

Approved Ivan Sand 2/25/85
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 FEBRUARY 20, 1985 in room 521-S of the Capitol.

All members were present except: Rep. George Dean, excused
Rep. Clyde Graeber, excused

Committee staff present: Mike Heim, Legislative Research Department
Mary Hack, Revisor of Statutes Office
Gloria Leonhard, Secretary to the Committee

Conferees appearing before the committee:

Mr. Kim Dewey, Sedgwick County -- HB 2223, 2225, 2226, & 2227
Mr. John Koepke, KS.Assn.of School Boards & KNEA -- HB 2225
Mr. Fred Allen, KS.Assn. of Counties -- HB 2225, HB 2226, & HB 2227
Mr. A. W. Dirks, USD 259, -- HB 2225
Ms. Judy Anderson, City of Wichita -- HB 2225
Mr. Mac Manning, Valley Center City Administrator &
Assn. of Rural Mayors -- HB 2225
Mr. Chris McKenzie, League of Kansas Municipalities -- HB 2225
Mr. Bill Ramsey, City of Olathe -- HB 2225

Chairman Ivan Sand called for hearings on the following bills:

HB 2223, concerning counties; relating to the adoption of certain codes by reference.

An overview of the bill was provided by Staff. (See Attachment I.)
Mr. Kim Dewey, representing Sedgwick County, testified in support of the bill. (See Attachment II.)

The hearing on HB 2223 was closed.

HB 2225, concerning the granting of franchises by cities; relating to compensation therefor.

An overview of the bill was provided by Staff. (See Attachment III.)

Mr. Kim Dewey, representing Sedgwick County, testified in support of the bill. (See Attachment IV.)

Mr. John Koepke appeared for Kansas Assn. of School Boards and for Mr. Craig Grant, Kansas National Education Assn., and urged support of the bill.

Mr. Fred Allen, representing Kansas Association of Counties, asked the Committee to approve the bill.

Mr. A. W. Dirks, representing USD #259, testified in support of the bill. (See Attachment V.)

Ms. Judy Anderson, representing the City of Wichita, appeared in opposition to HB 2225. (See Attachment - Anderson.)

Mr. Mac Manning, Valley Center City Administrator, also representing the Association of Rural Mayors (ARM's) from 18 smaller cities around Wichita, appeared in opposition to the bill. Mr. Manning said their chief concern is the loss of revenue; that it is being taken away but not replaced.

Mr. Chris McKenzie, representing the League of Kansas Municipalities, appeared in opposition to the bill. Mr. McKenzie pointed out that if revenue from one source is removed, it will be collected in some other way.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT,
room 521-S, Statehouse, at 1:30 ~~am~~ p.m. on FEBRUARY 20, 1985.

Mr. Bill Ramsey, representing the City of Olathe, testified he believes most projects will not provide windfall profits; that city costs will go up and users will have the benefits.

The hearing on HB 2225 was closed.

HB 2226, concerning cities and counties; relating to the local residential housing finance law.

An overview of the bill was provided by Staff. (See Attachment VI.)

A fiscal note was provided on the bill. (See Attachment VII.)

Mr. Kim Dewey, representing Sedgwick County, testified in support of the bill. (See Attachment VIII.) Mr. Dewey introduced Mr. Bob Dalton, United Securities, Inc., who explained a bond program proposed to Reno, Sedgwick, and Finney Counties in August, 1984. (See Attachment IX.) Mr. Dalton urged support of the bill.

Mr. Fred Allen, representing Kansas Assn. of Counties, urged the Committee to support the bill. Mr. Allen said the bill attempts to alleviate a cumbersome procedure.

The hearing on HB 2226 was closed.

HB 2227, relating to the sale of property.

An overview of the bill was provided by Staff. (See Attachment X.)

A fiscal note was provided on the bill. (See Attachment XI.)

Mr. Kim Dewey, representing Sedgwick County, testified in support of the bill. (See Attachment XII.)

Mr. Fred Allen, representing Kansas Assn. of Counties, explained the proposed legislation is in line with the County Platform and that the Association encourages approval of the measure.

The hearing on HB 2227 was closed.

The meeting was adjourned.

February 15, 1985

(ATTACHMENT I.)

2/20/85

MEMORANDUM

TO: House Local Government Chairman
FROM: Kansas Legislative Research Department
RE: H.B. 2223

H.B. 2223 reduces from five to three the number of copies of codes adopted by reference by counties that must be kept with the county clerk for public inspection.

MH/pk



SEDGWICK COUNTY, KANSAS

BOARD OF COUNTY COMMISSIONERS

DONALD E. GRAGG
CHAIRMAN
FIRST DISTRICT

(ATTACHMENT II)
2/20/85

BUD HENTZEN
CHAIRMAN PRO-TEM
THIRD DISTRICT

TOM SCOTT
COMMISSIONER
SECOND DISTRICT

COUNTY COURTHOUSE • SUITE 320 • WICHITA, KANSAS 67203-3759 • TELEPHONE (316) 268-7411

House Local Government Committee
February 20, 1985
House Bill 2223

Testimony of Kim C. Dewey
Sedgwick County, Kansas

House Bill 2223 is a relatively simple piece of legislation which merely addresses a curious inconsistency in the statute books.

K.S.A. 12-3010 requires that cities keep no less than three copies of all city codes on file with the city clerk. For no apparent reason, K.S.A. 12-3304 requires no less than five copies of county codes be kept on file with the County Clerk. Minor cost savings could be achieved by making the requirements consistent at three copies. Since both cities and counties are defined as municipalities, it would seem that statutory requirements relating to common procedures should be consistent.

The Board of Sedgwick County Commissioners request your favorable action on House Bill 2223.

February 15, 1985

(ATTACHMENT III)

2/20/85

MEMORANDUM

TO: House Local Government Chairman
FROM: Kansas Legislative Research Department
RE: H.B. 2225

H.B. 2225 amends a statute concerning the granting of franchises by cities. The bill prohibits considering the franchise receipts derived from services provided to any county, school district or other political or taxing subdivision in computing the fixed charges. The bill further prohibits any portion of this charge from being assessed against these local units.

MH/pk



SEDGWICK COUNTY, KANSAS

BOARD OF COUNTY COMMISSIONERS

DONALD E. GRAGG
CHAIRMAN
FIRST DISTRICT

(ATTACHMENT IV)

2/20/85

BUD HENTZEN
CHAIRMAN PRO-TEM
THIRD DISTRICT

TOM SCOTT
COMMISSIONER
SECOND DISTRICT

COUNTY COURTHOUSE • SUITE 320 • WICHITA, KANSAS 67203-3759 • TELEPHONE (316) 268-7411

House Local Government Committee
February 20, 1985
House Bill 2225

Testimony of Kim C. Dewey
Sedgwick County, Kansas

House Bill 2225 embodies a philosophy which is widely subscribed to in Kansas, that being that units of state and local governments not impose taxes or special charges against one another. Although there are other examples of deviation from this rationale, there are more frequent examples of it. Exemption from State sales tax for materials used to construct and improve public facilities is one good example.

Although there are those who will argue that franchise "fees" which are passed on to consumers are not a "tax", this argument is probably not subscribed to by the vast majority of utility consumers who pay an additional 5% or so on their utility bills to cover these "fees".

The Board of Sedgwick County Commissioners consider these additional charges on utility bills to be a tax. As such, we do not feel the county, school district or any other entity authorized to levy taxes should be required to levy taxes to pay these charges. Any county, school district or other entity which has public facilities within the corporate limits of a city which imposes franchise taxes is incurring this additional expense in the payment of gas, electric and telephone utility bills. Varying with the size of the political subdivision, the additional expense is not an insignificant amount.

