

STATE AFFAIRS COMMITTEE

January 15, 1963

Chairman Taylor called the meeting to order and introduced the Vice-Chairman, Mr. Unruh. The members of the Committee then introduced themselves in turn.

The Chairman mentioned that already numerous bills have been assigned to the Committee and that next week we would get started with them. Mr. Doyen was introduced to discuss H.B. 2, presently under consideration. Mr. Doyen stated that it concerned the flag; that the incorrect dimensions had been set up for the state flag and that the flag manufacturer had pointed this out. The Secretary of State has already ordered flags in the appropriate dimension, and this bill is simply to legalize what is being done.

Mr. Fribley moved, seconded by Mr. Wallace, that the bill be reported favorably. Upon vote, the motion carried unanimously.

The Chairman commented briefly about rules in Committee and asked that the members conduct themselves in their usual courteous fashion when hearings are being held; that those appearing before committee will be permitted to make their remarks without interruption, and then may be questioned by members of the committee. The Chairman also commented about how bills may be handled in Committee, i.e. amendments and committee bills.

It was moved by Mr. Fribley, seconded by Miss Jacquart, and unanimously carried, that the meeting be adjourned.

HOUSE BILL NO. _____

By Committee on State Affairs

AN ACT relating to counties, authorizing the acquisition, leasing or the payment of compensation for the use of vehicles for the sheriff and his deputies and repealing section 28-107a of the General Statutes of 1949.

Be it enacted by the Legislature of the State of Kansas:

Section 1. The board of county commissioners of any county may make provision for automobiles, motorcycles or other vehicles necessary for the sheriff and his deputies for the proper discharge of their duties. For the purpose of carrying out the provisions of this section the board of county commissioners may either purchase or lease and finance the operation and maintenance of such vehicles or may authorize the use of private vehicles for such purpose and provide compensation therefor by the payment of mileage as provided by law. No mileage shall be paid to any officer for travel made in any vehicle owned or furnished by the county.

Sec 2. Section 28-107a of the General Statutes of 1949. is hereby repealed.

Sec 3. This act shall take effect and be in force from and after its publication in the official state paper.

MEMBER COBA

HOUSE BILL NO. _____

By Committee on State Affairs

AN ACT concerning state rental of real estate and office space; conferring and imposing certain powers and duties on the state department of administration and the purchasing division thereof, amending section 75-3738 of the General Statutes Supplement of 1961 and repealing said original section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. Section 75-3738 of the General Statutes Supplement of 1961 is hereby amended to read as follows: Sec 75-3738. There is hereby established within the state department of administration a purchasing division, the administrative head of which shall be the director of purchases appointed as provided in section 3 75-3703 of ~~the~~ ^{this-act} General Statutes Supplement of 1961. In general, but not by way of limitation, and subject to other applicable provisions of this act and to other laws not inconsistent herewith, the director of purchases, under the supervision of the executive director and in accordance with rules and regulations established as provided in section 6 75-3706 of ~~this-act~~ the General Statutes Supplement of 1961, shall:

(1) Purchase, rent or other wise provide for the furnishing of supplies, materials, equipment, or the rental of real estate and office space, or contractual services for all state agencies.

(2) Have power to authorize any state agency to purchase directly certain specified supplies, materials, equipment, or contractual services under prescribed conditions and procedures.

(3) Prescribe the manner in which supplies, materials, and equipment shall be purchased, delivered, stored, and distributed.

(4) Prescribe the time, manner, authentication and form of making requestions for supplies, materials, equipment and contractual services.

(5) Fix standards of quality and quantity and develop standard specifications in consultation with the several state agencies.

(6) Have charge of central storerooms and supply rooms serving more than one state agency now or hereafter established and operated by the state in the manner as authorized by law.

(7) Have power to transfer to or between state agencies or to sell or trade in supplies, materials and equipment of state agencies which are surplus, obsolete, or unused; and the controller shall make proper adjustments in the accounts of the state agency or agencies concerned.

