

Approved

Ivan Sand  
Date

MINUTES OF THE House COMMITTEE ON Local Government

The meeting was called to order by Representative Ivan Sand at  
Chairperson

1:30 ~~xxx~~ a.m./p.m. on March 15, 1983 in room 521-S of the Capitol.

All members were present except:

Committee staff present:

Theresa Kiernan, Revisor of Statutes Office  
Mike Heim, Legislative Research Department  
Jeanne Mills, Secretary to the Committee

Conferees appearing before the committee:

Rod Bieker, Assistant Attorney General  
Betty McBride, Cherokee County Treasurer  
E. A. Mosher, League of Kansas Municipalities  
Mary Ladesic, Wyandotte County Treasurer  
Senator Gaar

Chairman Ivan Sand called the meeting to order.

SB 94 - AN ACT concerning the distribution of the proceeds of tax levies; amending K.S.A. 12-1678a and 79-2934 and K.S.A. 1982 Supp. 79-1801 and repealing the existing sections; also repealing K.S.A. 72-1018.

Rod Bieker, Assistant Attorney General, was present to give background and intent of SB 94. This bill was requested by the Attorney General and essentially it is a clean-up bill. Mr. Bieker recommended a change in line 26 to clarify.

Representative Roper made the motion, seconded by Representative Acheson, to amend SB 94 in line 26 by deleting "tax on intangible property" and by reinserting the word "taxes" as recommended by Mr. Bieker. Motion carried.

Betty McBride, Cherokee County, Kansas, appeared in support but suggested an amendment in line 0051 by inserting a definition of fiscal need. See Attachment I for a copy of Ms. McBride's testimony and suggested amendment.

E. A. Mosher, League of Kansas Municipalities, appeared to recommend in line 051 the word "fiscal" be changed to "expenditure" for clarification.

Mary Ladesic, Wyandotte County Treasurer, appeared representing the Wyandotte County Commissioners. A copy of her testimony is attached and also a suggested amendment to clarify the word "fiscal" (See Attachment II).

SB 103 - AN ACT concerning municipal bonds; relating to the sale and refunding thereof; amending K.S.A. 10-102, 10-106, 10-116a, 10-427 and 10-427a and repealing the existing sections; also repealing K.S.A. 10-432.

Staff gave a brief overview of this bill. SB 103 amends the statutes concerning the sale, refunding and advance refunding of municipal bonds. He suggested a proposed amendment (See Attachment III). The amendment permits all bonds of the same series be exempt from public sale requirement. Senator Gaar responded to questions.

Representative Nichols made the motion, seconded by Representative Douville, to amend SB 103 in line 85 by deleting the words "whether or not the issue includes additional bond proceeds to be used for the same or similar purposes as the original bond proceeds were used" and by inserting the language "and all bonds of the same series or which are issued simultaneously with such bonds." Motion carried.

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.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Local Government

room 521-S, Statehouse, at 1:30 ~~xxx~~ p.m. on March 15, 1983.

E. A. Mosher, League of Kansas Municipalities, appeared in support of SB 103 and gave further background.

SB 119 - AN ACT concerning revenue bonds; relating to the issuance of such bonds; amending K.S.A. 12-1744b and repealing the existing section.

Staff gave a brief overview. This bill would give the authority to make rules and regulations on the filing of information on industrial revenue bonds to the Board of Tax Appeals. That authority presently is vested in the Chairman of the Board of Tax Appeals.

The Chairman referred back to SB 94 for discussion. Representative Wunsch made the motion, seconded by Representative Johnson, to amend SB 94 in line 51 by inserting the word "expenditure" in place of the word "fiscal." Motion carried.

Representative Baker made the motion, seconded by Representative Johnson, to report SB 49 (Sheriff; advance of expenses for serving order of extradition.) favorable for passage. Motion carried.

Representative Nichols made the motion to report SB 86 (Register of deeds; fees charged for certain filings.) favorable for passage. This motion died for lack of a second. Representative Francisco made the motion, seconded by Representative Wunsch to amend SB 86 in line 47 by inserting the amount "\$5.00" where ".00" has been deleted. Motion carried.

