



2016 State Legislative Program

The *2016 State Legislative Program* is a policy document that expresses the position of the City of Manhattan for the 2016 Legislative Session. It is not intended to be either an exclusive or all-inclusive document, but rather captures the major policy positions of the City. We encourage area legislators and citizens to contact City officials regarding any issue that could potentially impact local units of government. City Commissioners and City Administration welcome questions and insights and are happy to offer their knowledge and experience on those matters affecting local government.

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City of Manhattan

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2016 TOP 5 LEGISLATIVE ACTION PRIORITIES

The following are the City of Manhattan's top five legislative priorities for the 2016 legislative session (in priority order). The corresponding page numbers provide additional information:

1. The City opposes any legislation that would hinder community growth or place burdensome requirements on the budget adoption process for local governments, including the property tax lid legislation passed in 2015. The tax lid legislation has several issues that should be addressed before implementation in 2018 (page 6).
2. The City encourages the State to avoid redirecting designated transportation funding for other state priorities and encourages the State to sustain funding streams for the T-WORKS program (page 10).
3. The City opposes the State of Kansas not making its KPERS employer contribution (page 7).
4. The City encourages the State to oppose solutions to its fiscal challenges that simply displace the problem by reducing revenue distributions and reimbursements to local governments. Special city/county highway funds and liquor taxes are of particular concern in addition to any new unfunded mandates (page 8).
5. The City supports the Home Rule Amendment of the Kansas Constitution, which allows local elected officials to make the best decisions for their communities, particularly local tax and revenue decisions (page 5).

2016 SECONDARY LEGISLATIVE PRIORITIES

6. The City supports current law that exempts local government and public construction projects from sales tax (page 8).
7. The City encourages Congress to pass legislation that would give local governments and the State the ability to collect sales tax on remote sales. The distribution of those funds to cities and counties should occur using an equitable formula (page 7).
8. The City supports current law regarding the use of local public moneys to provide information and advocate on behalf of our cities and citizens. Lobbyist representatives from cities should have the same rights and responsibilities as private interest lobbyists, and should have the ability to provide facts and information for their community. Any reporting system changes should not increase the administrative burden on local governments or their associated professional organizations (page 6).
9. The City supports local elections remaining non partisan from state and national partisan elections (page 6).

City of Manhattan

STANDING LEGISLATIVE POSITIONS

The City of Manhattan endorses the legislative positions and policies of the 2016 Statement of Municipal Policy from the League of Kansas Municipalities to the extent where it doesn't conflict with items listed in this document (available online at <http://www.lkm.org/smp/>).

ECONOMIC DEVELOPMENT

The City of Manhattan is utilizing an approach to economic development that leverages the research strengths of Kansas State University to lure technology, bioscience, and global food related companies to Manhattan. We work closely with the following organizations in Knowledge Based Economic Development (KBED): Kansas State University, Kansas State University Foundation, Kansas State University Research Foundation, Manhattan Area Chamber of Commerce, Kansas State University Institute for Commercialization (KSUIC), and the North Central Kansas Community Network. We need the state to partner with us by offering programs that sustain and enhance economic development capacity for the future economic growth of our state, region, and community. These partnerships are necessary to ensure that Kansas can attract and retain quality employers and ensure an available skilled workforce. For example, in 2009 the City leveraged a local commitment of \$425,000 to secure a \$1 million grant from the Kansas Bioscience Authority to add three new laboratories in the Manhattan/K-State Innovation Center to accommodate animal health or other bioscience related research. In 2012, the City successfully partnered with the Kansas Department of Commerce to retain and grow CivicPlus, a community engagement software company that specializes in cost-effective website solutions for public sector clients. CivicPlus expects to add 250 jobs earning wages above \$45,000 per year over the next 10 years. **The City supports continued funding for the Kansas Department of Commerce and the Kansas Bioscience Authority to help leverage local investments in attracting and keeping high-skill, high-wage jobs.**