The impact upon Sedgwick County Government is as follows:

<u>Utilities</u>	<u>1983 Actual</u>	<u>5% Tax</u>	<u>1985 Budget</u>	<u>5% Tax</u>
Electricity	\$ 906,308	\$45,315	\$1,574,651	\$ 78,733
Gas	207,254	10,362	322,129	16,106
Telephone	<u>438,329</u>	<u>21,916</u>	<u>541,116</u>	<u>27,056</u>
Total	\$1,551,891	\$77,593	\$2,437,896	\$121,895

Most franchise fees are set at about 5%, so an estimate of the impact on other political subdivisions can easily be reached by taking 5% of its gross gas, electric and telephone bills.

We recognize that franchise taxes represent a major source of revenue to most cities. They represent about 12-15 million dollars to the City of Wichita, for example. It is not the intent of this bill to cut these revenues to the cities or to cause a burden to be shifted to city property taxpayers. Rather, this legislation is timely in that most cities will be experiencing substantial windfalls in franchise tax collections due to increasing utility rates. Remember, the tax is based on a percentage of the gross receipts of the utility, so if the gross receipts increase, so do the franchise tax collections. It is a fair assumption that electric rates will generally increase statewide, particularly with pending consideration of the Wolf Creek and Sunflower Plant cases. Given this, the impact of exempting other political subdivisions from this needless additional liability will not even be felt by the cities of this state.

The Board of Sedgwick County Commissioners urge your favorable consideration of House Bill 2225.

WICHITA PUBLIC SCHOOLS

Educational Services Building
640 North Emporia
WICHITA, KANSAS 67214

February 20, 1985

(ATTACHMENT V)

2/20/85

Division of Research, Planning,
and Developmental Services
(316) 268-7882

TESTIMONY FOR THE HOUSE LOCAL GOVERNMENT COMMITTEE

HOUSE BILL 2225

I am Bill Dirks representing U.S.D. 259.

Thank you Mr. Chairman and members of the Committee for the opportunity to speak in favor of H.B. 2225.

Attached to this testimony is a listing of utility costs by budget category for the current year and the predicted increase for the following school year. It is readily apparent that with the marked escalation of utility costs a franchise tax becomes a "windfall" tax and a combination of either increased usage or costs nets the receiver of franchise taxes additional revenue. Our district with anticipated \$8,000,000 dollar expenditure for 1985-1986 utilities could expect about 5% or \$400,000 of that budgeted amount would be franchise taxes.

U.S.D. 259 objects, as a governmental unit, being required to pay a tax to another governmental unit. H.B. 2225 alleviates this condition and you are respectfully requested to support H.B. 2225.

Thank you for the opportunity to appear before the Committee.

WICHITA PUBLIC SCHOOLS

Educational Services Building

640 North Emporia

WICHITA, KANSAS 67214

December 11, 1984

Division of Research, Planning,
and Development Services
(316) 268-7882

1984-1985 Budget

Utilities

Categories	Spec. Ed.	Voc. Ed.	Adult Supp.	Gen. Budget	\$ Total
Telephone	\$11,500.	48,000.	12,000.	907,847.	979,347.
Water	5,000.	20,000.		334,810.	359,810.
Electricity	56,190.	20,000.		3,295,160.	3,371,350.
Gas and fuel	24,500.	6,600.		1,960,570.	1,991,670.

Total	\$97,190.	94,600.	12,000.	6,498,387.	6,702,177.
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Projected for 1985-1986	20 percent increase	\$8,000,000.
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Less 5% franchise	400,000.
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THE CITY OF WICHITA

(ATTACHMENT - ANDERSON)

2/20/85

PUBLIC AFFAIRS OFFICE
CITY HALL - FIRST FLOOR
455 NORTH MAIN STREET
WICHITA, KANSAS 67202
(316) 268-4318

February 20, 1985

Chairman Ivan Sand and Members of the House Local
Government Committee:

It is the position of the City of Wichita that the amount of utility franchise fees or charges levied by cities on the operation of utilities within the city should continue as a matter of home rule and of local determination. These should be restricted neither by state law nor by action of the Kansas Corporation Commission. Elected officials should decide the nature and the scope of franchise fees charged within their city. These elected officials are best able to determine both their constituents' interest and private use of public right-of-way. We oppose HB 2225 because it intrudes upon city's home rule.

Respectfully submitted,



Judith Anderson

February 15, 1985

MEMORANDUM

(ATTACHMENT VI)

2/20/85

TO: House Local Government Committee Chairman
FROM: Kansas Legislative Research Department
RE: H.B. 2226

H.B. 2226 amends the local residential housing finance law. The bill deletes the requirement that there be an agreement between a county and a city before mortgage revenue bond proceeds could be utilized for property inside the city. In lieu of an agreement, the bill provides for mailed notice to the city governing body of such proposed action and publication of notice of the proposed action in the official newspaper of each city affected. Cities choosing not to participate have 30 days to notify the county or counties of their decision. If a city decides not to participate, it cannot cooperate with any other city or county in mortgage revenue bond issues.

MH/jar

(ATTACHMENT VII)

183-W

2/20/85

The Honorable Ivan Sand, Chairperson
Committee on Local Government
House of Representatives
Third Floor, Statehouse

Dear Representative Sand:

SUBJECT: Fiscal Note for House Bill No. 2226 by
Representatives Spaniol et al

In accordance with K.S.A. 75-3715a, the following fiscal note concerning House Bill No. 2226 is respectfully submitted to your committee.

House Bill No. 2226 concerns the procedure which counties must follow to obtain a city's agreement to participate in the issuance of mortgage revenue bonds. Under the provisions of this bill, prior to a cooperative agreement:

- the county must publish the cooperation proposal in the city's official newspaper
- notice of the proposal must be mailed to the city.

A city must notify the county within 30 days of its intention to cooperate; however, the failure to respond within 30 days amounts to acceptance by the city. A final provision restricts cities from separate cooperative agreements to issue mortgage revenue bonds, after having entered an initial agreement.

The bill will increase the publications costs to counties proposing to engage in cooperative agreements with cities. However, as mortgage revenue bond issues are subject to local discretion, the fiscal impact of this bill cannot be estimated.

Alden K. Shields
Alden K. Shields
Director of the Budget

AKS:PA:dj



SEDGWICK COUNTY, KANSAS

BOARD OF COUNTY COMMISSIONERS

DONALD E. GRAGG
CHAIRMAN
FIRST DISTRICT

(ATTACHMENT VIII)

2/20/85

BUD HENTZEN
CHAIRMAN PRO-TEM
THIRD DISTRICT

TOM SCOTT
COMMISSIONER
SECOND DISTRICT

COUNTY COURTHOUSE • SUITE 320 • WICHITA KANSAS 67203-3759 • TELEPHONE (316) 263-7411

House Local Government Committee
February 20, 1985
House Bill 2226

Testimony of Kim C. Dewey
Sedgwick County, Kansas

The Local Residential Housing Finance Law establishes the legal basis for the issuance of Single Family Mortgage Revenue Bonds by counties and cities in Kansas. These are tax exempt bonds issue to provide a pool of lower cost mortgage funds available to primarily first time homebuyers. No more than \$200,000,000 may be issued in Kansas in any one year. Counties and cities are granted specific amounts which they may issue under this ceiling by the Kansas Department of Economic Development. The allocations are generally based on relative populations.

Many states issue these bonds through a state finance agency on a statewide basis. Since the State of Kansas does not have such an agency, the Board of Sedgwick County Commissioners have contended that counties should band together to create the largest possible issuance of bonds. It can be demonstrated that certain economies of scale can be attained with a larger dollar volume of bonds, thereby making the financing available to the first time homebuyer in the most efficient and effective manner.

