

Approved: May 10, 2005

Date

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:30 A.M. on February 22, 2005 in Room 123-S of the Capitol.

All members were present except:

Senator David Wysong- excused

Committee staff present:

Norman Furse, Revisor of Statutes
Jill Wolters, Senior Assistant, Revisor of Statutes
Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Susan Kannarr, Kansas Legislative Research Department
Matt Spurgin, Kansas Legislative Research Department
Judy Bromich, Administrative Analyst
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

J. Michael Hayden, Secretary, Kansas Department of Wildlife and Parks
Joan Wagon, Secretary, Kansas Department of Revenue
Frank Meyer, Commissioner, Kansas Department of Wildlife and Parks
Will Carpenter, Butler County Commissioner, Butler County Commission
Doug Vance, Executive Director, Kansas Recreation and Park Association
Bruce McMillan, Chairman, Manhattan Parks and Recreation Advisory Board
Donna Gerstner, CPRP, Assistance Superintendent, Garden City Recreation Commission
Chris Capps, CPRP, Director of Recreation, Independence Recreation Commission
Gene Nold, Walnut Valley Sailing Club at El Dorado Lake
John Graves, Past Commodore, Ninescah Sailing Association at Cheney Reservoir
Andy Woodward, Past-President, Cheney Lake Association
Darrell Whitney, President, Friends of El Dorado Lake
Eric Stong, Kansas Bass Chapter Federation, Overland Park
Tom Kirker, REDI-Refrigeration, Inc.
Bennett Jedlicka on behalf of Dan Ward, Executive Director, Kansas Wildlife Federation
Dick Carter, Executive Director, Travel Industry Association of Kansas
Charles Benjamin, Ph.D., J.D., on behalf of the Kansas Chapter of the Sierra Club
John K. Strickler, Manhattan, Kansas
Charles A. Henry, Director of Revenue/Treasury, Unified Government of Wyandotte
County/Kansas City, Kansas
Marvin Stous, representing the Kansas Camper's Association
Bob Totten, Public Affairs Director, Kansas Contractors Association
Don Moler, Executive Director, League of Kansas Municipalities
Tom Whitaker, Executive Director, Kansas Motor Carriers Association
Pat Hurley, Economic Lifelines
Steve Swaffer, Director of Natural Resources, Kansas Farm Bureau
Nancy Weeks, Haskell County Treasurer
Randall Allen, Executive Director, Kansas Association of Counties
Ray Walton, owner, Flint Oak, Fall River, Kansas (written)
Michael W. Goodwin, President, Kansas Trails Council, Inc. (written)

Others attending:

See attached list.

Bill Introductions

Senator Emler moved, with a second by Senator Morris, to introduce a bill concerning retirement and pensions; relating to certain employees of educational institutions under management of the Kansas Board of Regents (5rs1004). Motion carried on a voice vote.

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Senator Steineger moved, with a second by Senator Betts, a conceptual bill regarding a three-year school finance improvement proposal (Attachment 1). Motion carried on a voice vote.

Chairman Umbarger opened the public hearing on:

SB 87--Wildlife and parks, outdoor recreation registration fee

Staff briefed the committee on the bill.

The Chairman welcomed the following conferees:

J. Michael Hayden, Secretary, Kansas Department of Wildlife and Parks, testified in support of **SB 87 (Attachment 2)**. He noted that the park system is 50 years old and there has been no precedent like this during those years. Secretary Hayden mentioned that this is the most important item in their history. He explained that the bill would attach a \$5.00 outdoor recreation fee to motor vehicle registration. They need to find a better way to fund the state parks. The Secretary noted five key benefits to the proposal:

1. Provides the parks with a steady funding stream not dependent on weather or other variables that affect park attendance;
2. KDWP would no longer need to request State General fund for the parks operating budget;
3. Everyone with a valid Kansas license plate would get into any state park, as many times as they choose, all year-round for free;
4. If a person does not want to pay the fee, they will have the option of filing for a refund; and
5. Provides stable source of funding for the Local Government Outdoor Recreation Grant Program.

Joan Wagon, Secretary, Kansas Department of Revenue, explained that she is in full support of **SB 87** and, on a personal note, she felt it was a good idea to use the car tag as your ticket into a state park (Attachment 3). Secretary suggested adding a new subsection to let the Kansas Department of Revenue prescribe the form to be used for those requesting the \$5.00 refund. She noted that the Department would also need prescribed rule and regulatory authority regarding the processing to allow EFT refunds.

Frank Meyer, Commissioner, Kansas Department of Wildlife and Parks, spoke in support of the bill (Attachment 4). Mr. Meyer mentioned that the Kansas Department of Wildlife and Parks is worthy of broad based support from all Kansans. He noted that the bill provides this broad support for a very low cost per family per year. In closing, Mr. Meyer, on behalf of the Kansas Department of Wildlife and Parks Commission, urged support of the bill to keep Kansas growing and parks strong and affordable.