(8) Have power to sell or transfer to or between state agencies any supplies, articles or materials, manufactured, raised, owned or processed by any state agency; and the controller shall make proper adjustments in the ^{NEW} ~~accounts~~ ^{COBA} of the state agency or agencies concerned with any such sale or transfer.

(9) Prescribe the manner of inspecting all deliveries of supplies, materials, and equipment and of making chemical and physical tests of samples submitted with bids and samples of deliveries to determine compliance with specifications.

(10) Prescribe the amounts of, accounting for and disposition of deposit or bond, if required, to be submitted with a bid or a contract and the amount of bond to be given for the faithful performance of a contract.

(11) Require reports by state agencies of stocks of supplies, materials, and equipment on hand and prescribe the form of such reports and deliver a copy of such reports to the controller.

(12) Provide for such other matters as may be necessary to carry out the provisions of Part I ~~III~~ section ~~of this act~~ of the act of which this is a part and the rules and regulations promulgated thereunder.

Sec. 2. Section 75-3738 of the General Statutes Supplement of 1961 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

NAME

ADDRESS

REPRESENTING

NAME	ADDRESS	REPRESENTING
Richard P. Kayser ^{yes} *	St Marys, Kans	St Marys State Bank
Mr. Dean ^{yes}	Topeka, Kans	Kansas Bankers Assn.
E. R. Zane ^{yes}	Lawrence, Kan	Lawrence & JC
Carl A. Bowman ^{No}	Topeka	Kansas Bankers Assn.
G. W. SMOER JR. ^{No}	Topeka Kans	Topeka State Bank
Carl A. Meyer	Topeka	Columbian Security Corp
DAN C. ROBISON ^{No}	TOPEKA	KANSAS BANKERS ASSN
J. E. Sheik	Bern Ks	State Bk of Bern
W. J. Dreding	Seneca Ks	Citizens St Bk
Ernie Z. Fager	Topeka	Commerce State Bk
Edmore Cox	Wichita	
Senator Kachur & Lehman	Hiawatha Kan	Commerce State Bank
Norvell G. Wingate	Topeka Kans	
Carroll Wait	Topeka	Kan Valley Citizens State
B. P. Ringold	Topeka,	
Roger D. Kirkwood	Topeka	Kansas Bankers Association
J. J. Lute	Topeka	Legislature
Mr. MacFerran Jr	"	State Savings Bank
Tom Crossan	Independence	Legis
Mr. Sell		
Mr. Mohler		

NAME

ADDRESS

REPRESENTING

M.A. MCGHEEY

TUPEKA

KANS. ASSOC. OF SCHOOL BOARDS

L.F. SNOW

WESTMORELAND

CO. SUPT. SCHOOLS

LOYD SCHROEDER

WICHITA, KS

COUNTY GOV

ANDERSON CHANDLER

TOPEKA, KANSAS

Fidelity State Bank

MR MOSHER

✓

KANSAS League

MES HELLER

Lawrence

League Women Vol.

JOHN CONARD

ODD WILLIAMS

MR HEATH

The nearly 600 banks in Kansas own approximately 35% of the \$810 million of Kansas municipal bonds outstanding. Our banks use these bonds to a great extent in securing the deposits of public funds as provided by our sound Kansas law. Comparisons with municipal bond issues of nearby states show that Kansas issues are able to be sold, and purchased to a great extent by Kansas banks, at a saving of $\frac{1}{4}$ of 1% to $\frac{3}{4}$ of 1% in the coupon interest rate. This means an annual saving to Kansas taxpayers of \$4,050,000 to \$6,075,000. The reason for this great saving is bank pledging of Kansas municipals to secure public funds, under present Kansas law.

A number of examples of the difference in coupon interest rate is shown below, based on comparable bonds as to quality, for Kansas municipals and those of nearby states.

Comparable Bonds as to Quality, Date of Issue, etc.