The current law penalizes those counties and cities which strive to cooperate jointly by imposing a cumbersome procedure of enacting cooperative

agreements between all entities involved. Sedgwick, Reno and Finney counties recently joined with 28 other counties and over 150 cities to issue \$43,000,000 in Mortgage Revenue Bonds. The current law required the three issuing counties to actively solicit and obtain over 180 separate cooperative agreements with all counties and first, second and third class cities in the program area.

There were no cases of a city which did not wish to participate, except for Wichita, which chose to have a separate bond issue. Given the size of Wichita's population, they were in a position to have their own issue, as they were eligible for \$25,000,000. Most other cities were not large enough to receive an allocation which would allow them a separate bond issue. Most of those involved in the municipal bond industry will agree that \$10,000,000 or more in bonds is necessary to have a feasible bond issue. Consequently, not only did most cities want to cooperate, they had no real alternatives if they wished to have the mortgage funds available in their communities. This made the exercise of going through the cooperative agreement process practically meaningless, except to satisfy the requirements of the law.

The change proposed in House Bill 2226 would require the the county or counties to notify each city of the intent to organize a bond program, and give each city the opportunity to choose not to participate or to participate with another city or county. This would greatly streamline the process of organizing a bond program and make them ultimately more cost effective.



(ATTACHMENT IX)

UNITED SECURITIES, INC.
INVESTMENT BANKERS

2/20/85

444 ONE TWENTY BUILDING
120 SOUTH MARKET / WICHITA, KS 67202-3891 / 316-265-9421

August 30, 1984

County Clerk

County Courthouse
_____, KS _____

Re: Reno County, Sedgwick County, and Finney County, Kansas
Single Family Mortgage Revenue Bonds, 1984 Series A

Dear _____:

Lenders in your area have asked that _____ County, Kansas be included in the 1984 Single Family Mortgage Revenue Bond Program described above, with the abovesaid Counties being the Issuers of the Bonds.

Through this program, low-cost mortgage interest money is made available for loans to first-time homebuyers in Kansas communities. We have received strong support from lenders, realtors and builders for the 1984 Program; and we feel that the need for low-cost mortgage interest money at this time is quite apparent.

We are enclosing for consideration by your Board of County Commissioners, three (3) copies each of the Resolution and Cooperation Agreement required between the Issuers and each of the other Cooperating Political Subdivisions having an interest in the program before the Issuers can authorize mortgage loans to be made within the boundaries of the Cooperating Political Subdivisions. These documents simply give approval for loans to be made in _____ County, and do not obligate the County in any way.

We would ask that after your Board of County Commissioners has acted upon the Resolution, that all copies of the documents be executed as indicated, and two (2) copies returned to us as soon as possible. The third copy of the documents is for your files.

If you have any questions about the Bond Program or the enclosed Resolution, please call the undersigned at 800-362-2047.

Very truly yours,

Encls.

Robert O. Dalton



RESOLUTION

A RESOLUTION AUTHORIZING THE CHAIRMAN OF THE BOARD OF COUNTY COMMISSIONERS OF _____ COUNTY, KANSAS, TO EXECUTE A COOPERATION AGREEMENT PURSUANT TO K.S.A. 12-5219 ET SEQ., AS AMENDED, IN CONNECTION WITH THE ISSUANCE BY RENO COUNTY, SEDGWICK COUNTY AND FINNEY COUNTY, KANSAS OF THEIR SINGLE FAMILY MORTGAGE REVENUE BONDS.

WHEREAS, pursuant to K.S.A. 12-5219 et seq., as amended, including particularly K.S.A. 12-5231 (the "Act"), one or more cities or one or more counties or one or more cities and counties (the "Cooperating Political Subdivisions"), may join together or cooperate with one another in the exercise, either jointly or otherwise, of any one or more of the powers conferred upon cities and counties under the Act in accordance with and pursuant to a written agreement entered into between or among such cooperating cities or counties; and

WHEREAS, the respective Board of County Commissioners of Reno County, Sedgwick County and Finney County, Kansas, jointly as Issuers (the "Issuers"), desire to undertake a program (the "Program") to provide decent, safe and sanitary housing for persons and families of low and moderate income through the issuance of single family mortgage revenue bonds (the "Bonds") pursuant to the provisions of the Act; and

WHEREAS, the Issuers and the Board of County Commissioners of _____ County, Kansas (the "County"), have authority to issue single family mortgage revenue bonds pursuant to the provisions of the Act; and

WHEREAS, the Issuers and the County desire to provide for the proceeds of the Bonds to be issued by Issuers to be used to make single family mortgage loans through mortgage lending institutions with respect to property located within the boundaries of the Issuers and within the boundaries of the County and the other Cooperating Political Subdivisions; and

WHEREAS, the Board of County Commissioners of the County hereby deems and declares it necessary and in the public interest to authorize, enter into and perform under a Cooperation Agreement pursuant to the Act for such purposes.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF _____ COUNTY, KANSAS, THAT:

SECTION 1. The Chairman of the Board of County Commissioners of _____ County, Kansas is hereby authorized to execute, and the County Clerk is hereby authorized to attest the execution, of a Cooperation Agreement, in the form attached to this Resolution and incorporated herein by reference, with such amendments or revisions thereof as the Chairman shall approve, which approval shall be conclusively evidenced by the execution thereof.

SECTION 2. This Resolution shall take effect and be in force from and after its passage and approval.

PASSED AND APPROVED BY THE BOARD OF COUNTY COMMISSIONERS OF _____ COUNTY, KANSAS, this _____ day of _____, 1984.

BOARD OF COUNTY COMMISSIONERS
_____ COUNTY, KANSAS

(Seal)

By _____
Chairman

ATTEST:

County Clerk

COOPERATION AGREEMENT

COOPERATION AGREEMENT PURSUANT TO THE KANSAS LOCAL RESIDENTIAL HOUSING FINANCE LAW, K.S.A. 12-5219 ET SEQ., AS AMENDED, BY AND AMONG RENO COUNTY, SEDGWICK COUNTY AND FINNEY COUNTY, KANSAS, AS ISSUERS, AND _____ COUNTY, KANSAS, AUTHORIZING THE ISSUERS TO ISSUE THEIR SINGLE FAMILY MORTGAGE REVENUE BONDS AND TO USE THE PROCEEDS THEREOF TO MAKE SINGLE FAMILY MORTGAGE LOANS THROUGH MORTGAGE LENDING INSTITUTIONS WITH RESPECT TO PROPERTY LOCATED WITHIN THE BOUNDARIES OF THE COUNTY.

WHEREAS, pursuant to K.S.A. 12-5219 et seq., as amended, including particularly K.S.A. 12-5231 (the "Act"), one or more cities or one or more counties or one or more cities and counties (the "Cooperating Political Subdivisions"), may join together or cooperate with one another in the exercise, either jointly or otherwise, of any one or more of the powers conferred upon cities and counties under the Act in accordance with and pursuant to a written agreement entered into between or among such cooperating cities or counties; and

WHEREAS, the respective Board of County Commissioners of Reno County, Sedgwick County and Finney County, Kansas, jointly as Issuers (the "Issuers"), desire to undertake a program (the "Program") to provide decent, safe and sanitary housing for persons and families of low and moderate income through the issuance of single family mortgage revenue bonds (the "Bonds") pursuant to the provisions of the Act; and

WHEREAS, the Issuers and the Board of County Commissioners of _____ County, Kansas (the "County"), have authority to issue single family mortgage revenue bonds pursuant to the provisions of the Act; and

WHEREAS, the Issuers and the County desire to provide for the proceeds of the Bonds to be issued by Issuers to be used to make single family mortgage loans through mortgage lending institutions with respect to property located within the boundaries of the Issuers and within the boundaries of the County and the other Cooperating Political Subdivisions; and

WHEREAS, the execution and delivery of this Cooperation Agreement has been authorized by a Resolution duly adopted by the respective governing bodies of the Issuers and the County.

