

To: Senate Ethics and Elections Committee

From: Erik Sartorius, Executive Director

Date: February 3, 2016

RE: Opposition to Senate Bill 368

We appreciate the opportunity to appear in in opposition to Senate Bill 368.

In both chambers of the legislature, several bills have been introduced seeking to increase transparency in the conduct of government. It is befuddling that legislation is being considered that swings far in the opposite direction of that sentiment.

Senate Bill 368 would significantly reduce the ability of cities to inform their residents of the reasons behind a question being placed on the ballot. Citizens will feel disengaged from their cities, and suspicion of the reasons behind a ballot question will be high. In our hectic, fast-paced world, citizens expect fast access to information that explains issues to them in a concise manner. Under this legislation, a city would not be allowed to produce any document to explain a ballot question, other than basic notifications.

An additional item of note is the language of Section 1(c). This provision states that “the funds from any such bond issuance shall be expended only for the items included in the notice described in sub. (b).” This language seems unnecessary given the other elements that govern use of bond proceeds. For instance, if a city sought to issue bonds for streets, it would need to pass an authorizing ordinance, as required by state law. Once issued, a city cannot simply use the bond proceeds to build a building in lieu of streets. If they did, they would be violating tax law and risk making the bond issue taxable. The damage to a city’s reputation among entities that purchase municipal bonds would be significant, and would likely affect the marketability of future bond issues. Bond counsel will remind cities that excess proceeds from bond issues have to be spent on the project or used to redeem bonds. Section 1(c) will complicate the notice process – and the public policy value of doing so is not apparent.

Based on the concerns noted above, the League of Kansas Municipalities respectfully requests that the committee not recommend SB 368 for passage.