Approved March 21, 1985
Date

MINUTES OF THE Senate COMMITTEE ON Local Government.

The meeting was called to order by Senator Don Montgomery at
Chairperson

9:04 a.m./~~p.m.~~ on Wednesday, March 20, 1985 in room 531-N of the Capitol.

All members were present except: Senators Bogina and Gaines who were excused

Committee staff present: Mike Heim, Theresa Kiernan, Emalene Correll, Lila McClaflin

Conferees appearing before the committee: Represenative Dennis Spaniol, Wichita, KS.
Kim Dewey, Sedgwick County Commissioners
Chris McKenzie, League of Kansas Municipalities

The chairman called the meeting to order.

The hearings on H.B. 2226 and H.B. 2223 were opened. These bills were sponsored by Representatives from Sedgwick County and Rep. Spaniol was present to testify. 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. This conforms with the number of copies required by cities to be kept on file.

H.B. 2226, changes 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 notice by restricted mail not less than 45 days before the proposed action to the city governing body of such proposed action and publication of notice of the proposed action in the official newpaper of each city affected. Cities choosing not to participate have 40 days to notify the county or counties of their decision.

Rep. Spaniol stated there was no opposition to these bills in the House.

Kim Dewey, Sedgwick County, spoke in favor of both bills. His written testimony is a part of these minutes (attachment 1 and 2).

Chris McKenzie stated he did not opposes the bills, he did suggest in line 40 of H.B. 2226, the statute defining restricted mail be inserted. After brief discussion it was decided this language has been used frequently and it would not be changed at this time.

Committee action on the bills was as follows: Senator Mulich moved to report H.B. 2226 favorably for passage. Senator Salisbury seconded the motion. The motion carried. Senator Daniels moved to report H.B. 2223 for passage. Senator Salisbury seconded the motion. The motion carried. Senator Daniels will carry the bills.

Senator Mulich moved to accept the minutes of the March 19, 1985, meeting. Senator Ehrlich seconded the motion. The motion carried.

The meeting adjourned until Thursday, March 21, 1985.

Sen Montgomery
Chairman

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.

Date: March 20, 1985

GUEST REGISTER

SENATE

LOCAL GOVERNMENT

NAME	ORGANIZATION	ADDRESS
Dennis Spaniol	Rep- 94th	
Kim C. Dewey	Sedgwick County	Wichita
PHIL ANDERSON	BUDGET DIV	TOPEKA
Chris McKenzie	League of Ks. Municip.	Topeka

SEDGWICK COUNTY, KANSAS

BOARD OF COUNTY COMMISSIONERS

DONALD E. GRAGG
CHAIRMAN
FIRST DISTRICT

BUD HENTZEN
CHAIRMAN PRO-TEM
THIRD DISTRICT

TOM SCOTT
COMMISSIONER
SECOND DISTRICT

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

Senate Local Government Committee
March 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 <u>three</u> copies of all city codes on file with the city clerk. For no apparent reason, K.S.A. 12-3304 requires no less than <u>five</u> 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.

(Attachment 1)
3/20/85

SEDGWICK COUNTY, KANSAS

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Senate Local Government Committee
March 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

(Attachment 2)
3/20/85

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.