NOW, THEREFORE, IT IS HEREBY AGREED BY AND AMONG THE ISSUERS AND COUNTY AS FOLLOWS:

SECTION 1. The Issuers and the County hereby agree to join together and cooperate in implementing the Program for the purpose of providing decent, safe and sanitary housing for persons and families of low and moderate income with respect to property located within the boundaries of the Issuers and the County.

SECTION 2. The Issuers and the County hereby agree that the Issuers shall:

(a) Authorize and issue their single family mortgage revenue bonds (the "Bonds") under the authority of the Act in an aggregate principal amount which shall not exceed \$33,000,000, which amount is equal to the aggregate amount of the State Ceiling provided for pursuant to the Mortgage Subsidy Bond Tax Act of 1980, as amended, allocated to and among the Issuers and the City of Hutchinson, Kansas, one of the Cooperating Political Subdivisions.

(b) Said Bonds shall be designated "Reno County, Kansas, Sedgwick County, Kansas, and Finney County Kansas Single Family Mortgage Revenue Bonds (Multiple Originators and Servicers), 1984 Series A", and shall be authorized and issued for the purpose of providing money to make mortgage loans (the "Mortgage Loans") to persons and families of low and moderate income residing within the boundaries of the Issuers and the Cooperating Political Subdivisions, in accordance with the provisions of an Origination and Servicing Agreement by and among the Issuers and the participating lending institutions (the "Participants"), which are the parties thereto.

(c) Authorize, execute and deliver an Indenture of Trust (the "Indenture") by and among the Issuers and the trustee named therein (the "Trustee"), under which Indenture the Trustee shall, inter alia, supervise the origination and servicing of the Mortgage Loans, apply revenues for payment of debt service on the Bonds and maintain financial records with respect to the funds and accounts created pursuant to said Indenture of Trust and otherwise perform the duties and responsibilities of Trustee as set forth and provided in the Indenture.

(d) Authorize, execute and deliver an Origination and Servicing Agreement with the Participants doing business within the boundaries of the Issuers and the Cooperating Political Subdivisions under which said Participants shall originate and service the Mortgage Loans for and on behalf of Issuer.

(e) Accept the Participants' Offers to Originate and Service Mortgage Loans in such amounts as shall be determined by the Chairmen of the Boards of County Commissioners of the Issuers, which acceptance may be evidenced by the execution of said Offers by any one or more of the Chairmen of the Issuers' Boards of County Commissioners.

(f) Authorize, execute and deliver the Cooperation Agreements by and among the Issuers and the Cooperating Political Subdivisions.

(g) Authorize, execute and deliver such other documents, agreements and certificates as shall be necessary to implement the Program and carry out the intent of this Cooperation Agreement,

including, but not limited to, the Bond Purchase Agreement with respect to the Bonds, by and among the Issuers and the Underwriters named therein.

SECTION 3. The County hereby authorizes the Issuers to engage in any and all acts to implement the Program and to exercise all of the authority and powers conferred upon the County by the Act and with respect to any property located within the boundaries of the County.

SECTION 4. The County hereby acknowledges and agrees that: (1) the issuance of the Bonds by Issuers is subject to financial market conditions and other matters beyond the reasonable control of Issuers; (2) in the event the Bonds are issued as contemplated by this Agreement, the County shall not, prior to December 31, 1984, authorize the issuance of any bonds or other evidence of indebtedness for the purpose of providing funds to finance mortgage loans with respect to single family residences within its boundaries, nor enter into any other cooperation agreements for the purpose of providing for implementation of a program similar to the Program contemplated by this Agreement; and (3) in the event the Bonds are not issued by Issuers prior to December 31, 1984, or such earlier date as Issuers and the County shall mutually agree, then this Agreement shall be null and void and of no further force or effect.

SECTION 5. The parties hereby agree that, subject to the provisions of Section 4 hereof, this Agreement shall remain in full force and effect until the principal of and interest on the Bonds and all sums of money due in connection therewith shall have been paid in full or provision made for the payment thereof, in accordance with the provisions of the aforementioned Indenture. Any moneys remaining in any fund or account created pursuant to said Indenture, after payment in full of all amounts required to be paid pursuant thereto, shall be divided equally among and paid to the Issuers to be used for any proper public purpose.

EXECUTED AND DELIVERED AS OF THIS 1ST DAY OF OCTOBER, 1984.

THE ISSUERS:

RENO COUNTY, KANSAS

By _____
Richard Robl, Chairman,
Board of County Commissioners

(Seal)
ATTEST:

Glenis L. Heldenbrand,
County Clerk

SEDGWICK COUNTY, KANSAS

By _____
Jack Spratt, Chairman,
Board of County Commissioners

(Seal)
ATTEST:

County Clerk

FINNEY COUNTY, KANSAS

By _____
Clifford R. Hope, Jr.,
Chairman, Board of County
Commissioners

(Seal)
ATTEST:

Carol Brown, County Clerk

THE COUNTY:

_____ COUNTY, KANSAS

By _____

Chairman, Board of County
Commissioners

(Seal)
ATTEST:

County Clerk

Bob Dalton
United Securities

Reno
Sedgewick
Finney
1984

EXHIBIT A

COOPERATING POLITICAL SUBDIVISIONS

Cooperating Counties

Barton
Butler
Clark
Ellis
Ford
Grant
Gray
Hamilton
Harvey
Kearny
Lane
McPherson
Meade
Morton
Ness
Pawnee
Pratt
Rush
Russell
Scott
Seward
Sherman
Stevens
Wichita

24

Cooperating Cities

Abbyville
Albert
Andale
Andover
Arlington
Augusta
Bel Aire
Bentley
Benton
Brewster
Bucklin
Buhler
Burrton
Cheney
Cimarron
Claflin
Clearwater
Colby
Colwich
Cullison
Derby

Dighton
Dodge City
El Dorado
Elbing
Ellinwood
Ellis
Ford
Galva
Garden Plain
Goddard
Goodland
Great Bend
Haven
Hays
Haysville
Hesston
Hoisington
Holcomb
Hugoton
Hutchinson
Ingalls
Inman
Johnson City
Kismet
LaCrosse
Lakin
Larned
Leon
Liberal
Liebenthal
Lucas
Maize
Manter
McPherson
Meade
Montezuma
Mount Hope
Mulvane
Ness City
Newton
Nickerson
North Newton
Park City
Plevna
Potwin
Pratt
Pretty Prairie
Rolla
Rose Hill
Russell
Sedgwick
South Hutchinson
Sylvia
Timken

Towanda
Tribune
Turon
Valley Center
Victoria
Walton
West Plains
Whitewater
Windom

\$43,000,000
 RENO COUNTY, KANSAS
 SEDGWICK COUNTY, KANSAS
 FINNEY COUNTY, KANSAS

Single Family Mortgage Revenue Bonds
 Series 1984 A

Program Summary

Program Area: Reno, Sedgwick, (except City of Wichita) Butler, Harvey, McPherson, Pratt, Stafford, Barton, Pawnee, Rush, Ellis, Russell, Sherman, Thomas, Finney, Ford, Seward, Greeley, Wichita, Scott, Lane, Ness, Hamilton, Kearny, Hodgeman, Stanton, Grant, Haskell, Morton, Stevens, Seward, Meade, Clark.

