tom Wright. Mr. Lockner gave a theoretical approach to local government consolidation. Mr. Wright, a Topeka attorney, discussed the Shawnee County/Topeka consolidation and the issues revolving that failed endeavor.

June 15, 2007 – Overland Park, KS – Congressional District 3

Council members present: John Arnold, Judy Lair, Tom Finney, Willis Heck, Tim Owens, Jack Rowlett, Chris Steineger and Joan Wagnon.

Other interested parties in attendance: Professor John Leatherman - the Office of Local Government at Kansas State University and Roger Basinger – an accountant for Accounts and Reports in Division of Administration, State of Kansas.

Professor Leatherman explained the statistical reporting and databases his office creates and maintains for county government. Mr. Basinger discussed the work his office does involving the local government budget reports, including their actual visits to various local units of government to provide informational training on their budget reporting procedures.

The Council discussed the status of the various local government pieces of legislation from the 2007 legislative session. The discussion included House Bill 2044, Councilmember Matt Traster's bill, regarding interlocal agreement changes, House Bill 2130 which deals with local government consolidation and reorganization and House Bill 2331, the electronic filing of township budget reports.

It should be noted that House Bill 2044 did pass, while House Bills 2130 and 2331 were left in committee.

The Council listened to Professor Leatherman and Roger Basinger as they talked about how their jobs are involved in local government data. Lynn Robinson submitted the scope statement for the township study and the Council reviewed and discussion followed.

The members identified five tasks that need to be completed before the next meeting regarding the township study. The township study committee (Lynn Robinson, Roger Basinger, and Lisa LaBlanc-Willis) will give a report at the next meeting.

Report of Meetings (cont)

September 7, 2007 – Hays, KS – Congressional District 1

Council members present: Jeremy Anderson, John Arnold, Tom Finney, Willis Heck, Warren Hixson, Judy Lair, Tim Owens, Matt Traster, and Joan Wagnon.

Other interested parties in attendance: Roger Basinger – from Accounts and Reports, Wayne Billinger - facilitator for the Northwest Kansas Mayoral Association (NKMA), Sandy Jacquot – League of Kansas Municipalities, Rep. Dan Johnson – represents the north half of Ellis County, Rep. Eber Phelps – represents the city of Hays and the south part of Ellis County, Kim Thomas – Mayor of Stockton, and Professor John Leatherman – Kansas State University.

Ms. Thomas opened up the presentation from the NKMA by discussing the issues of northwest Kansas – the declining population and the fact that the area’s greatest export to other cities and states is its children. Mr. Billinger continued the discussion of declining population and the loss of the area’s youth. He talked about the upcoming NKMA Summit on the Plains that will provide the opportunity to begin brainstorming on ways to stop the population leakage in the area.

The Council listened to members from the Township Study Committee as they talked about their fact findings from their work on the Township Study. Roger and Lynn provided the data that answered the scope statement questions. Professor John Leatherman presented his statistical analysis regarding townships on the county-unit road system vs the townships on the township road system. He concluded that there was no statistical difference in cost between the township road system and the county-unit road system. The quality of roads, also a factor, could not be evaluated based on existing information.

The Chair and Council discussed several points and avenues for action including the need to create mechanisms to eliminate the barriers for dissolving townships. The questions arose of whether the state is enabling the townships to stay in business by allowing them to contract with the city or county to take care of their fire and other services and also, are we creating financial disincentives for the townships to stay in business?

Finally, the members discussed the benefit of holding workshops around the state regarding the property and sales tax base erosion. The workshops would provide the venue for local government officials and the local citizenry to review the tax studies completed by Wichita State University and to hopefully instigate discussion among the group to gather recommendations as to how to resolve the problems of tax base erosion.

November 26, 2007 – Topeka, KS – Congressional District 2

Council members present: Tom Finney, Willis Heck, Warren Hixson, Tim Norton, Tim Owens, Jack Rowlett, Chris Steineger and Joan Wagnon.

Other interested parties in attendance: Randall Allen – Kansas Association of Counties, Richard Cram – Ks Dept Revenue Policy and Research, Allyn Lockner – interested citizen, Don Moler – League of Kansas Municipalities.

The Council spent most of the meeting discussing township legislation for 2008. Chairperson Joan Wagnon reviewed the statutes applicable to township disorganization.

Report of Meetings (cont)

The Council discussed amendments to streamline the process for township abolishment or consolidation. These amendments will be included in the KACIR 2008 legislative package.

The legislative package for 2008 will include prior legislation that was not passed in 2007, HB 2130 and HB 2331, and new legislation regarding townships. The new township legislation sets criteria for a township to stay in existence, in addition to simplifying statutory requirements for abolishment or consolidation of townships. The proposed legislation includes a broad clean-up of the township statutes. Joan Wagon, Richard Cram, and Lynn Robinson will meet with Mike Heim from the Revisors Office to draft the legislation for circulation to KACIR members and interested parties. Final approval of the legislative package by the members of KACIR will take place prior to the 2008 session via teleconference.