Will Carpenter, Butler County Commissioner, Butler County Commission, testified in favor of the bill (Attachment 5). Mr. Carpenter explained that the bill as written provides a mechanism for properly funding state parks and local park programs. He noted that the proposal will net the Kansas Department of Wildlife and Parks an additional \$3.8 million to assist in proper care and maintenance of facilities. Mr. Carpenter mentioned that the inclusion of matching grants in the bill will generate \$2.2 million for local parks programs, which have taken significant cuts from local entities as a result of lost state dollars from the elimination of demand transfers in 2003.

Doug Vance, Executive Director, Kansas Recreation and Park Association, spoke in support of **SB 87 (Attachment 6)**. Mr. Vance mentioned that significant to this legislation is the positive impact on local governments to identify a funding source for needed additions or improvements in park and recreation facilities through the Local Governmental Outdoor Recreation Grant Program Fund. He explained that the bill literally unlocks the doors of state parks to all Kansas residents, regardless of economic standing, and allows residents in Kansas to take full advantage of recreational assists with free admittance through the display of a Kansas license tag.

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Bruce McMillan, Chairman, Manhattan Parks and Recreation Advisory Board, testified in support of the bill ([Attachment 7](#)). Mr. McMillan explained that in addition to a stable revenue source for State Parks, \$2.2 million of the tag surcharge would benefit local units of government through the Local Government Outdoor Recreation Grant Program. He noted that state parks are for the citizens of Kansas and everyone should have an opportunity to enjoy them.

Donna Gerstner, CPRP, Assistance Superintendent, Garden City Recreation Commission, spoke in support of the bill ([Attachment 8](#)). Ms. Gerstner explained that **SB 87** would have huge benefits for Kansas State Parks and local parks if passed into law. It would eliminate State General Fund support to the Kansas Department of Wildlife and Parks, which is currently about \$3.2 million. Ms. Gerstner addressed the point that the bill would eliminate all entrance fees into state parks for Kansas residents.

Chris Capps, CPRP, Director of Recreation, Independence Recreation Commission, testified in favor of the bill and addressed the point that the \$5 fee would generate approximately \$11 million in revenues annually and approximately \$8.8 million of that amount would help fund Kansas State Parks operations, with the remaining \$2.2 million going to local governments for development of outdoor recreation opportunities across Kansas ([Attachment 9](#)).

Gene Nold, Member, representing the Walnut Valley Sailing Club at El Dorado Lake, testified in support of the bill ([Attachment 10](#)). Mr. Nold explained that, as a user of El Dorado Lake, it is hard to keep the facilities up-to-date. He noted that Kansas lakes and parks do attract people to Kansas. Mr. Nold mentioned that he supports the bill for the environment and the wholesome atmosphere it creates for Kansans.

John Graves, Past Commodore, Ninnescah Sailing Association at Cheney Reservoir, spoke in favor of the bill ([Attachment 11](#)). Mr. Graves mentioned that the Ninnescah Sailing Association hosts national regattas and that they draw people from other states. He noted that maintenance and improvement needs have increased user fees and some things cannot be maintained due to lack of funding. Mr. Graves explained that the bill would allow more people to use the parks.

Andy Woodward, Past-President, Cheney Lake Association, testified in support of the bill ([Attachment 12](#)). Mr. Woodward addressed the item that the bill levels fees to all Kansans; therefore, more Kansans would be able to use the parks.

Darrell Whitney, President, Friends of El Dorado Lake, spoke in support of the bill ([Attachment 13](#)). Mr. Whitney explained that it is necessary to look at alternatives to fund the state parks. He noted that **SB 87** is a good option with reasonable costs for all and that there is a need for a stable funding source for the state parks.

Eric Stong, President of the Kansas Bass Chapter Federation, Overland Park, testified in support of the bill (No written testimony was provided). Mr. Stong mentioned that they provide youth events on their local lakes, approximately 6,600 youth involved. He indicated that the bill would allow them to move these events for youth to the state parks.

Tom Kirker, REDI-Refrigeration, Inc., spoke as a proponent for the bill ([Attachment 14](#)). Mr. Kirker explained that the bill would be an opportunity to generate more revenue to the State and it would be good business practice.

Bennett Jedlicka on behalf of Dan Ward, who is the Executive Director, Kansas Wildlife Federation, spoke in favor of the bill ([Attachment 15](#)). Mr. Jedlicka noted that Kansas has great outdoor opportunities, but there are expensive state parks. He explained that the bill would create good quality of life for Kansans.

Dick Carter, Executive Director, Travel Industry Association of Kansas, testified in support of the bill ([Attachment 16](#)). Mr. Carter explained that the maintenance of state parks is very important and that the bill does that.

Charles Benjamin, Ph.D., J.D., on behalf of the Kansas Chapter of the Sierra Club, spoke in favor of the bill ([Attachment 17](#)). Mr. Benjamin mentioned that the Sierra Club of Kansas supports outings with families such

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as camping. The Sierra Club would like to keep money in Kansas and thereby support the state park system.