Total Mortgage Funding: \$41,552,000

Program Features:

Interest Rate: 11.30% - fixed

Term: 30 years - only

Fees: *Origination Fee 1 1/2%
 *Program Participation Fee 4%
 Servicing Fee 3/8 of 1%

*Can be paid by Buyer or Seller

Purchase Price Limits:

	Sedgwick and Butler Counties (Wichita MSA)		All Other Counties	
	<u>New</u>	<u>Existing</u>	<u>New</u>	<u>Existing</u>
One Family	\$88,000	\$ 81,840	\$76,450	\$ 60,390
Two Family	*	82,151	*	67,999
Three Family	*	111,547	*	82,311
Four Family	*	129,716	*	95,718

*Units must be occupied at least 5 years

Income Limits: For First Time Homebuyers there will be no income limit; however, for Non-First Time Homebuyers there will be a \$55,000 annual family income limit.

Funding Limitations:

- a. In Non-Targeted Areas 90% of the funding is limited to First Time Homebuyers with 10% for Non-First Time Homebuyers.
- b. No more than 50% of a lender's commitment may be reserved by developer/builder/realtors.
- c. No more than 15% of a lender's commitment may be used to finance condo/townhomes. Additionally, all condo/townhomes must be FHLMC or FNMA eligible and certified by affidavit by the lender as proof. Also, no more than 25% of a FHLMC eligible project or 50% of a FNMA eligible project may be funded from Program Funding.
- d. No more than 50% of a single subdivision may be funded by the Program.
- e. No more than 10% of a lender's commitment may be used to finance 2-4 family housing and qualified manufactured housing.
- f. Transfer of any allocation from lender to lender must be approved by Trustee and MBIA.
- g. No more than 10% of the total lendable funds may go to one developer/realtor.
- h. Hazard Insurance must be provided for by a company which is rated "B+" or better by Bests Rating Service.

Underwriting Guidelines:

- a. FNMA/FHLMC Underwriting Guidelines (25% - 28%)
(33% - 38%)
- b. Maximum Loan-to-Value - 95%
- c. 100% PMI coverage is required by MGIC or another "AA" rated PMI company.
- d. Buydowns are allowed by only in accordance with current FNMA guidelines.

Prepayment Penalties:

No Prepayment Penalties.

Assumption Features:

Assumptions are limited to properties which fell within the purchase price limits applicable at the time of the assumption. Also, if the original owner was a First Time Homebuyer, the assumptor must be a First Time Homebuyer.

Origination Period:

Lenders will have until March 10, 1986, to fund mortgages with a October 1, 1985, pooling date for funds not committed by that date.

Trustee: Mercantile Trust Company, N.A.
Trust Corporate Services - 17th floor
Box 321
St. Louis, Missouri 63166

Agent for Trustee: Southwest National Bank
P. O. Box 1401
Wichita, Kansas 67201

Bond Counsel: John Caton
Gaar and Bell
One Main Place - Suite 800
Wichita, Kansas 67202

Underwriting Counsel: Jim Arundel
Kutak, Rock & Huie
2400 Arco Tower
707 17th Street
Denver, Colorado 80202

Contact People: Bob Dalton
United Securities, Inc.
444 One Twenty Building
Wichita, Kansas 67202
(316) 265-9421

J. Keith Tully
Kirchner Moore & Company
Denver, Colorado 80202
1-800-325-5094

Kim Dewey
Economic Development Coordinator
Sedgwick County
525 North Main
Wichita, Kansas 67203

BARTON COUNTY CITIES: ✓

- 0006 CITY OF ALBERT
City Hall
Main Street
Albert, KS 67511
City Clerk: Mr. Harvey Linn
Telephone: 316/923-4665

- 0104 CITY OF CLAFLIN
City Hall
N/A ✓
Claflin, KS 67525
City Clerk: Ms. Juanita Poutre

- 0167 CITY OF ELLINWOOD
City Hall
P. O. Box 278 ✓
Ellinwood, KS 67526
City Clerk: Ms. Chris Brown

- 0199 CITY OF GALATIA
City Hall
P. O. Box 23
Galatia, KS 67528
City Clerk: Mr. Richard Morgenstern

- 0225 CITY OF GREAT BEND
(CS) City Hall
1209 Williams
P. O. Box 1168
Great Bend, KS 67530
City Clerk: Mr. Howard Lindberg

- 0260 CITY OF HOISINGTON
City Hall
109 East 1st Street
P. O. Box 418
Hoisington, KS 67544
City Clerk: Ms. Mary Joan Ray

- 0433 CITY OF OLMITZ
City Hall
N/A
Olmitz, KS 67564
City Clerk: Mrs. Paula Axman
- 0459 CITY OF PAWNEE ROCK
City Hall
P. O. Box 218
Pawnee Rock, KS 67567
City Clerk: Ms. LaWanda Hendricks
- 0555 CITY OF SUSANK
City Hall
P. O. Box 394
Susank, KS 67580
City Clerk: Mrs. Mildred I. Weeks

BUTLER COUNTY CITIES:

- 0018 CITY OF ANDOVER
City Hall
909 N. Andover Road
P. O. Box 295
Andover, KS 67002
City Clerk: Ms. Patricia Stuenkel
Telephone: 316/733-1303
- 0033 CITY OF AUGUSTA
City Hall
6th & School
Augusta, KS 67010
City Clerk: Ms. Elsie E. George
Telephone: 316/775-6301
- 0054 CITY OF BENTON
City Hall
223 South Main
Benton, KS 67017
City Clerk: Mrs. Martha Parry
Telephone: 316/778-1625

0088 CITY OF CASSODAY
City Hall
N/A
Cassoday, KS 66842
City Clerk: Ms. Vivian McGovne

0147 CITY OF DOUGLASS
City Hall
322 S. Forrest
P. O. Box 412
Douglass, KS 67039
City Clerk: Mrs. Laura L. Beal

0161 CITY OF ELBING
City Hall ✓
N/A
Elbing, KS 67041
City Clerk: Mr. Elmo Murray

0162 CITY OF EL DORADO
(CS) City Hall ✓
P. O. Box 792
El Dorado, KS 67042
City Clerk: Mr. Paul E. Mossman

0312 CITY OF LATHAM
City Hall
N/A
Latham, KS 67072
City Clerk: Ms. Bernice Wakefield

0323 CITY OF LEON
City Hall ✓
111 South Main
Leon, KS 67074
City Clerk: Ms. Phyllis Kingsley

0472 CITY OF POTWIN
City Hall ✓
N/A
Potwin, KS 67123
City Clerk: Ms. Sherry Coats

0502 CITY OF ROSE HILL
City Hall
P.O. Box 175
Rose Hill, KS 67133
City Clerk: Ms. Angeline S. Easterbv

0567 CITY OF TOWANDA
City Hall
110 South Third
P. O. Box 176
Towanda, KS 67144
City Clerk: Mr. Karl H. Nakaten

0609 CITY OF WHITEWATER
City Hall
201 South Elm
P. O. Box 149
Whitewater, KS 67154
City Clerk: Ms. Wilva Hatfield

ELLIS COUNTY CITIES:

0168 CITY OF ELLIS
City Hall
911 Washington
P. O. Box 27
Ellis, KS 67636
City Clerk: Mr. Bernie Schoenthaler

0249 CITY OF HAYS
(CS) City Hall
1507 Main Street
P. O. Box 490
Hays, KS 67601
City Clerk: Ms. Dorothy Soderblom

0521 CITY OF SCHOENCHEN
City Hall
N/A
Schoenchen, KS 67667
City Clerk: Mr. Loren Zimmerman

0580 CITY OF VICTORIA
City Hall
1005 Fourth
Victoria, KS 67671
City Clerk: Ms. Alice K. Sander

HARVEY COUNTY CITIES:

0078 CITY OF BURRTON
City Hall
203 N. Burton
Burrton, KS 67020
City Clerk: Mrs. Marjorie Pearce

0235 CITY OF HALSTEAD
City Hall
303 Main
Halstead, KS 67056
City Clerk: Mr. Kenneth Koehn

0255 CITY OF HESSTON
City Hall
115 E. Smith
P. O. Box 100
Hesston, KS 67062
City Clerk: Ms. Jean Krehbiel

0417 CITY OF NEWTON
(CS) City Hall
120 East 7th Street
P. O. Box 426
Newton, KS 67114
City Clerk: Mr. John Torline

0421 CITY OF NORTH NEWTON
City Hall
P. O. Box 87
North Newton, KS 67117
City Clerk: Ms. Kathleen A. Sanger

0526 CITY OF SEDGWICK¹
City Hall
511 N. Commercial Street
P. O. Box 131
Sedgwick, KS 67135
City Clerk: Mrs. Carolyn A. Shields

0590 CITY OF WALTON
City Hall
P. O. Box 108
Walton, KS 67151
City Clerk: Mr. Fulala Pankratz

McPHERSON COUNTY CITIES:

0085 CITY OF CANTON
City Hall
104 West Allen
P. O. Box 476
Canton, KS 67428
City Clerk: Ms. Mary Martin

0202 CITY OF GALVA
City Hall
P. O. Box 223
Galva, KS 67443
City Clerk: Ms. Donna D. Ladd

0280 CITY OF INMAN
City Hall
104 North Main
Inman, KS 67546
City Clerk: Ms. Malinda Toews

0334 CITY OF LINDSBORG
City Hall
101 South Main
P. O. Box 70
Lindsborg, KS 67456
City Clerk: Ms. Ann Gottberg

¹Also See Sedgwick County.

- 0362 CITY OF MARQUETTE
City Hall
3rd & Washington
Marquette, KS 67464
City Clerk: Mr. Steven Piper
- 0372 CITY OF McPHERSON
(CS) City Hall
Municipal Center
400 East Kansas Avenue
P. O. Box 1008
McPherson, KS 67460
City Clerk: Mr. William C. Goering
- 0398 CITY OF MOUNDRIE
City Hall
216 S. Christian
Moundridge, KS 67107
City Clerk: Mr. Elmer H. Goering
- 0620 CITY OF WINDOM
City Hall
Main Street
P. O. Box 38
Windom, KS 67491
City Clerk: Ms. Lois Creed

PAWNEE COUNTY CITIES:

- 0073 CITY OF BURDETT
City Hall
P. O. Box 286
Burdett, KS 67523
City Clerk: Ms. Helen Starr
- 0206 CITY OF GARFIELD
City Hall
N/A
Garfield, KS 67529
City Clerk: Mr. Clyde Vinson

0311 CITY OF LARNED ✓
(CS) City Hall
606 Toneka
P. O. Box 70
Larned, KS 67550
City Clerk: Ms. Vicki Gillett

0505 CITY OF ROZEL ✓
City Hall
N/A
Rozel, KS 67574
City Clerk: Ms. Becky Tedrow

PRATT COUNTY CITIES: ✓

0081 CITY OF BYERS
City Hall
Main Street
Byers, KS 67021
City Clerk: Mrs. Ruth Hughes

0111 CITY OF COATS ✓
City Hall
P. O. Box 115
Coats, KS 67028
City Clerk: Mr. Larry Flory

0130 CITY OF CULLISON ✓
City Hall
N/A
Cullison, KS 67124
City Clerk: Ms. Janice Booi

0283 CITY OF IUKA
City Hall
Iuka State Bank Building
Iuka, KS 67066
City Clerk: Mr. Clyde Pipher

0176 CITY OF PRATT ✓
(CS) City Hall
3rd & Jackson
P. O. Box 807
Pratt, KS 67124
City Clerk: Mr. Curt Wood

0478 CITY OF PRESTON
City Hall
Main Street
P. O. Box 121
Preston, KS 67569
City Clerk: Ms. Josephine Helmers

0518 CITY OF SAWYER
City Hall
Main and Robinson
P. O. Box 56
Sawyer, KS 67134
City Clerk: Ms. Dorothea Dauner

RENO COUNTY CITIES:

0001 CITY OF ABBYVILLE
City Hall
Grade School Building
Abbyville, KS 67510
City Clerk: Mr. Art Morrell
Telephone: N/A

0023 CITY OF ARLINGTON
City Hall
Main Street
Arlington, KS 67514
City Clerk: Ms. Lola Barclay
Telephone: 316/538-2471

0070 CITY OF BUHLER
City Hall
219 North Main
P. O. Box 187
Buhler, KS 67522
City Clerk: Ms. Marilyn F. Prather

0246 CITY OF HAVEN
City Hall
118 South Kansas
Haven, KS 67543
City Clerk: Mrs. Vera R. Hiatt

- 0277 CITY OF HUTCHINSON
(CS) City Hall
 125 East Avenue "B"
 P. O. Box 1567
 Hutchinson, KS 67501
 City Clerk: Mr. Vernon Stallman
- 0309 CITY OF LANGDON
 City Hall
 P. O. Box 4
 Langdon, KS 67549
 City Clerk: Ms. Patricia Verstreate
- 0418 CITY OF NICKERSON
 City Hall
 15 N. Nickerson Street
 Nickerson, KS 67561
 City Clerk: Mrs. Sue J. Martinie
- 0458 CITY OF PARTRIDGE
 City Hall
 Fire Station
 Partridge, KS 67566
 City Clerk: Mrs. Mildred Eisminger
- 0469 CITY OF PLEVNA
 City Hall
 N/A
 Plevna, KS 67568
 City Clerk: Ms. Grace Childs
- 0479 CITY OF PRETTY PRAIRIE
 City Hall
 City Library
 Pretty Prairie, KS 67570
 City Clerk: Ms. Elaine Graber
- 0542 CITY OF SOUTH HUTCHINSON
 City Hall
 2 South Main Street
 Hutchinson, KS 67505
 City Clerk: Mrs. Florine M. Hoskinson

0557 CITY OF SYLVIA
City Hall ✓
P. O. Box 247
Sylvia, KS 67581
City Clerk: Ms. Kathleen C. Pugh

0571 CITY OF TURON
City Hall ✓
P. O. Box 366
Turon, KS 67583
City Clerk: Ms. Ruth Crowe

0615 CITY OF WILLOWBROOK
City Hall
P. O. Box 1947
Hutchinson, KS 67501
City Clerk: Mr. T. G. Armour, Jr.

RUSH COUNTY CITIES: ✓

0008 CITY OF ALEXANDER
City Hall
Kueffer Hall
Alexander, KS 67513
City Clerk: Ms. Gloria Morgan

058 CITY OF BISON
City Hall
Main Street
Bison, KS 67520
City Clerk: Ms. Dolores Romeiser

0302 CITY OF LACROSSE
(CS) City Hall
1119 Main
P. O. Box K
LaCrosse, KS 67548
City Clerk: Mrs. Joan Dreher

0331 CITY OF LIEBENTHAL
City Hall
N/A
Liebenthal, KS 67553
City Clerk: Ms. Theresa Herrman

0367 CITY OF MC CRACKEN
City Hall
N/A
McCracken, KS 67556
City Clerk: Ms. Mildred Anderson

0443 CITY OF OTIS
City Hall
N/A
Otis, KS 67565
City Clerk: Ms. Lois Wagner

0506 CITY OF RUSH CENTER
City Hall
N/A
Rush Center, KS 67575
City Clerk: Mr. John Liggett

0562 CITY OF TIMKEN
City Hall
Fire Station
Timken, KS 67582
City Clerk: Mr. Ed Jecha

SHERMAN COUNTY CITIES:

