

M I N U T E S

SPECIAL COMMITTEE ON LOCAL GOVERNMENT

November 17 and 18, 1977

Members Present

Senator Jan Meyers, Chairperson
Representative Clarence Love, Vice-Chairperson
Senator John Chandler
Senator Norman Gaar
Representative Robert Caldwell
Representative Gerald Caywood
Representative Harold Dyck
Representative Vic Kearns
Representative Robin Leach
Representative John Myers

Staff Present

Mike Heim, Kansas Legislative Research Department
Alan Alderson, Revisor of Statutes Office

Others Present

Mr. Neil Shortlege, League of Kansas Municipalities
Ginger Barr, Memorial Lawn Cemeteries, Emporia
Bill Staley, Chapel Hill Cemetery, Kansas City
David Miller, Highland Park Cemetery, Kansas City
Hap Bledsoe, Resthaven Cemetery, Wichita
Fidel Readiss, Kansas City
Mike Hrynewich, Kansas Savings and Loan League

Thursday, November 17, 1977

Proposal No. 83 - Cemeteries

The Committee was called to order by Senator Jan Meyers, Chairperson, at 10:00 a.m.

Staff reviewed the draft Committee report dealing with Proposal No. 83.

Mr. Hap Bledsoe of Resthaven Cemetery expressed concern about several of the provisions of the proposed bill dealing with cemeteries. Mr. Bledsoe noted that he was president-elect of the National Association of Cemeteries. He expressed concern about not receiving sufficient notice of the Committee's activities in regard to cemeteries. Several Committee members pointed out that notification of the Committee's activities had been regularly made to various members of the Kansas Cemetery Association. It was also pointed out that press releases had been mailed to the Wichita news media concerning the Committee's September meeting held in Wichita.

Mr. Bill Staley read a statement expressing specific concerns the Kansas Cemetery Association had with the proposed bill (see Attachment I). Mr. David Miller supported the comments made by Mr. Staley.

Mr. Mike Hrynewich, of the Kansas Savings and Loan League expressed concern about the provision in the proposed bill that would exclude savings and loan companies from acting as trustees for cemetery permanent maintenance funds.

It was pointed out by Mr. Alderson that most of the items contained in the proposed bill draft had been suggestions made by the Assistant Secretary of State.

The Chairperson appointed a subcommittee of Representative Kearns and Representative Leach to meet with representatives of the Kansas Cemetery Association and Mr. Alderson of the Revisor's Office during the noon break. The Committee then recessed for lunch.

Afternoon Session

The Committee was called to order at 1:30 p.m. by Senator Meyers, Chairperson.

Mr. Alderson reported that the subcommittee recommended the elimination of charges for opening and closing graves from the 15 percent charge for permanent maintenance and recommended that the minimum permanent maintenance deposit be raised to \$25. In addition, the subcommittee recommended changing the time frame for depositing receipts to the permanent maintenance fund to 30 days following the closing of the books at the end of each month; that no change be made in the definition of maintenance contained in the bill but that the definition of burial lot be changed to be "plotted space for burial purposes." The subcommittee also recommended that investment procedures remain as they are in current law but that the treasurer be bonded for 125 percent of the amount received and that if custody of the permanent maintenance funds remained with the corporation, the treasurer be made personally responsible for any losses due to bad investments. The subcommittee also recommended that a stiffer penalty be imposed on corporations failing to register.

Representative Dyck made a motion to eliminate the permanent maintenance charge related to the opening and closing of graves and to raise the minimum permanent maintenance deposit per lot to \$25. Representative Kearns seconded the motion and the motion carried.

Representative Kearns moved that the section of the bill dealing with the investment of permanent maintenance funds be returned to the way investments are handled under present law but to raise the surety bond requirement to 125 percent. Representative Leach seconded the motion.

A substitute motion was made to leave the bill as written by Representative Dyck and seconded by Senator Chandler. The motion carried.

Senator Gaar made a conceptual motion that the investment provision of the bill be amended to allow the investment of permanent maintenance moneys in savings and loan companies up to the amount deposits in the savings and loan company are federally insured. Custody of the funds would be with the savings and loan companies. Representative Leach seconded the motion and the motion carried.

Representative Kearns moved that the deposits to the permanent maintenance funds be changed to within 45 days after receipt. Representative Caywood seconded the motion and the motion carried.