Representative Fry made the motion, seconded by Representative Nichols, to amend SB 86 in line 54 by inserting the word "to" following the word "prior" and by striking the word "to" following the words "(and after)." Motion carried.

Representative DeBaun made the motion, seconded by Representative Rezac, to amend SB 86 in line 57 by striking the words "or releases." Motion carried.

The Chairman asked staff to research the statutes dealing with the release of liens and report back to the Committee before action is taken.

Representative Wunsch made the motion, seconded by Representative Acheson, to report SB 93 (Municipalities; annual auditing requirement, when.) favorable for passage. Discussion followed. The motion carried with a division called and eleven (11) voting "for" and seven (7) voting "against."

Representative Schweiker made the motion, seconded by Representative Nichols, to approve the minutes of the March 14, 1983, meeting as printed. Motion carried.

Representative Love asked the Chairman to excuse himself and Representatives Roper, Dean and Webb for the March 16, 1983, meeting.

Meeting adjourned.

Betty McBride, Treasurer

CHEROKEE COUNTY, KANSAS



ATTACHMENT I

COLUMBUS, KANSAS 66725

Mr. Chairman and members of the committee, my name is Betty McBride. I am Cherokee County Treasurer and Vice President of the Kansas County Treasurers Association.

I would like to take this opportunity to recommend an amendment to Senate Bill 94 on line 0051 beginning with "in order to meet the fiscal needs" and at this point inserting the definition of fiscal need as: the taxing subdivision must provide proof that it has neither the cash, nor investments that can be converted to cash (even though it means suffering a penalty for early withdrawal) to meet the financial obligation.

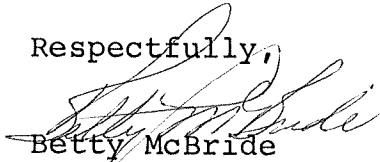
As a county investment officer I am recommending this amendment in order that I may continue to invest county funds as effectively as possible and not be forced to keep enormous sums of tax monies in checking accounts anticipating a withdrawal from any taxing subdivision at any time. This would clearly eliminate the definition of fiscal need as meaning the right to draw against the County Treasurer tax account funds by taxing subdivisions at their will. Presently this bill sets out dates and amounts of monies the County Treasurer must have available for distributions, thus allowing him or her to invest these tax account monies in the highest yielding investments and in so doing drawing the checking account balance down to a minimum. If the above definition of fiscal need is not inserted in this bill the County Treasurer would be investing tax account

*Attch. I*

monies with the constant fear of having to prematurely redeem investments in order to make these monies easily accessible to the taxing subdivisions. In other words, with this suggested amendment, the taxing subdivisions would truly have to show fiscal need before they could draw on their county tax accounts held by the County Treasurer.

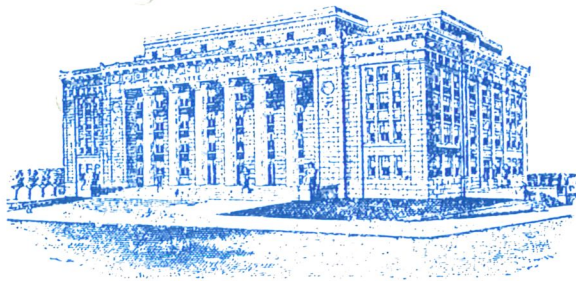
Once again let me thank you for your time and consideration. I respectfully solicit your support for this amendment.

Respectfully,



Betty McBride  
Cherokee County Treasurer  
Vice President Kansas Co.  
Treasurers Association





ATTACHMENT II  
OFFICE OF  
BOARD OF COUNTY COMMISSIONERS

WYANDOTTE COUNTY COURT HOUSE  
KANSAS CITY, KANSAS 66101  
PHONE 573-2827



PAUL ANTOS  
COMMISSIONER 1ST DISTRICT  
CLYDE A. TOWNSEND  
COMMISSIONER 2ND DISTRICT  
PATRICK L. SCHERZER  
COMMISSIONER 3RD DISTRICT

March 10, 1983

Honorable Ivan Sand  
Chairman, Committee on Local Government  
and  
Members, Committee on Local Government  
c/o Room 183 W  
State Capitol  
Topeka, Kansas 66612