0220 CITY OF GOODLAND
(CS) City Hall
204 West 11th
Goodland, KS 67735
City Clerk: Mr. Archie Wicke

0291 CITY OF KANORADO
City Hall
P. O. Box 118
Kanorado, KS 67741
City Clerk: Ms. Anne Ford

STAFFORD COUNTY CITIES:

0271 CITY OF HUDSON
City Hall
N/A
Hudson, KS 67545
City Clerk: Mrs. Betty Searle

- 0351 CITY OF MACKSVILLE
City Hall
Poling Street
Macksville, KS 67557
City Clerk: Ms. Hazel Lucas
- 0484 CITY OF RADIUM
City Hall
P. O. Box 95
Radium, KS 67571
City Clerk: Mr. John Paden
- 0512 CITY OF ST. JOHN
(CS) City Hall
115 East 4th Street
P. O. Box 367
St. John, KS 67576
City Clerk: Mrs. Billie R. Weber
- 0531 CITY OF SEWARD
City Hall
N/A
Seward, KS 67577
City Clerk: Ms. Gerri West
- 0547 CITY OF STAFFORD
City Hall
112 W. Broadway
P. O. Box 280
Stafford, KS 67578
City Clerk: Ms. Helen Hartsell

THOMAS COUNTY CITIES:

- 0064 CITY OF BREWSTER
City Hall
P. O. Box 147
Brewster, KS 67732
City Clerk: Ms. Judy Reid
- 013 CITY OF COLBY
(CS) City Hall
585 N. Franklin
Colby, KS 67701
City Clerk: Ms. Pearl Smith

0210 CITY OF GEM
City Hall
N/A
Gem, KS 67734
City Clerk: Ms. Mary Brown

0376 CITY OF MENLO
City Hall
N/A
Menlo, KS 67746
City Clerk: VACANCY

0426 CITY OF OAKLEY¹
City Hall
209 Hudson Avenue
P. O. Box 606
Oakley, KS 67748
City Clerk: Ms. Peggi L. Pearson

0495 CITY OF REXFORD
City Hall
N/A
Rexford, KS 67753
City Clerk: Ms. Susan Wark

THESE CITIES ADDED 9/30/83:

NESS COUNTY CITIES: ✓

0043 CITY OF BAZINE
City Hall
P. O. Box 43
Bazine, KS 67516
City Clerk: Ms. Linda Gumescheimer

0067 CITY OF BROWNELL
City Hall
N/A
Brownell, KS 67521
City Clerk: Mr. Marlin McGinnis

Also See Logan County.

0412 CITY OF NESS CITY
(CS) City Hall
 109 South Iowa
 Ness City, KS 67560
 City Clerk: Ms. Joyce E. Clark

0488 CITY OF RANSOM
 City Hall
 P. O. Box 172
 Ransom, KS 67572
 City Clerk: Mr. Lyle Ummel

0576 CITY OF UTICA
 City Hall
 North Ohio
 Utica, KS 67854
 City Clerk: Mrs. Peggy Jones

RICE COUNTY CITIES:

0007 CITY OF ALDEN
 City Hall
 P. O. Box 25
 Alden, KS 67512
 City Clerk: Ms. Sheryl Carter
 Telephone: 316/534-2652

0080 CITY OF BUSHTON
 City Hall
 217 South Main
 P. O. Box 194
 Bushton, KS 67427
 City Clerk: Ms. Carol Ann Reed

0096 CITY OF CHASE
 City Hall
 Main Street
 Chase, KS 67524
 City Clerk: Mrs. Barbara Butts

- 0194 CITY OF FREDERICK
City Hall
State Street
Frederick, KS 67444
City Clerk: Ms. Alma Van Boskirk
- 0211 CITY OF GENESEO
City Hall
N/A
Geneseo, KS 67444
City Clerk: Ms. Judith C. Nahors
- 0337 CITY OF LITTLE RIVER
City Hall
P. O. Box 126
Little River, KS 67457
City Clerk: Ms. Dorothy J. Goodrick
- 0350 CITY OF LYONS
(CS) City Hall
217 East Avenue South
Lyons, KS 67554
City Clerk: Ms. Norma Miller
- 0490 CITY OF RAYMOND
City Hall
P. O. Box 6
Raymond, KS 67573
City Clerk: Ms. Margaret Messick
- 0549 CITY OF STERLING
City Hall
114 North Broadway
P. O. Box 287
Sterling, KS 67579
City Clerk: Mr. E. N. Randles

February 15, 1985

(ATTACHMENT X)

2/20/85

MEMORANDUM

TO: House Local Government Committee Chairman
FROM: Kansas Legislative Research Department
RE: H.B. 2227

H.B. 2227 amends a statute dealing with the sale of county property. The bill makes any property sale or disposition, except property belonging to a county law enforcement department, subject to a 2 percent protest petition-election procedure. Under current law, published notice must be given of the sale or disposition for property valued between \$25,000 and \$100,000. An election is required for property valued over \$100,000.

MH/pk

(ATTACHMENT XI)

2/20/85

The Honorable Ivan Sand, Chairperson
Committee on Local Government
House of Representatives
Third Floor, Statehouse

103-4

Dear Representative Sand:

SUBJECT: Fiscal Note for House Bill No. 2227 by
Representative Spaniol et al

In accordance with K.S.A. 75-3715a, the following fiscal note concerning House Bill No. 2227 is respectfully submitted to your committee.

House Bill No. 2227 amends the existing statute which requires counties to hold an election for the sale of property valued in excess of \$100,000. The amendments provide that the sale of real property in excess of \$100,000 be subject to a petition for a referendum. The bill also removes the requirement to publish a detailed sale report.

This bill would tend to decrease publication and election costs to counties; however, because the number of planned county property sales is unavailable, the fiscal impact of this bill cannot be estimated.

Alden K. Shields
Alden K. Shields
Director of the Budget

AKS:PA:dj



SEDGWICK COUNTY, KANSAS

BOARD OF COUNTY COMMISSIONERS

DONALD E. GRAGG
CHAIRMAN
FIRST DISTRICT

(ATTACHMENT XII)
2/20/85

BUD HENTZEN
CHAIRMAN PRO-TEM
THIRD DISTRICT

TOM SCOTT
COMMISSIONER
SECOND DISTRICT

COUNTY COURTHOUSE • SUITE 320 • WICHITA, KANSAS 67203-3759 • TELEPHONE (316) 268-7411

House Local Government Committee
February 20, 1985
House Bill 2227

Testimony of Kim C. Dewey
Sedgwick County, Kansas

Last session Sedgwick County requested House Bill 2743, which allowed the timely sale of a computer owned by the County without the expense of a special election called to approve the sale. The special bill was needed because of the outdated requirements of K.S.A. 19-211, which required referendum approval of all sales of county personal and real property with a value of more than \$100,000.

The Bill was passed, and it enabled the County to sell the computer in a timely manner for \$230,000. However, it was not the first or the last time that this statute has threatened to work to the taxpayers' disadvantage.