Representative Caywood moved that the definition of burial lot be changed to "a plotted space for burial purposes." Representative Dyck seconded the motion and the motion carried.

Senator Gaar moved that the penalty provision for a failure to register with the Secretary of State be changed to a civil penalty with a fine not to exceed \$1,000. Senator Chandler seconded the motion and the motion carried.

Representative Kearns moved that the Committee introduce the bill as amended. Senator Gaar seconded the motion and the motion carried.

Senator Gaar moved that the Committee adopt its report as amended. Representative Leach seconded the motion and the motion carried.

Friday, November 18, 1977

Proposal No. 56 - Parks and Recreation

Senator Meyers called the meeting to order at 10:00 a.m.

Representative Caywood moved that the Committee accept the bill draft providing a vehicle for city and county parks and recreation program consolidation. Representative Meyers seconded the motion and the motion carried.

Representative Caywood moved that the second bill draft providing for the recreation mill levy increase be amended to clarify language relating to the protest petition procedure to allow recreation boards not to call an election if a protest petition is filed and to clarify the bill to ensure that if an election is held and fails, that the mill levy will not be reduced below what is currently being levied. Representative Myers seconded the motion and the motion carried.

Representative Myers moved that the bill draft be introduced as amended. Representative Caywood seconded the motion and the motion carried.

It was the consensus of the Committee that the Committee report should state that one objective of the Committee was to encourage the consolidation and unification of recreation programs in communities. Representative Caldwell moved that the Committee adopt the report as amended. Representative Kearns seconded the motion and the motion carried.

Proposal No. 55 - Municipal Bonds

Staff reviewed the final report draft. It was the consensus of the Committee that the report should include a summary of the testimony of the Division of Accounts and Reports concerning accounting needs of municipalities and the issue raised concerning the issuance of temporary notes by improvement districts which sometimes results in the lack of knowledge of special assessments by property buyers.

Staff was directed to clarify the language contained in the bill draft (R.S. 1661) dealing with advance refunded bonds and security for public funds deposits.

A motion was made by Senator Gaar to delete the requirement (R.S. 1610) that the elected officers of a municipality sign a bond election notice and provide instead that the notice be signed by the county election officer. Senator Chandler seconded the motion and the motion carried.

Representative Kearns moved that the Committee introduce the bills numbered by the Revisor's Office as R.S. 1661, 1610, 1663, 1705, and 1609 as amended. Senator Chandler seconded the motion and the motion carried.

Representative Caywood moved that the bill draft concerning the maximum maturity of general obligation bonds (R.S. 1706) be introduced with a clarification on page 1 to be inserted -- "be scheduled to be levied." Representative Dyck seconded the motion and the motion carried.

Afternoon Session

The meeting was called to order by Senator Meyers at 1:30 p.m.

Representative Leach moved that the Committee pass over the bill draft (R.S. 1702) providing for the issuance of temporary notes prior to the issuance of revenue bonds. Senator Chandler seconded the motion and the motion carried.

Senator Gaar moved that bill (R.R. 1707) dealing with the refunding of general obligation bonds be cleaned up on page 3. Senator Chandler seconded the motion and the motion carried.

Representative Dyck moved that the bill (R.S. 1707) be introduced as amended. Representative Caywood seconded the motion and the motion carried.

Representative Dyck moved that the bill dealing with bond coupons size (R.S. 1662) be introduced. Representative Myers seconded the motion and the motion carried.

Senator Gaar moved that the bill dealing with bonded debt limits (R.S. 1650) be amended to eliminate the 15 percent bonded debt limit step for second and third class cities and to provide that all bonds subject to debt limits be within the 25 percent limit. (A similar amendment was to be made in cases of first class cities that have two-step debt limits.) Representative Leach seconded the motion and the motion carried.

Representative Leach moved that the bill (R.S. 1650) be cleaned up. Senator Gaar seconded the motion and the motion carried.

Representative Dyck moved the bill (R.S. 1650) be introduced as amended. Representative Kearns seconded the motion and the motion carried.

Senator Gaar moved that the bill (R.S. 1704) dealing with temporary notes being all on one page be introduced. Representative Dyck seconded the motion and the motion carried.

Representative Dyck moved the bill (R.S. 1703) dealing with industrial revenue bond laws be introduced. Senator Chandler seconded the motion and the motion carried.

Representative Leach moved that the bill (R.S. 1739) requiring bonds be printed unless otherwise approved by the Attorney General be introduced. Senator Gaar seconded the motion and the motion carried.