	<u>Kansas</u>	<u>Other States</u>
I.	Brown County Hospital Dist. #1, Kansas	Hancock Place School Dist. St. Louis County, Missouri
Assessed Valuation	\$18,058,851	\$17,087,370
Direct Debt	300,000	481,226
Population	8,400	14,000
Maturities	1 to 20 years	1 to 16 years
Coupons	3%, $3\frac{1}{2}\%$, $3\frac{3}{4}\%$	4%, $4\frac{1}{2}\%$

II.	Johnson County, Kansas School District #61	City of Lee's Summit, Missouri
Assessed Valuation	\$ 4,873,530	\$ 7,302,830
Direct Debt	645,000	1,038,000
Population	6,000	7,228
Maturities	1 to 15 years	1 to 20 years
Coupons	$3\frac{1}{2}\%$, $3\frac{3}{4}\%$	3 $\frac{3}{4}\%$, $4\frac{1}{2}\%$

III.	Belleville Board of Education, Kansas	Matthews Reorganized School District #R-V, New Madrid County, Missouri
Assessed Valuation	\$ 4,435,874	\$5,863,913
Direct Debt	514,000	377,216
Population	3,500	5,500
Maturities	1 to 20 years	1 to 20 years
Coupons	$3\frac{1}{2}\%$, 3%	$4\frac{1}{2}\%$, $4\frac{3}{4}\%$, 4 $\frac{1}{8}\%$

IV.	City of Moundridge, Kansas	City of Marshfield, Mo.
Assessed Valuation	\$ 1,507,131	\$ 2,069,187
Direct Debt	188,870	320,000
Population	1,270	2,200
Maturities	1 to 10 years	1 to 10 years
Coupons	3%, 2 7/8%	4 1/2%
V.	City of Moundridge, Kansas	Consolidated School Dist. #6 Webster County, Missouri
Assessed Valuation	\$ 1,507,131	\$ 1,875,004
Direct Debt	188,870	130,000
Population	1,270	2,300
Maturities	1 to 10 years	1 to 10 years
Coupons	3%, 2 7/8%	4 1/8%, 4%
VI.	Johnson County, Kansas G. O. Bonds	Hidalgo County, Texas Unlimited Tax Bonds
Assessed Valuation	\$161,733,811	\$148,688,175
Direct Debt	5,670,431	4,675,406
Population	140,000	179,562
Maturities	1 to 10 years	1 to 10 years, 3 3/4%
Coupons	2 1/2%, 2 3/4%, 2 7/8%	10 to 16 years, 3 3/4%, 4%
VII.	Johnson County, Kansas Common School Dist. #49	Oklahoma City, Oklahoma G. O. Bonds (Bonds due in 1971 now offered to yield 3.60%-- compares with 3.00% on the much less wealthy Kansas school district.)
Assessed Valuation	\$4,209,798	
Direct Debt	485,428	
Population	1,700	
Maturities	1 to 10 years	
Coupons	2 3/4%, 3%	
VIII.	Belleville School Dist. #14 Republic County, Kansas	Rangely Hospital District Rio Blanco County, Colo.
Assessed Valuation	\$ 4,435,874	\$61,579,940
Direct Debt	514,000	600,000
Population	3,500	3,700
Maturities	1 to 20 years	1 to 15 years
Coupons	3%, 3 1/4%, 3 1/2%	4 3/4%
IX.	Lyndon, Kansas G. O. Bonds	Lincoln, Nebraska School District (Bonds due in 1971 now offered on a 3.25% yield-- compares with 3.00% on the much smaller and less wealthy Kansas town.)
Assessed Valuation	\$829,344	
Direct Debt	151,285	
Population	941	
Maturities	1 to 10 years	
Coupons	2 7/8%, 3%	

CONCLUSION:

Hundreds of other comparisons can be made on the bond market today to show that Kansas bank purchasing and pledging of Kansas municipals save Kansas taxpayers at least \$4,050,000 yearly.