A review of the statutes will reveal that cities or school districts are not similarly restrained in their decisions on the sale of property. We recognize that there is a need to provide some restraint regarding the sale of real property, but automatically requiring a referendum, triggered by exceeding an arbitrarily chosen dollar amount, is unreasonable. In almost all cases, there will be no particular public opinion or at least public indifference to the sale of county real property.

House Bill 2227 provides for those rare occasions when there will be a public objection. The County would be required to publish notice of the sale of real property three times on three consecutive weeks. The public would be allowed a period of ninety days in which to file a protest petition of 2% of the qualified electors of the county objecting to the sale. The question of the sale would then be put to the voters.

We feel this is a reasonable period of time, and that 2% is not an unreasonable number of signatures to obtain if there is indeed strong objection. Personal property would be excluded from any of the limitations.

Finally, the bill eliminates the requirement of publishing the results of personal property sales. This is an unnecessary and expensive procedure. It is unnecessary due to the fact that notice of the sale is published and the results are public information, easily accessible to any individual truly interested.

We urge that you remove the outdated and unnecessary restrictions of K.S.A. 19-211.

STATE OF KANSAS)
Sedgwick County) ss.

Larry Ricketts, being first duly sworn, Depos
and says: That he is Publisher of

THE DAILY REPORTER

a daily Newspaper printed in the State of Kansas, and published in and of general circulation in Sedgwick County, Kansas, with a general paid circulation on a daily basis in Sedgwick County, Kansas, and that said newspaper is not a trade, religious or fraternal publication.

Said newspaper is a daily published Monday through Friday and has been so published continuously and uninterruptedly in said county and state for a period of more than five years prior to the first publication of said notice; and has been admitted at the post office of Derby, Kansas, in said County as second class matter.

That the attached notice is a true copy thereof and was published in the regular and entire issue of said newspaper for 1 consecutive time, the first publication thereof being made as aforesaid on the 13th day of November, 1984, with subsequent publications being made on the following dates:

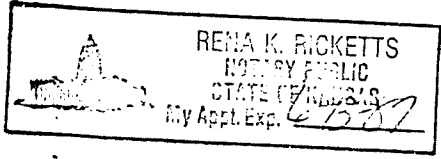
- _____ , 19__
- _____ , 19__
- Surplus Sale , 19__
- _____ , 19__
- _____ , 19__
- _____ , 19__
- [Signature] , 19__

Subscribed and sworn to before me this 15th day of November, 1984.

[Signature]
Notary Public

My commission expires: June 13, 1987
Printer's fee \$ 88.20
Additional copies \$ _____

(First Published in The Daily Reporter Nov. 19, 1984)
CORRECTION:
The date of the Sedgwick County Surplus Property Sale, in accordance with K.S.A. 19-211, was erroneously listed as being held on July 28, 1894 in the Nov. 13, 1984 legal publication. It should have read: July 28, 1984.



This 'N That

Gymnasts Go Next S

DERBY— "We were used," was the way by High gymnastics coach Marty Hunt described his team's performance at last weekend's state meet. the 5-6A state event,

STATE OF KANSAS)
Sedgwick County) ss.

Larry Ricketts, being first duly sworn, Deposes

and says: That he is Publisher of

THE DAILY REPORTER

a daily Newspaper printed in the State of Kansas, and published in and of general circulation in Sedgwick County, Kansas, with a general paid circulation on a daily basis in Sedgwick County, Kansas, and that said newspaper is not a trade, religious or fraternal publication.

Said newspaper is a daily published Monday through Friday and has been so published continuously and uninterrupted in said county and state for a period of more than five years prior to the first publication of said notice; and has been admitted at the post office of Derby, Kansas, in said County as second class matter.

That the attached notice is a true copy thereof and was published in the regular and entire issue of said newspaper for 1 consecutive time, the first publication thereof being

made as aforesaid on the 9th day of November, 1984, with subsequent publications being made on the following dates:

- _____ 19__
- _____ 19__
- _____ 19__
- _____ 19__
- _____ 19__
- _____ 19__

MONDAY SALE

Subscribed and sworn to before me this 12th day of November, 1984

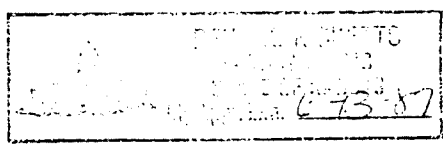
Kirk K. Kierbold

Notary Public

My commission expires: June 13, 1987

Printer's fee \$ 66.74

Additional copies \$ _____



Have A Nice Weekend

Commandos heist on advanced military helicopter from the heavily guarded plant of its manufacturer.

12 Airwell 7:30 p.m. Gimme A Break
Neil learns that Joey has been cutting school to breakdance at the beach.

8 Last Song 8 p.m. Movie
"Bustin' Loose"

3 Mystery 9 p.m. Movie
"I, Villain"

10 Finder Of Lost Loves 10 p.m. News
"Foul Play"

3 Saturday Night Live 10:45 p.m. Movie
"The Shadow Riders"

10 MIDNIGHT 12:40 a.m. Movie
"The Man Who Loved Cot Dancing"

3 Star Trek 12:45 a.m. Music Magazine
Ronnie Milsap in Celebration
A tribute to singer Ronnie Milsap, with guests Ray Charles, Gladys Knight and The Pips, Glen Campbell, Real Life, Joe Fricke and Leon Russell.

12 Hee Haw 1:30 p.m. News
Doctor Who
M.A.S.H.
Charlie's Angels
Three's Company
Different Strokes

3 Breeder's Cup 2 p.m. (Joined in Progress)
Dinner At Julia's
A smoked salmon first course is followed by roast deviled rabbit, and guest chef Jean-Pierre Goyvalle prepares a flaming orange souffle.

10 Sportsbeat 2:30 p.m. Adam Smith's Money
World
College Football
Washington of USC

3 New Tech Times 3 p.m. New Tech Times
Motorweek
Newton's Apple
A visit to San Diego's Sea World, a close-up of an artificial heart, the secrets of fire, (CC)

3 Star Trek 4:30 p.m. Star Trek
In Search Of...
News
Doctor Who
M.A.S.H.
Charlie's Angels
Hee Haw
Three's Company
Different Strokes

3 Charlie Brown And Copy Show 1 p.m. Victory Garden
Wild Kingdom
Magic Of Watercolors
Star Trek Memories
Leonard Nimoy talks about Mr. Spock and other characters in the series, shows film clips from his favorite episodes and discusses the "Star Trek" movies.

Land-Sale Law Due Amendment

Time was when Kansans had good reason to fear letting county commissioners sell county property unrestricted. Before the state adopted a law requiring commissioners to get the consent of county residents before selling property worth more than \$100,000, it wasn't unheard of for an occasional county commission to sell public property to private-sector cronies at bargain rates.

But that day is long past, and the law has become much more than a harmless anachronism: It's become a dollar-wasting impediment to routine county business. That's why Sedgwick County wants the Legislature to get rid of all restrictions on sale of personal county property, autos and computers, for example. And it wants the restriction on sale of real property eased considerably.

If the Legislature agrees, the county would be able to establish its own procedures for selling personal property. Considering that

modern-day accounting procedures closely track the movement of county dollars, and that the county perpetually is strapped for money, there's little reason to think the county commissioners would abuse such freedom — or could, if they wanted to.

As for real property, the county asks only that a referendum not be required every time the county wants to get rid of a piece of land worth more than \$100,000, and that the results of a sale not have to be published. Recognizing it may not always be a good idea to sell public land unimpeded, the county, under its proposal, would have to notify taxpayers a land sale was pending. If 5 percent of them protested within 30 days, a referendum would be required.

These proposed amendments include sufficient safeguards against any unwise sale proposal. The Legislature should recognize this, and pass them.