Financing Tools

The ability to utilize Tax Increment Financing (TIF), Community Improvement Districts (CID), STAR Bonds, and Transportation Development Districts (TDD) has been critical for redevelopment in Manhattan, and will continue to be vital for future redevelopment in Manhattan. These tools are essential to communities throughout Kansas when engaging in public improvement and economic development projects. **The City of Manhattan opposes any changes in state law that would restrict the flexibility of cities to use financing tools including TIF, CIDs, STAR Bonds, and TDDs to promote economic development in their communities.**

FORT RILEY

In June 2014 the Army issued a report on their Supplemental Programmatic Environmental Assessment (SPEA). The report showed possible significant losses of troops to the Fort, and economic detriment to the Manhattan area. The worst case scenario in the report shows a loss of 16,000 military and civilian personnel to Fort Riley. Fort Riley has experienced some civilian and troop loss to this point, but is always

in danger of further cuts due to uncertainty in the federal Defense budget. The Fort provides approximately \$1.8 billion in direct economic impact to the Central Flint Hill Region and is the largest employer in the area and the State of Kansas. The City and the Fort would like to further pursue partnerships that could benefit both parties, but are currently limited by legislation mainly at the federal level. **The City of Manhattan greatly appreciates the support of our legislative delegation over the past years in addressing identified needs for Fort Riley. The City supports continued funding and operations for the Governor's Military Council; further development of partnerships with the fort, regional entities and the State of Kansas.**

GOVERNANCE AND FINANCE

Annexation

The ability of cities to grow is inherent for the economic growth and development of the state. Statutory framework for annexation was amended in 2011 to balance the interests of cities and those to be annexed. Any further amendments would impede orderly growth for cities. Manhattan is a growing city and annexation is a key tool in helping aide that growth. **The City of Manhattan opposes any change to legislation that limits the authority of the city to grow through annexation.**

Budget Timing

The state imposed deadline for filing City budgets occurs in August of each year for the City's calendar year budget. This forces the City to engage in an early budgeting process and limits the information available for producing more accurate revenue and expense projections. The early timeframe is also challenging for incorporating budget requests from outside agencies. **The City of Manhattan supports legislation that would extend the statutory timetable for municipal budget preparation, publication, hearing, adoption, and certification by at least 30 days so that accurate assessed valuation information is available.** The City recognizes delaying budget certification can impact other levels of government and would support requiring local governments to submit their maximum property tax levy in August, but delay the full budget certification until later in the year.

Consolidation of Services

The City of Manhattan and Riley County have had great success with consolidated law enforcement services through the Riley County Police Department (RCPD). The City of Manhattan believes we have quality, effective law enforcement services through the RCPD model that allow for good stewardship of the taxpayer dollar. Local voters should determine whether consolidation of any type of service with another unit of government should occur. **The City of Manhattan supports processes for local consolidation of services without undue statutory barriers and specifically supports the consolidated Riley County Police Department structure, and the legislation (K.S.A. 1944-27) which allowed such consolidation to occur.**

Home Rule and Local Control

Constitutional Home Rule is the cornerstone of municipal government and should not be preempted by State action. The City of Manhattan believes that the preservation of constitutionally-granted home rule authority is essential to effective and responsible local self-government. Local elected officials are in the best position to make decisions concerning their local communities and are most accountable for those

decisions, particularly regarding taxing and revenue decisions. **The City opposes any change in state law which would limit the Home Rule authority of cities.**

Lobbying/ Legislative Participation

Communication between all levels of government is critical to the successful delivery of public services to the citizens of Kansas. Representatives from cities provide facts and information that are crucial to intergovernmental relations, and as such, should have the same rights and responsibilities as private interest lobbyists. We support local officials and their representatives' ability to freely participate in the legislative process through advocacy and education on issues affecting local governments. Local officials, representing their citizens and taxpayers, must retain the authority to make decisions regarding membership in organizations and to participate in the legislative process through advocacy without cumbersome reporting requirements. **The City of Manhattan supports current law regarding the use of state and local public moneys to provide information and advocate on behalf of our cities and citizens. Any reporting system should not increase the administrative burden on local governments or the professional organizations the local governments are associated with.**

