

MINUTES OF THE House COMMITTEE ON Federal and State Affairs

Held in Room 510-S, at the Statehouse at 8:00 a. m./p. m., on April 3, 1975.

All members were present except: Representatives Mikesic, R. Miller and Hayes, who were excused.

The next meeting of the Committee will be held at _____ on call _____ a. m./p. m., on _____, 19____.

These minutes of the meeting held on _____, 19____ were considered, corrected and approved.



Chairman

The conferees appearing before the Committee were:

The meeting was called to order by the Vice-Chairman who stated that the sub-committee had held another meeting, and Mr. Anderson was concerned about the matter of funds for rehabilitation of existing housing, and that an amendment was prepared to require that a minimum of 25% of the funds will go into rehabilitation.

Mrs. Matlack stated she feels this is a major piece of legislation and hesitates to act on it at this time. Mr. Slattery commented he knew several people may want this but when he is making recommendation to the 125 members of the House he likes to feel more confident. He inquired about the fiscal note, and Mr. Buzzi explained at this point it is \$30,000 which is already in the budget; that this is for staffing and the program.

Mr. Morris stated that rarely does everybody think a piece of legislation is perfect but that this idea has been around for several years and that with Mr. Anderson's amendment he feels that he can vote for it and he would like to get something started for the people at this income level. He moved that the amendments as presented on the balloon copy supplied by Mr. Ensley. Motion was seconded by Mr. Cooper and carried. Mr. Morris then moved that the amendment suggested by Mr. Anderson that 25% of the funds be devoted to rehabilitation, be adopted. Motion was seconded by Mr. Cooper and carried unanimously.

Mr. Marshall stated he would like to see something in the nature of neighborhood development in the bill, and cited an example in Topeka under a federal program which has been quite successful. Mr. Buzzi stated there is nothing to prevent this concept. Mr. Anderson stated that if federal funds are acquired under this bill and used by guidelines set up by HUD that this bill has the necessary requirements.

It was moved by Mr. Morris and seconded by Mr. Ward that HB 2612 as amended, be recommended favorably. Mr. J. Slattery inquired about procedure in the event he wanted to get some of this money. The Chairman explained you would go first to the state and then to the lending institution; that all three parties would get together and work out an agreement to get a bond issue going; that this is common practice. The authority would sell the bonds which would be used to insure the loan or buy the paper. Mr. Slattery inquired what happens if the project collapses and Mr. Buzzi pointed out that the foreclosure section gives the state the option to do whatever is in the best interest of the bond

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

holder. The Chairman stated there is a provision for a trustee for the bond holder and that the trustee takes it over.

Mr. Slattery stated that one representative of a lending institution testified in opposition to the bill and Mr. Morris explained that of course the lending institution prefers to lend at the going rate but that if the borrower can't qualify then they take a different attitude; that they just don't want competition for the same person.

Mr. Feleciano made a substitute motion that the bill be carried over for a study, which motion was seconded by Mr. Slattery.

Mr. Feleciano asked a number of questions concerning the changes in the bill, and inquired about striking the material on page 3 (g) dealing with the developer. Mr. Buzzi explained this was done because they didn't think it was proper for the state to lend directly. Mr. Feleciano inquired about page 2 and the amendment in the box, and Mr. Buzzi explained this is from Mr. Loux's bill and speaks of working with the lender. In (k) lines 26 and 27 Mr. Feleciano stated Kansas has no Savings Banks, and Mr. Buzzi stated this was to be as broad as possible to include all outlets that might be available or become available in the future. Mr. Feleciano stated he would like to see the makeup of the authority changed and further that there is no cross reference to KSA. Mr. Morris stated that he felt these questions should have been asked in sub-committee, and moved the question.

The substitute motion lost 8 to 9. Thereupon, vote was taken on the original motion which carried 9 to 8.

Senator Moore was introduced to discuss his SCR 2, and he explained that it requests the director of architectural services to make a study and make a report concerning standards for energy use and certain construction standards for buildings within the state. Mr. Morris inquired about a fiscal note and Senator Moore explained he was told it was to the extent of one staff member. Mr. Morris then moved that the Resolution be recommended for adoption, which motion was seconded by Mr. Cooper and carried without dissent.

It was then moved by Mr. J. Slattery and seconded by Mr. Rodrock that SB 374, changing the Commission on Mexican-American Affairs from an advisory committee to a commission, be recommended for passage. Motion carried.

Mr. Rodrock explained that with regard to SB 531 concerning insurance of steam engines, he had been working with the Revisor and other interested people, as well as people from the Labor Commission, and that an amendment was nearly ready which was satisfactory to all persons. On the basis of past hearing and discussion, the committee agreed to accept the committee report as prepared by the Revisor's office. It was moved by Mr. Rodrock and seconded by Mr. Sellers that these amendments be adopted. Motion carried. It was then moved by Mr. Sellers and seconded by Mrs. Matlack that SB 531 as amended be recommended favorably. Motion carried.

The meeting was adjourned.