

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 ~~am~~/p.m. on March 22, 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:
Chris McKenzie, League of Kansas Municipalities
Senator Winter
Dennis Shocklee, City of Kansas City
Tim Underwood, Kansas Association of Realtors

Chairman Ivan Sand called the meeting to order.

SB 298 - AN ACT concerning the issuance of bonds; relating to notice of elections thereof; amending K.S.A. 10-120 and K.S.A. 1982 Supp. 25-2018 and repealing the existing sections.

Staff gave a brief overview. This bill amends the election provision statute of the General Bond Law and a statute dealing with school elections to provide that notice of any question submitted election of any school district shall be made in accord with the General Bond Law. Discussion followed.

SB 300 - AN ACT concerning the issuance and sale of temporary and refunding notes; amending K.S.A. 12-1665 and repealing the existing section.

Staff gave a brief overview. This bill amends K.S.A. 12-1665 to strike a requirement that temporary notes be paid semiannually and to provide these notes may be sold in a manner provided by the public agency issuing the notes.

Chris McKenzie, League of Kansas Municipalities, appeared in support of the bill. They feel it is a cleanup measure.

SB 301 - AN ACT concerning self-supported municipal improvement districts; authorizing the issuance of bonds; amending K.S.A. 12-17, 103 and repealing the existing section.

Senator Winter appeared to give background and intent of this legislation (See Attachment I). Discussion followed.

Chris McKenzie, League of Kansas Municipalities, appeared in support. He stated their Convention of Delegates of the League adopted a concept that is represented in this bill.

Allen Lloyd, City of Lawrence, was present to respond to questions from the members.

On March 21, 1983, Buford Watson, City of Lawrence, appeared in support of SB 301. A copy of his testimony is attached (See Attachment II).

SB 375 - AN ACT concerning mortgage bonds authorized by the mortgage subsidy bond tax act of 1980; reallocation of statewide ceiling amount among cities and counties.

Staff gave a brief overview. This bill establishes a statutory formula for allocating the state ceiling of qualified mortgage revenue bonds for cities and counties before March 1 each year and authorizes a reallocation after March 1 of each year.

Dennis Shocklee, City of Kansas City, appeared to give background and intent.

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 ~~xx~~ a.m./p.m. on March 22, 1983

He stated this bill was requested by the Kansas Department of Economic Development. He referred to line 88 and asked that the word "shall" be replaced with language for a specific date.

Tim Underwood, Kansas Association of Realtors, appeared in support.

Chris McKenzie, League of Kansas Municipalities, stated his association does not have a formal position but could live with language that would suggest a date.

The Chairman referred to SB 298 (School district bond elections; notice requirements.). Representative Baker made the motion, seconded by Representative Wunsch, to report SB 298 favorable for passage.
Motion carried.

Discussion followed on SB 375. The Chairman will contact the Kansas Department of Economic Development.

Representative Dean made the motion, seconded by Representative Webb, to approve the minutes of the March 21, 1983, meeting as printed.
Motion carried.

Meeting adjourned.

STATE OF KANSAS

WINT WINTER, JR.
SENATOR, SECOND DISTRICT
DOUGLAS COUNTY
2229 WEST DRIVE
BOX 1200
LAWRENCE, KANSAS 66044



TOPEKA

SENATE CHAMBER

ATTACHMENT I

COMMITTEE ASSIGNMENTS
VICE CHAIRMAN JUDICIARY
JOINT COMMITTEE ON
SPECIAL CLAIMS AGAINST
THE STATE
MEMBER EDUCATION
FEDERAL AND STATE AFFAIRS
LOCAL GOVERNMENT

March 23, 1983

To: Members of the House Local Government Committee
From: Senator Wint Winter, Jr.
Re: SB 301

Mr. Chairman and Members of the Committee:

I would greatly appreciate your favorable action on Senate Bill 301, a bill the Senate Local Government Committee introduced at my request.

This bill requires an affirmative vote of the people before a municipality can issue general obligation bonds in order to help finance improvements in a Downtown Self-Improvement District. Existing law allows a city to issue general obligation bonds to finance a downtown parking facility, with projected revenues from parking to pay the cost of paying the bonds. The bill would allow the people of a city to vote on the policy question of the issuance of general obligation bonds to provide security and financing for the construction of downtown improvements.

Cities and towns will increase their emphasis in the future on downtown improvement projects. SB 301 provides municipalities an additional tool in their efforts to stabilize and improve downtown areas, but adds the important requirement that the people of the city must approve the project, if public funds are potentially included.

I appreciate your attention to this. SB 301 is important to the cities of Kansas.

Atch. I



City of Lawrence
KANSAS

ATTACHMENT II

BUFORD M. WATSON, JR., CITY MANAGER

CITY OFFICES 6 EAST 6th
BOX 708 66044 913-841-7722

CITY COMMISSION

MAYOR

MARCI FRANCISCO

COMMISSIONERS

DONALD BINNS

BARKLEY CLARK

TOM GLEASON

NANCY SHONTZ

March 22, 1983

Chairman Ivan Sand
House Local Government Committee
Kansas State Capitol
Topeka, Kansas

RE: Support of Senate Bill 301

Mr. Chairman:

My name is Buford M. Watson, Jr., City Manager of Lawrence, speaking on behalf of the Lawrence City Commission. I appreciate the opportunity to speak to this committee in support of Senate Bill 301. The only recommended change to the self-supported Municipal Improvement District Act, is to allow the use of general obligation bonds with a vote of the people.

The City of Lawrence has been encouraging major retail development in our downtown for the past several years. The major obstacle in attracting such development is the high cost of land and parking structures downtown when compared with the cost of undeveloped land and surface parking in suburban settings. The City of Lawrence has supported state legislation such as the Self-Supported Municipal Improvement District Act and the Tax Increment Financing Act and others to provide financial incentives for downtown development. To date, no city has utilized these laws.

The Municipal Improvement District Act's purpose is to enable a city to provide facilities downtown, such as a retail or office building, which could be leased to a private concern. Now the only financing method is special obligation bonds of the designated downtown district. For large projects we are concerned that the assessed valuation of downtown, which is about 3% of the assessed valuation of Lawrence, may not be sufficient to obtain a reasonable interest rate for the special obligation bonds.

Buford M. Watson, Jr.

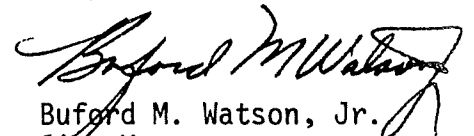
Chairman Ivan Sand
Topeka, Kansas
March 22, 1983
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Since our citizens have a substantial public investment downtown and that major retail development on the fringe of town would involve additional public services and public improvements, we believe citizens should be given the right to vote on whether they desire general obligation bonds for the purpose of the downtown improvement district. In those cases of revenue producing improvements, the income derived shall be pledged to help pay the general obligation bonds as well as any assessment of the downtown district.

Again, the requested change to the Act is to allow the use of general obligation bonds when approved by a referendum.

I appreciate the opportunity of addressing your committee on behalf of the City of Lawrence.

Respectfully,


Buford M. Watson, Jr.
City Manager

BMW/ed