The members discussed briefly the draft copy of the KACIR Annual Report to the Governor and will approve the final report via teleconference prior to distribution to the legislature.

Reports of the KACIR

THE KANSAS ADVISORY COUNCIL ON INTERGOVERNMENTAL RELATIONS TOWNSHIP STUDY FACT FINDING PHASE I AND II

The recommendations of the Legislative Post Audit conducted in 2003 (LPA 03-20, September 03) states that the Governor should rejuvenate the KACIR and direct it to study, among other things, the elimination of township, cemetery and drainage district forms of government. At the March 2007 KACIR meeting in Topeka, the Council agreed that a township study would be a valuable tool in proceeding with this charge.

Much of the factual data regarding townships had not been updated since the 1970's study of township government in Kansas (Kansas Township Government in the 1970s, Dr. Glenn W. Fisher and Lynne Daggett West). Therefore, in order to understand the profile of today's Kansas townships, the initial phases of this study were constructed to be fact-finding endeavors.

SCOPE STATEMENT JUNE 2007

The Kansas Advisory Council on Intergovernmental Relations (KACIR) studies ways for improving our laws, in order to facilitate increasing the effectiveness and efficiency in how various levels of government provide services within the state. The Council is charged with giving particular attention to studying how those laws relate to the local government structure and the relationship between state and local governments. According to KSA 12-4002, the KACIR shall determine the manner in which the existing laws of the state relating to the subject of its study may be simplified, modified, rearranged, consolidated, and revised to insure greater effectiveness in the governmental practices of the state.

This township study is prompted by one of the recommendations of a Legislative Post Audit report completed in September 2003 (Local Government Reorganization: Assessing the Potential for Improving Cooperation and Reducing Duplication (03-20)), specifically: to study and report back to the Governor and Legislature whether the township form of government should be retained or eliminated, and to consider the merits of having the current township services provided by larger local units of government (cities and counties) already providing similar services.

In this study, we plan to address a number of questions about the current operation of townships in Kansas, with the objective of identifying whether functions fulfilled at the township level can be more efficiently performed by larger local units of government, thereby spreading the costs for those services over a larger tax base.

In its conclusion, the LPA report identified several general concerns of local government officials regarding the issue of collaboration or consolidation within local government levels: loss of local control and accountability, fear that service levels will deteriorate, lack of political will to make a change, distrust or competition among government entities, their desire to make purchases from local vendors, and fear that costs or benefits might not be equally shared. The goal of this study is to be mindful of those concerns, but also spark interest in local officials and legislators in removing legal impediments that discourage local government consolidation efforts.

Data sources for this study will include the annual township budget reports filed with the county clerks for the 2006 Budget; data from Kansas Department of Revenue's Property Valuation Division; and the LPA Report 03-20.

Our goal is to have a report ready to submit to the Governor and the Legislature by the end of this year (possibility of breaking this up into stages—first stage being data analysis of township budget information).