RE: Senate Bill 94

Dear Chairman Sand & Members:

With regard to S.B. 94 dealing with distribution of proceeds of tax levies by county treasurers to taxing subdivisions, all three County Commissioners of Wyandotte County, Kansas wish to go on record in favor of the following correction to this bill:


In paragraph 2, line 51 where the word "fiscal" appears, we request that the word "actual" be substituted therefor. We believe that the intent of the legislature was to provide for distribution on the basis of actual need of the respective taxing entity. If the word "fiscal" were to be used instead of "actual" it could possibly create a discrepancy in interpretation which would not be in keeping with the legislature's intent.

In cases where the request was made on the basis of actual need we would be in a position to honor this request. However, the county could stand to lose interest on investment funds which by statute are used to lower the mill levy if distribution was given otherwise.


If you have any questions concerning our views on this bill, please contact the undersigned.

Sincerely,

THE BOARD OF COUNTY COMMISSIONERS  
OF WYANDOTTE COUNTY, KANSAS

  
PAUL ANTOS, CHAIRMAN  
COUNTY COMMISSIONER - 1ST DISTRICT

  
PATRICK L. SCHERZER, MEMBER  
COUNTY COMMISSIONER - 3RD DISTRICT

  
CLYDE A. TOWNSEND, MEMBER  
COUNTY COMMISSIONER - 2ND DISTRICT

PA:PLS:CAT:jmw

Atch. II

178975

0084 tality or agency thereof, bonds issued pursuant to K.S.A. 10-427 et  
 0085 seq., and amendments thereto, ~~whether or not the issue includes~~  
 0086 ~~additional bond proceeds to be used for the same or similar~~  
 0087 ~~purposes as the original bond proceeds were used~~ and bond sales  
 0088 where the total amount of the issue does not exceed \$100,000. In  
 0089 such cases, the bonds may be sold at public or private sale as the  
 0090 officers having charge of the sale of such bonds determine. The  
 0091 practice of providing more than one issue within a twelve-month  
 0092 period for any one project is prohibited unless the project engi-  
 0093 neer or architect certifies that it is necessary to do so for the  
 0094 orderly construction progress of the project.

and all bonds of the same series or which are issued simultaneously with such bonds

0095 Sec. 3. K.S.A. 10-116a is hereby amended to read as follows:  
 0096 10-116a. Any municipal or quasi-municipal corporation which  
 0097 has issued or may hereafter issue revenue bonds under the laws of  
 0098 the state of Kansas, may issue, without an election, revenue bonds  
 0099 pursuant to the provisions of this ~~act~~ section to refund any  
 0100 revenue bond issue or issues, or part thereof, ~~which have been~~  
 0101 ~~outstanding for more than one year.~~ The principal amount of any  
 0102 issue of ~~such~~ refunding revenue bonds shall not exceed the  
 0103 aggregate amount of: (a) The principal amount of the revenue  
 0104 bonds being refunded; (b) the amount of any interest which has  
 0105 accrued thereon or interest that will accrue to the date of payment  
 0106 of the bonds being refunded; (c) the amount of any premium  
 0107 required to be paid should ~~such~~ the bonds be called for redemp-  
 0108 tion and payment; (d) expenses of the municipal or quasi-munic-  
 0109 ipal corporation deemed by the governing body to be necessary  
 0110 for the issuance of the refunding bonds; and (e) expenses incident  
 0111 to the payment of the bonds being refunded. ~~Such~~ The refunding  
 0112 revenue bonds may be sold or exchanged for the bonds being  
 0113 refunded either as a whole or in installments at any time or times,  
 0114 either at, before, or after the maturity of the bonds being re-  
 0115 funded. If ~~such~~ the refunding revenue bonds are sold more than  
 0116 six (6) months prior to the maturity or earliest prior redemption  
 0117 date of the bonds being refunded, the proceeds derived from ~~such~~  
 0118 the sale, together with any other moneys on hand, shall be placed  
 0119 in escrow under a trust agreement with a Kansas bank having full  
 0120 trust powers. ~~Said~~ The proceeds and moneys shall be invested in

ATTACHMENT III

Atch. III