

SENATE WAYS AND MEANS COMMITTEE

Minutes of the Meeting
March 23, 1965

The meeting was called to order at 10:00 a.m., March 23, 1965, by Chairman Sanborn. All members of the Committee were present.

Senator Woodard presented the subcommittee report on the DEPARTMENT OF REVENUE. (See copy of report attached.) He pointed out that the Department had changed data processing equipment three times in the last four years with approval of the legislature on the basis that each change would do a better job. It is doubtful that these changes could effect improvements in the system when it takes time for personnel to acquaint themselves with the system, then have it removed for another. He pointed out that Senate Bill 317 now being considered by the House probably should be expanded to give the specialist proposed for the management of the automatic processing systems authority to approve or disapprove the requests for new equipment, or that possibly, the 360 computers should be line itemed out of the budgets of the individual agencies making requests for them this year. Senator Smith stated that neither of these suggestions should be accomplished, in his opinion, to allow the specialist (if one can be hired) time to determine the programs of the state. He also stated that it is anticipated that there will be some difficulty in hiring a specialist because of the salary range which will be offered. Thereupon, Senator Woodard moved that the subcommittee report on the DEPARTMENT OF REVENUE be adopted, and its recommendations incorporated in a Committee appropriation bill to be introduced. Senator Bell seconded the motion. Motion carried.

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Mr. Lynn Burris of the State PARK AND RESOURCES AUTHORITY, and Mr. Harry Beecroft of Topeka, one of the financial advisors to the Authority, appeared before the Committee with reference to proposed changes in the law concerning authority to sell revenue bonds. Mr. Burris' comments included: (See copy of proposed bill attached.)

1. It is proposed to create a State Park Revenue Fund for the purpose of pledging these funds to the payment of revenue bond facilities.
2. With the exception of the permit revenue, the facility for which these bonds are planned is the leasing of cabin sites near the U.S. Government Reservoir in Western Kansas (Pamona).
3. He called attention to the fact that 21% of the total revenue for fiscal year 1965 is derived from conversions. These funds would go into the revenue bond fund, as well as miscellaneous receipts (from sale of hay and other incidental revenues).
4. The Board of the Park Authority made the decision at a meeting in Wichita yesterday that the permit program should pay as much as possible of the operating costs; in fact, the total cost if possible.

5. The Board understands from its financial advisors (Beecroft, Cole & Co. of Topeka; Ransom & Co. and First Securities of Wichita) that in order to establish a means for issuance of revenue bonds there has to be a certain assurance of good faith on the part of the state before a workable bond program can be accomplished.
6. A request for bids for a 30-space dock, floating dock for fuel, and a sandwich shop at Pamona is planned if this bill is passed. It would be contracted on a 10-year basis at a lease of 2% of gross receipts. The lessee would have to amortize his investment over a period of 10 years as there would be no renewal clause in the contract. At the end of 10 years, the bids would have to be let again.
7. Senator Van Sickle asked where the Authority anticipated that federal stamp revenues would be used. Mr. Burris stated that most would be used for capital improvements on a 50/50 federal/state matching basis.
8. Senator Van Sickle also stated that the State could be approaching something similar in the Park Authority program similar to the Forestry, Fish and Game program in that capital improvements would be made on the 50/50 matching basis. Mr. Burris agreed.

Mr. Beecroft stated that the proposed bill is a conventional bond bill required for revenue financing. The importance of the bill is increased by the desired economic development program of the state. Highways, park improvements and several other things are the tools for development and recreation is a vital factor, he stated. The importance of this bill is that with its enactment the Authority can plan for the next two years. Senator Van Sickle asked if any of the present facilities merited a revenue producing program of this kind, and Mr. Beecroft replied that it was his impression that there is sufficient potential to merit a professional study for such a program. He stated that such a program could not be undertaken without an indication that the legislature will support this type of financing.

Senator Van Sickle asked Mr. Burris if funds would be available from the land conversion program for pledging this year. He stated that it is possible that funds would qualify this calendar year, possibly in September for matching on this program. Fiscal year 1966 capital improvements would qualify possibly.

The Chairman assigned Senators Ward, Bell and Warren to act as a subcommittee for recommendations on Senate Bills 132 and 244.

The Chairman also assigned Senator Warren to act as a subcommittee for recommendations on House Bill 990.

There being no further business to come before the meeting, it was adjourned at 11:25 a.m.