Local Elections

In 2015, the Legislature passed a bill that moved local election to the Fall of even years. The reasoning behind this action was said to be low voter turnout. Further discussion has occurred in efforts to make local elections partisan in nature. Political parties are irrelevant in providing services at the local level, and cooperation is more likely to occur between elected officials who might otherwise fall in opposite parties were elections partisan in nature. **The City of Manhattan supports local government elections remaining non-partisan in nature.**

Open Carry in Places of Significant Assembly

In 2015 the state of Kansas passed Legislation allowing the open carry of firearms in public places. The City of Manhattan has experienced events at public parks and other open, public areas where citizens have open carried weapons and caused discomfort to other users in the area. Ultimately, many of those other users left the area due to the discomfort. This could happen at many different public areas such as parks, playgrounds, and zoos. **The City of Manhattan supports the ability of local government to regulate the open carry of firearms in areas of significant assembly .**

Property Tax Lid/Spending Lid

In 2015 the Legislature passed a bill that enacted a tax lid on local governments beginning in 2018. First and foremost, the City of Manhattan opposes the enactment of State-imposed spending or taxation lids/controls. The City feels local taxing and spending decisions for a community should be made by local officials who were elected to shoulder that responsibility. Additional oversight from the state is cumbersome and unnecessary. Should the property tax lid not be repealed, there are many issues must be addressed before the tax lid could be implemented in 2018. Any efforts to accelerate the imposition of the tax lid before 2018 will only exacerbate the problems that exist with the current law. The Legislature should amend the law to address conflicts regarding the mandatory election calendar and budget timeline, consider necessary exemptions, and how the new law conflicts with the local

government determination of budgets and local property taxes. Public hearings should be held to allow local governments to inform the Legislature how proposed exemptions will or won't affect them. Exemptions should be put in place that allow growing municipalities in Kansas to continue and prosper, instead of limiting growth. The growth limit set by a national CPI index in the legislation does not make sense for communities that are growing. The Legislature should adopt a process that sets a local CPI which would be more applicable to Kansas municipalities. **The City of Manhattan opposes any legislation that would hinder community growth or place burdensome requirements on the budget adoption process for local governments, including the property tax lid legislation passed in 2015.**

Public Property and Rights-of-Way

The City of Manhattan has the responsibility of managing the orderly, efficient, and safe use of the public rights-of-way within its boundaries. The City supports the continued ability of cities to impose franchise fees on utility, telecommunications, and cable companies wishing to use those rights-of-way. Recognizing that use of the public rights-of-way is important to the enhancement of services for businesses and citizens, the City must continue to maintain order in this crowded and limited space as demand for use of public rights-of-way increases. **The City of Manhattan would support legislation that enables cities to enforce maintenance and repair standards on franchisees that disturb the public right-of-way and/or damage the existing public infrastructure.**

Public Retirement Systems (KPERs)

The City applauds the 2013 legislature for passing legislation that encourages sustainability in the Kansas Public Employees Retirement System (KPERs). However, the State should still honor the funding commitments designated in the 2013 legislation. The State did put in more than \$40 million in gaming revenue in 2014, but did so instead of, rather than in addition to, State general fund monies. In 2015 the State of Kansas cut their employer contribution to KPERs. The City opposes the state not making its KPERs employer contribution while mandating state employees, other local units of governments and school districts, along with their employees, to make their increased contributions. Much work was done to improve the financial capacity of the retirement system and now is not the time to short change it and KPERs back in jeopardy. Any changes to the current system should consider the need of local governments to predict and control employee benefit costs and to recruit and retain qualified employees. **The City of Manhattan encourages the legislature to honor its full funding commitments to KPERs. The City requests that the legislature include local governments in discussions about changes to KPERs or the Kansas Police & Fire Retirement System (KP&F).**

Sales Tax Collection on Remote Sales

Collection of sales tax on remote sales would level the playing field for online and brick-and-mortar retailers. Collecting sales tax on remote sales is not a new tax; it simply allows states and local governments to enforce existing sales tax laws. An estimated \$23 billion in uncollected sales taxes on remote sales are already owed to local governments. In 2012 alone the State of Kansas missed out on an estimated \$279 million in uncollected remote sales tax. The City of Manhattan estimated to miss out on over \$2 million between 2011-2013 for uncollected sales tax on remote sales. With that money local governments could provide better services to residences at no extra state government costs, and the money could help aid the State in addressing budgetary shortfalls. **The City encourages Congress to pass legislation that would give local governments and the State the ability to collect sales tax on**

remote sales. The distribution of those funds to cities and counties should occur using an equitable formula.

