

BRIEFING SHEET

To: Board of County Commissioners
Michael B. Press, County Manager
From: Donald D. Jarrett, Chief Counsel
Date: June 5, 2008

Issue: Consider approving and certifying to the Election Commissioner a ballot proposition for the creation of the Johnson County Education Research Triangle Authority and for the imposition of a county wide retailers' sales tax at the rate of 0.125%, pursuant to KSA 19-5002, for the purpose of funding projects and programs, in equal shares for the University of Kansas (Edwards Campus), Kansas State University at the Johnson County location, and the University of Kansas Medical Center at Johnson County locations.

Background: In 2007, the Kansas Legislature adopted legislation authorizing the creation of a Johnson County Education Research Triangle Authority, which would oversee a local funding mechanism to provide funding, in equal shares, to education projects and programs offered by KU, K-State, and the KU Med Center in Johnson County.

To provide local funding, the legislation authorized a countywide sales tax not to exceed .2%. The legislation also required that the creation of the authority and the imposition of the sales tax must be approved by the voters, and that the question could be presented at an election within 2 years.

Analysis: The action for the Board to consider is whether or not the ballot proposition should be submitted to the voters. The Board cannot and does not itself create the authority. The voters create the authority by approving the ballot question. If approved by the voters, the Board will impose the sales tax.

The Board must act this year or early next year, or the authority to act is lost.

The authority, if approved and created, is composed of local elected officials, and it oversees the use of the local funding by the three institutions. However, the Authority has no power to limit or regulate the use of funds other than to ensure compliance with the statute.

By statute, all of the proceeds of the authorized sales tax, other than up to 2% for administration, are distributed in equal shares to the three institutions, which in turn determine how the funds are spent, as that use falls within the purposes authorized by the statute.

The sales tax is authorized to be imposed at a rate up to 0.2%. The recommendation before the Board is to propose a sales tax at the rate of 0.125% or one-eighth of a cent.

Alternatives: The Board could decline to submit the ballot question as proposed. In that event, there is a reference in the statute to an initiative process, but it is not clear what process that would be.

Legal Review: Legal has reviewed the statute and the submitted information and prepared the ballot question for consideration.

Funding Review: While the funding will be disbursed by the County, there are no financial considerations for the County.

B R I E F I N G S H E E T

Budget Approval: The sales tax revenue, if approved, will pass through the County but will not affect county budget expenditures or property taxes.

Recommendation: Approve and certify the ballot language.

Suggested Motion: I MOVE THAT THE BOARD ADOPT RESOLUTION NO. 044-08, APPROVING AND CERTIFYING A BALLOT PROPOSITION TO BE PRESENTED TO THE VOTERS AT THE GENERAL ELECTION TO BE HELD ON NOVEMBER 11, 2008, FOR THE CREATION OF THE JOHNSON COUNTY EDUCATION RESEARCH TRIANGLE AUTHORITY AND FOR IMPOSITION OF A 1/8TH CENT SALES TAX IN THE COUNTY FOR ITS PURPOSES, AS AUTHORIZED BY STATUTE.

B R I E F I N G S H E E T

DRAFT TRIANGLE BALLOT LANGUAGE

Shall the Johnson County Education Research Triangle Authority be created and, for its purposes, shall a one-eighth of a cent (0.125%) retailers' sales tax be imposed in Johnson County, pursuant to KSA 19-5002, for the purpose of supporting projects and programs related to (1) medical education and life sciences and cancer research programs at the Johnson County locations of the University of Kansas Medical Center; (2) research and education programs in animal health and food safety and security at the City of Olathe location of Kansas State University; and (3) undergraduate and graduate programs at the Edwards campus of the University of Kansas in the City of Overland Park, with the revenue from the tax being distributed in equal shares to the three institutions, consistent with the statute, and used for building construction, academic and research program development and growth, faculty and staff recruitment and retention, and operation and maintenance.