John K. Strickler, Manhattan, Kansas, spoke in support of the bill (Attachment 18). Mr. Strickler explained that the bill realistically means to fund the state parks because attendance has declined in recent years.

Charles A. Henry, Director of Revenue/Treasury, Unified Government of Wyandotte County/Kansas City, Kansas, testified as an opponent to the bill (Attachment 19). Mr. Henry explained a number of reasons for his opposition to the bill which are detailed in his written testimony.

Marvin Stous, representing the Kansas Camper's Association, spoke in opposition to the bill (Attachment 20). He mentioned that campers pay an entry fee into a state park, plus a camping fee, plus a fee for each utility per site whether it is used or not. Mr. Stous closed with concern that as an organization that is statewide, the Kansas Camper's Association would advocate that money collected by a park stay at that park for its use at that locality.

Bob Totten, Public Affairs Director, Kansas Contractors Association, testified in opposition to the bill (Attachment 21). Mr. Totten mentioned that they are in opposition to the bill because traditionally the registration fees that are proposed in the proposal go to the construction of roads and highways and that has been a tradition that the State has done, from his knowledge, forever. He explained that the Kansas Contractors Association feels that user fees should be continued to pay for use of the parks and not using something that should be designated for construction of roads and bridges around the state parks.

Don Moler, Executive Director, League of Kansas Municipalities, spoke in opposition to the bill (Attachment 22). Mr. Moler emphasized that the League has been and continues to be a very strong proponent of parks and recreation in Kansas. He explained that the League is opposing the funding mechanism proposed in **SB 87**. In closing, Mr. Moler mentioned that it should be enough of a priority for the State of Kansas to fund parks at a level, that when tied to admittance fees, would guarantee that an adequate level of funding can be achieved.

Tom Whitaker, Executive Director, Kansas Motor Carriers Association, testified in opposition to the bill (Attachment 23). Mr. Whitaker expressed concern that it would cost the Kansas Department of Revenue more than \$5.00 to process the refund application and issue a check. He noted that, to his knowledge, regarding fuel tax users, the Kansas Department of Revenue will not process a refund of less than \$10.00 to their members. Mr. Whitaker emphasized that their association believes that vehicle registration fees are a highway user fee and not a parks user fee.

Pat Hurley, appeared before the Committee on behalf of Economic Lifelines, and spoke in opposition to the bill (Attachment 24). Mr. Hurley explained that their concerns are in regard to the funding mechanism suggested in the bill:

- To the best of their knowledge, historically vehicle registration fees and motor fuel taxes have always gone exclusively to the State Highway Fund.
- The legal issue of whether this increase, while characterized as a "fee" in **SB 87**, is in fact a tax as characterized in the constitutional provision.

Mr. Hurley urged the Committee to find a different source of funding for Wildlife and Parks, which does not limit or impair the ability of the Kansas Department of Transportation to raise this traditional revenue source in the future for the Constitutionally intended and limited purpose of roads and highways.

Steve Swaffer, Director of Natural Resources, Kansas Farm Bureau, testified in opposition to the bill (Attachment 25). Mr. Swaffer explained that the Kansas Farm Bureau believes **SB 87** imposes a passive form of income tax on their farmer and rancher members and the citizens of Kansas who own and register vehicles. He expressed concern regarding the method of how their members and Kansas citizens are going to be made aware of their \$5.00 refund option. Mr. Swaffer described, in detail, several suggestions in regard to generating funds for the parks in his written testimony.

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Nancy Weeks, Haskell County Treasurer, testified as a neutral party regarding the bill (Attachment 26). Ms. Weeks noted that they do support Wildlife and Parks and the many recreational activities provided to Kansans and visitors to the State. She shared the same concerns that parks and recreation areas need to be maintained. Ms. Weeks that their main concern regarding **SB 87** deals with the funding of recreational facilities using the motor vehicle registration process. She detailed information in her written testimony regarding how this change would affect the operations of a County Treasurers Office.

Randall Allen, Executive Director, Kansas Association of Counties, spoke as a neutral party regarding **SB 87** (Attachment 27). Mr. Allen mentioned that their membership did not consider nor take a position on this proposed legislation at their annual conference in November 2004. He explained that their Legislative Policy Committee did meet to discuss **SB 87** and conveyed their position in four points which are detailed in Mr. Allen's written testimony.

Ray Walton, owner, Flint Oak, Fall River, Kansas, submitted written testimony in support of the bill(Attachment 28).

Michael W. Goodwin, President, Kansas Trails Council, Inc., submitted written testimony in support of the bill (Attachment 29).

There being no further conferees to appear before the Committee, the Chairman closed the public hearing on **SB 87**.

The meeting adjourned at 12:10 p.m. The next meeting is scheduled for February 23, 2005.