Sales Tax Exemptions on Public Projects

Current law exempts local government and public construction projects from sales tax. State imposed tax on current government purchases and projects will have only one effect: increased local property taxes. Purchases have to be made and construction must occur; imposition of a sales tax would increase the local tax burden to cover those added costs. This sales tax revenue does not help local government, but in fact, hurts our local economy and our residents who have to pay higher property taxes. Increased property (and sales taxes) ultimately reflects negatively on the state. **The City opposes and legislation that would end the current exemption of sales tax for local government and public construction projects.**

State Budget Concerns/Shifts to Local Government

The City of Manhattan recognizes the ongoing budget challenges for the State of Kansas. However, local governments across the State have shouldered significant responsibility as a result of cost-cutting at the state level. The City of Manhattan has more than contributed to the goal of reducing the State's shortfall. State budget cuts can have a dramatic effect on the ability of local governments throughout the State to continue funding planned budget expenditures and supporting programs that have historically relied either in whole or in part on distributions from State tax revenues. The City of Manhattan is growing, and the region is a significant economic engine for the State of Kansas. Further budget reductions would restrict our ability to accommodate growth and economic development. **The City of Manhattan supports the Kansas Legislature to find ways to balance the budget without shifting the burden to local government entities. Local governments should also be included in any discussions regarding restructuring of the State tax systems to ensure solutions are reached that fully assess the resulting financial burden on local taxpayers.**

State Shared Revenues

The State has discontinued a number of initiatives that had previously constituted a significant contribution to local government revenues, and the State has reduced or threatened revenues from the following sources: State Liquor Tax distributions; Machinery & Equipment (M&E) Property Tax Exemption reimbursements; Local Ad Valorem Tax Reduction (LAVTR) distributions; and Special City/County Highway Fund (SCCHF) distributions. The City is especially concerned about the direct impact to citizens if further reductions are made in State Liquor Tax distributions which fund numerous social agencies, programs, and initiatives supported by the Special Parks and Recreation Fund and the Special Alcohol Programs Fund. Additionally, the reduction of the M&E, LAVTR, and SCCHF revenues will most impact planned infrastructure maintenance projects and the Riley County Police Department, among other initiatives supported by the City's General Fund. The resulting effect of these reductions to local governments will likely be a greater burden on the State's property taxpayers. **The City supports the reactivation of previously eliminated state-shared revenues and strongly opposes budget-balancing measures that simply displace the problem by reducing or eliminating revenue distributions and reimbursements to local government.**

Unfunded Mandates

State and federally mandated functions, without the financial resources to accomplish their legislative intent, are contrary to the spirit of constitutional home rule and are not conducive to cooperative intergovernmental relationships. **Any function of sufficient importance mandated to local governments**

by the State or Federal branches of government should be fully funded by the State and/or Federal government on a continuing basis.

TOURISM

The approval by the Kansas Department of Commerce of \$50 million in STAR bond financing for the South End Redevelopment District, including a Flint Hills Discovery Center which opened in 2012, is an encouraging indicator of the State's dedication to its planned initiatives to promote the Flint Hills region as a tourism destination. **The City of Manhattan supports cooperative ventures between state and local government in Kansas to promote tourism as an industry which is vital to growth and development.**

TRANSPORTATION & UTILITIES

Airline Revenue Guarantee

Adequate and affordable air service is a key factor in improving the economy and tourism potential of regions and cities throughout Kansas. Support from the State of Kansas, in partnership with regional communities, facilitated the recruitment of non-stop jet service from Manhattan Regional Airport via American Eagle Airlines. The airline offers daily, non-stop flights to Dallas-Fort Worth International Airport and Chicago O-Hare International Airport. Due to the overwhelming success of the program, the City returned the full investment from the State of Kansas of \$2 million, including interest.

