

STATE AFFAIRS COMMITTEE

April 2, 1965

The Committee was called to order and the Chairman introduced Senator Sebeleus who stated that they held hearings in the Senate Committee and many of those who were in attendance had appeared as proponents in the Senate hearing. He then asked Senator Garr to make remarks concerning the proposal. Mr. Garr stated that this is a broad, general bill, similar in nature to the two local bills that have been introduced this session; that it can accomplish a big tax saving for any city that already has bonds, by permitting refunding and buying with the money received U.S. Government Securities which will pay the interest on the (i.e.) waterworks bonds already outstanding. He states that this would be a money saving statute and will not get the taxpayers in any trouble.

Mr. Mosher of the League of Kansas Municipalities presented a prepared statement (see attached) and introduced Mayor Dufek of Hutchinson, who stated that they have about a million dollars worth of bonds that they would like to handle this way, and that it would amount to about \$600,000. Mr. Gilliland, City Attorney for Hutchinson, stated that they are very anxious that this be adopted. Mr. Diehl of McPherson stated that at this time they do not need this legislation but are in favor of it (all members of the City Commission) in the event they wish to utilize the privilege at a later time. Mr. Mosher stated that in the preparation of this proposal, great care had been taken to restrict the terms so there could be no "hanky panky" and that he feels it has many safeguards.

Mr. Rittenoure of Wichita appeared in opposition to the proposal (see attached). Mr. Finney also spoke in opposition to the proposal, stating that in Kansas we have been in splendid shape on these investments and that this is because we have not abused the law in the past; that he does not believe that we should authorize governing bodies to play the money market; that he knows great pressure has been applied to pass this bill but that Congress is presently considering legislation that would put this type of state legislation in serious trouble.

Because of the short time available for meeting purposes, the meeting was adjourned.