Representative Leach moved that Section 3 of the bill (R.S. 1740) dealing with non-litigation certificates be stricken. The motion died for a lack of a second.

Representative Dyck moved that the bill (R.S. 1740) be introduced. Representative Caywood seconded the motion and the motion carried.

Senator Gaar moved that the bill (R.S. 1688) dealing with coal gasification be amended to include a provision for a reserve fund. Senator Chandler seconded the motion and the motion carried.

Representative Leach moved the bill (R.S. 1688) be amended to strike the provision allowing the sale of manufactured gas outside the state. Representative Kearns seconded the motion and later withdrew his second. The motion then failed for the lack of a second.

Representative Caywood moved the bill (R.S. 1688) be amended to make all municipal utilities subject to the duplication of services determination by the Kansas Corporation Commission. Representative Dyck seconded the motion but later withdrew his second. The motion then died for the lack of a second.

Representative Kearns moved the bill (R.S. 1688) be introduced as amended. Senator Chandler seconded the motion. Senator Gaar made a substitute motion that to protest petition provisions providing for five percent and 60 days apply only to coal gasification projects and that protest petitions allowed in other cases remain as in present law (or 20 percent and 15 days). Representative Leach seconded the motion and the motion carried. Representatives Caywood and Dyck voted no on the substitute motion. The vote was then taken on the original motion and the motion carried.

Senator Gaar passed due to a possible conflict in interest.

Senator Gaar moved that the bill (R.S. 1690) dealing with maximum bond maturities for general obligation and revenue bonds be amended on page 3 to allow the Attorney General to authorize variances in the provision requiring bonds be payable in approximately equal installments. Representative Leach seconded the motion and the motion carried.

Senator Gaar moved that the sections of the bill (R.S. 1690) dealing with purchases of equipment where general obligation bonds are allowed now for five years but were changed to 30 years be deleted. Senator Chandler seconded the motion and the motion carried.

Senator Gaar moved that the bill (R.S. 1690) as amended be introduced. Representative Kearns seconded the motion and the motion carried.

Representative Caldwell moved the Committee adopt its final report as amended on municipal bonds. Senator Gaar seconded the motion and the motion carried.

Representative Dyck moved the Committee approve the minutes for the three previous meetings. Senator Gaar seconded the motion and the motion carried.

Staff was instructed to mail the revised reports and the minutes for this meeting to Committee members for their review and approval.

The meeting adjourned.

Prepared by Mike Heim

Approved by the Committee on:

December 5, 1977
Date

MH/sdp

Madam Chairwoman, Mr. Vice-Chairman, and members of the Special Committee on Local Government. I am William Staley of Kansas City, Kansas and am speaking on behalf of the Kansas Cemetery Association.

This association is an organization of privately owned cemeteries in the State of Kansas and represents the very large majority of all such cemeteries. It is therefore vitally interested in good cemetery legislation and has worked very closely with both the Senate and the House of Representatives over the past fifteen (15) to twenty (20) years in this regard. It therefore wants to make the following brief comments in regards to Proposal No. 83 which is being considered by this committee.

In regards to Section 1 of K.S.A. 17-1311 the association wishes to go on record as being opposed to the provision that 15% of the opening and closing charges be placed in the permanent maintenance fund. This would drive prices up and would place privately owned cemeteries in a bad competitive position with religious and municipally owned cemeteries. The association likes the statute as it now reads but would not be opposed to raising the minimum deposit to \$25.00 if this committee so desires.

The provision of providing for deposits into the fund 30 days after their receipt should be 30 days after the closing of the books at the end of each month.

The association believes a burial lot should best be described as a "platted space for burial purposes."

We further believe that reasonable administrative expenses are a logical charge to the use of trust income and the same is true of the mowing and the maintenance of certain areas not sold for burial purposes; i.e., office building site and service areas and etc.

The association feels that the provision of Sec. 2, K.S.A. 17-1312 is all right as it now is in regards to the treasurer being the custodian of the fund. We feel that there is ample protection to the company and the lot owner on this and some companies show a better net gain under this arrangement than one where the bank has total control of the fund.

In regards to Sec. 3 K.S.A. 17-1312 A, the association feels the penalty is insufficient to stop the misdemeanor. We do not want to assess the penalty and want to leave that to your good judgment but perhaps a much stiffer fine or a short jail sentence or both would be more appropriate.

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