Additional routes will only enhance the economic potential of the State of Kansas and the region, particularly as it relates to the National Bio and Agro Defense Facility (NBAF), Kansas State University, and Fort Riley. Although smaller than Wichita Mid-Continent, MHK has proven to be a successful commercial airport as the States second busiest commercial service airport. This keeps transportation dollars in Kansas as opposed to going out of state. Given airline instability, having expanded service secures vital jet service for the success of NBAF and related businesses, which was the primary purpose of appropriating the original revenue guarantee funds. **The City of Manhattan thanks the Legislature and Governor for reinvesting state funds to recruit additional commercial air service, or expanding existing service, at the Manhattan Regional Airport through airline revenue guarantees or similar arrangements, rather than direct subsidies, and asks for fairness regarding the distribution of state funds for either direct subsidies or other similar programs across the state.**

Stormwater Grant and Loan Program

Cities and counties throughout the state recognize the benefits of a coordinated stormwater program that fulfills the strategic objectives of Kansas Department of Health and Environment and the Kansas Department of Agriculture's Division of Water Resources. Such a program could be funded through state-issued stormwater bonds, the proceeds of which would be used to support stormwater planning and construction projects that are designed to reduce erosion, control local flooding, and create more sustainable uses of our water resources. Monies could be distributed as a combination of grants and loans disbursed through a revolving loan fund. **The City supports the creation of a Stormwater Grant and Loan Program to assist local communities in the continued implementation of the best practices for stormwater management.**

T-WORKS & KDOT

The Kansas Legislature passed T-WORKS in May 2010 to support continued investment in the state's transportation system. The Kansas Department of Transportation outlined a spending plan to provide \$4.6 billion on projects to ensure the preservation of the state's highways and bridges. Through 2015 T-WORKS has lost approximately \$1.1 billion since inception, with the State of Kansas planning on more cuts in 2016. Over the past ten years the City has received on average \$1 million per year in Federal and State transportation grants funneled through KDOT. Each grant share varies between 10-35% depending on the source. The City has many concerns with funds continually pulled from KDOT regarding available state fund grants, and worries that continued cuts could negatively affect the city's ability to get federal grants through the state as well. The City of Manhattan supports the implementation of an effective multi-modal transportation program aligned with the region's priorities; supports measures to encourage regional approaches to public transit and transportation planning, and supports the practice of long-term multi-year comprehensive transportation programs developed through a combination of KDOT technical analysis together with local government and other stakeholder involvement. The Kansas Legislature should continue to look for ways to raise new revenues to address the state's remaining transportation needs and protect existing T-WORKS funds for transportation purposes. **The City of Manhattan supports the fully funded T-WORKS program and encourages the legislature to avoid redirecting designated and traditional transportation funding for other state priorities. The legislature should be cautious about making operating reductions to the Kansas Department of Transportation that may negatively impact routine pavement and sign maintenance and snow/ice operations, as well as safety improvements and local matching grant programs.**

Water and Wastewater Quality

The City of Manhattan recently completed a major expansion/upgrade to its Water Treatment Plant/Well Field , as well as a major expansion/upgrade to its Wastewater Treatment Plant. The Water Plant project cost was \$17 million, and another \$23 million was spent for the Wastewater Plant project. These upgrades were required, in part, due to the imposition of new federal regulations. These unfunded mandates create a significant burden for our utility ratepayers. **The City supports funding for state programs, such as the Kansas Public Water Supply Loan Fund, that help local utilities meet infrastructure needs. In addition, the City encourages the state and federal governments to adopt broader standards and provide assistance to private property owners to better control non-point source pollutants to our rivers and streams rather than burdening point sources such as waste water treatment plants, which comprise only a small fraction of the input stream.**