**TOWNSHIP STUDY SCOPE STATEMENT QUESTIONS/ANSWERS
SEPTEMBER 7, 2007**

- 1) Number of townships in Kansas? **1,406**
- 2) How many are active? Inactive? **There are 1,242 active townships and 164 townships not functioning.**
- 3) How many townships are on the county unit road system? **Of the 1,242 active townships, 557 townships are on the county unit road system, while 685 townships are on the township system. (According to the County Engineer's Report from KDOT, there are 68 counties on the county-unit system and 37 counties on the township system.)**
- 4) What is the total population of townships and compare that to total state population? **Township population as a percentage of State Total: 18.3% --Total population of Kansas 2,763,775; total population in KS townships 505,735.**
- 5) What are the townships' major sources of revenue? **Based on the US Govt 2006 census sample of 82 townships, Ad Valorem Tax is the major source of revenue - 71% of revenue came from Ad Valorem taxes. Next, Motor Vehicle Taxes at 10% and then Special Gas Tax 4% (from the county) It should be noted that the Local Ad Valorem Tax Reduction Fund (LAVTR - distributed proportionately among all counties) will be reinstated July 2009 (2007 HB 2368). Federal Revenue Sharing stopped in the mid 1980s; however local units of governments started sharing the motor vehicle tax monies starting in 1979-1980 timeframe. (KSA 79-5109)**
- 6) What are the townships' major expenditures?
 - a) **Census Sample of 82 Townships – The top three expenditures were for roads (57.4%), general fund (17.13%), and fire (11.58%)**
 - b) **In-depth review of 6 Counties Using Township Road System – The top three expenditures were for road (68.06%), general fund (13.20%), and fire (11.22%)**
 - c) **Review of the Townships in the 68 Counties using the County Road Unit System – The top three expenditures were for fire (34.40%), general fund (24.37%), and cemetery (11.96%).**
- 7) What other services do the townships provide? **Based on all three reviews discussed in question 6 (above), townships make expenditures for equipment, employee benefits, ambulance, libraries, noxious weed control, street lights, buildings, debt service, parks, and prairie dog/wildlife control.**
- 8) What is the average township tax rate? (Comparing counties having the county unit road system vs the township system.) **Per a report ran September 2007 by PVD: County-unit counties: 1.875; township system counties: 12.227 or 6.5 times as much as counties on the county-unit system.**
- 9) What type of interlocal agreements are used? (Phase II) **The majority of county clerks responded that they were not aware of any interlocal agreements. However, a review of the township budgets indicates some contracting with the county for services and/or sharing arrangements with other townships, cities, and/or counties – these arrangements include cemetery services, equipment, fire and ambulance services, road maintenance, mowing and weed services. The most common areas for this appear to be fire/ambulance protection and road maintenance.**
- 10) What do the statutes require the townships to do? **Townships are required to maintain/construct roads, control noxious weeds and care for abandoned cemeteries; issue bonds and/or levy taxes in support of weed and cemetery work, and to pay for sidewalk construction. Township officers are required to be elected, live in their township, in most cases receive compensation, and designate depositories for public moneys. All township vehicles must be permanently registered. Townships must also comply with numerous mandatory administrative/financial procedures and reporting requirements**
- 11) What do the statutes authorize/allow the townships to do? **Townships are authorized to perform many governmental and municipal functions such as: issuance of bonds and levying of taxes; acquisition/construction/maintenance of: cemeteries/cemetery districts & parks, drainage & levees, emergency medical services/ambulance, fire protection/fire districts, law enforcement, libraries, sewage districts, sidewalks, township halls. They may also: invest idle funds, form interlocal agreements, hire outside auditors (some restrictions), license certain businesses, engage in prairie dog eradication, provide refuse collection services, and consolidate/reorganize/disorganize.**

KACIR 2008 Legislation

For the 2008 Kansas Legislative Session, the Council plans to introduce a legislative package including prior year legislation that did not pass, in addition to new legislation focused on townships.

Prior Year Legislation

House Bill 2130, Local Government Consolidation and Reorganization. The Council met in January and worked with the Revisors Office to draft this bill. It was then introduced in the House Committee on Elections and Governmental Organization. HB 2130 would allow the board of county commissioners and the governing body of a city to create a consolidation study commission. The consolidation study commission would prepare and adopt a plan addressing the reorganization of the city and the county. This bill would also allow the board of county commissioners to levy a tax on all taxable tangible property of the county for the purpose of financing the costs incurred by the consolidation study commission. Although the bill was not worked during the 2007 session, the committee held a briefing/hearing on the bill in March, 2007 at the council's request. In addition, KACIR requested the bill for interim study, but it was not approved.

House Bill 2331, Electronic Filing of Township Reports. This bill was also introduced in the House Committee on Elections and Governmental Organization but was not worked. This bill requires that beginning in 2008, all budget and tax levy forms of municipalities and taxing subdivisions shall be in an electronic format to facilitate filing such forms electronically.

KACIR Policy

Recommendations

- 1. KACIR should request introduction in the Senate of legislation in 2008 to remove the remaining barriers to consolidation, particularly city-county consolidation and provide incentives to consolidate.**
- 2. KACIR should introduce new legislation to encourage elimination of unnecessary townships as well as voluntary consolidation of townships. Service districts will be created to ensure services for township residents. Changes in the existing statutes will streamline the procedures for voluntarily consolidating and for disorganizing townships. Finally, this legislation will eliminate repetition and duplication in the existing township statutes and will simplify existing language within the statutes.**
- 3. KACIR will request legislation to require the township reports to be filed electronically, whether it's via the township or the county clerk.**
- 4. KACIR should undertake a study during 2008 to construct a model which can be used by local governments to determine the efficacy of consolidation. These issues include:**
 - How to Budget, consider general budgeting needs or needs specific to one or more entities that merge.
 - How to apply and distribute levies.
 - How to handle some of the questions that arise when two jurisdictions are discussing combining: for example, what happens to the elected officials? What is reasonable to expect in staff reductions or salary issues?
 - A model statute to allow for the consolidation of city-county law enforcement and provide a customized model for how it should be done. The only consolidated city-county law enforcement now is Riley County. Other jurisdictions may have utilized interlocal agreements to affect a similar result, but the only true consolidation is Riley County.
 - Proven, successful consolidation models from other states/localities for Kansas local governments.
- 5. Continue statewide discussion of effects of tax base erosion on local state governments.**

