



Date: February 15, 2012  
To: House Taxation Committee  
From: Don Moler, Executive Director  
Re: HB 2747–Transportation Funding

First I would like to thank the Committee for allowing the League to testify today concerning one specific aspect of HB 2747. We are concerned with the proposal within this legislation which will raid KDOT of all-important transportation funding. As we understand it, HB 2747 would remove the 4/10 of a cent sales tax which is scheduled to go into effect July 1, 2013 for FY 2014. This would effectively eliminate the key components of the T-WORKS Comprehensive Transportation Program.

The League, in our recently adopted *2012 Statement of Municipal Policy* states: “We support the continued funding of the Kansas T-WORKS Comprehensive Transportation Program. We oppose any further use of these funds to balance the state general fund budget. Any reduction in T-WORKS funding would jeopardize existing programs.”

Since the very first transportation program which began in 1990, the League has played an instrumental part in supporting transportation program funding. We have worked closely with Economic Lifelines and others to help get the legislation passed, and then have supported the full funding of that legislation throughout the life of the transportation program. What is being suggested here, would effectively terminate the T-WORKS Comprehensive Transportation Program projects which are ready to go as soon as the funding becomes available.

It cannot be overestimated the important positive effect that a first rate transportation system has for the well being of the State of Kansas. This is true both from an economic development stand point, and from the well being of the citizens of our great state. It is safe to say that communities around this state are counting on those T-WORKS projects which have been promised to be completed. Without them, there will be a significant negative impact on the economy of our state.

We think it is time for the State to stop using transportation monies as a stop-gap to plug state budget holes or, as apparently is contemplated in this legislation, to allow for a change in the state income tax system. The long and the short of it is that the T-WORKS Comprehensive Transportation Program is essential to the long-term well being of the State of Kansas. The impact of failing to fund the promised plan will be widespread and far reaching. Not only will this severely impact employment in the State of Kansas for those involved in improving,

building, or modifying existing highways, but it will almost certainly have a detrimental effect on the ability of this state to attract new businesses. What we do not want to happen is to allow our transportation infrastructure to age and become second rate.

As a result of these concerns, the League strongly opposes any further redirection of KDOT funding, and especially the taking of the 4/10 of a cent sales tax which is promised for the T-WORKS program, as unnecessary and unwise. The long and the short of it is that the State of Kansas must continue to improve our transportation infrastructure, and failure to do so will have serious consequences down the road.

Thank you for allowing the League to testify today. I will be happy to answer questions at the appropriate time.