

MINUTES OF THE HOUSE COMMITTEE ON PENSIONS, INVESTMENTS AND BENEFITS

The meeting was called to order by DAVID LOUIS, CHAIRMAN at
Chairperson

9:00 a.m. Thursday, February 27, 1986 in room 527-S of the Capitol.
a.m./p.m. on _____

All members were present except:

Representatives Francisco, Dyck-excused
Representative Peterson-absent

Committee staff present:

Richard Ryan
Alan Conroy
Gordon Self
Rosalie Black

Conferees appearing before the committee:

Marshall Crowther, Executive Secretary of KPERS
Richard Ryan, Kansas Legislative Research Department

The meeting was called to order by David Louis, Chairman, for committee discussion and possible action on bills previously heard.

House Bill 2635 - Discussion

The moratorium on allowing FCS securities as collateral for investment of state idle funds was explained by Richard Ryan, Kansas Legislative Research Department. After discussion of an amendment, Representative R.H. Miller requested a list of securities of U.S. sponsored corporations which under federal law may be accepted as security for public funds. Attachment 1.

House Bill 2857 - Action

After Representative Charles Laird asked the committee to consider HB 2857, Marshall Crowther, Executive Director of KPERS, said the bill provides KPERS benefit increases for members receiving long term disability.

Representative Laird moved to report HB 2857 favorable for passage; seconded by Representative Wisdom. The motion failed.

House Bill 2858 - Action

The committee discussed HB 2858 which allows crediting of military service for members of KP&F.

Representative Laird moved to report HB 2858 favorable for passage; seconded by Representative Branson. The motion failed.

House Bills 2857 and 2858 - Action

Representative R.H. Miller moved to report HB 2857 and HB 2858

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON PENSIONS, INVESTMENTS AND BENEFITS,
room 527-S, Statehouse, at 9:00 a.m. on February 27, 1986

adversely; seconded by Representative Ott. The motion failed.

The meeting adjourned at 9:40 a.m.

A handwritten signature in cursive script, reading "David L. Lewis".

Please PRINT Name, Address, the organization you represent, and the Number of the Bill in which you are interested. Thank you.

Thurs. Feb. 27, 1986

NAME	ADDRESS	ORGANIZATION	BILL NO.
HAROLD PITTS	Topeka	TARTA	
Bert Wilkin	Topeka	AAUF	
Bud Pierce	TOPEKA	HUMAN RESOURCES	
CHARLES DODSON	TOPEKA	KAPE	
Jack Hauer	Topeka	KPERS	
Marshall Coathier	Lawrence	KPERS	
Craig Grant	Lawrence	K-NEA	
Ken Cole	Topeka	K-NEA	
Dennis Williams	Topeka	Division of Budget	

HOUSE BILL No. 2635

By Representative Fox

1-6

0016 AN ACT relating to state moneys; concerning the investment
0017 thereof; amending K.S.A. 75-4201 and repealing the existing
0018 section.

0019 *Be it enacted by the Legislature of the State of Kansas:*

0020 Section 1. K.S.A. 75-4201 is hereby amended to read as fol-
0021 lows: 75-4201. As used in this act, unless the context otherwise
0022 requires:

0023 (a) "Treasurer" means state treasurer.

0024 (b) "Controller" means director of accounts and reports.

0025 (c) "Board" means the pooled money investment board.

0026 (d) "Bank" means a state or national bank or trust company
0027 doing business within the state of Kansas.

0028 (e) "State moneys" means all moneys in the treasury of the
0029 state or coming lawfully into the possession of the treasurer.

0030 (f) "Custodial moneys" means state moneys deposited with
0031 the treasurer which, in the written opinion of the attorney gen-
0032 eral, are required by contract, bequest or law to be segregated
0033 from other bank accounts.

0034 (g) "Special moneys" means moneys which are required to
0035 be or are deposited in a custodial bank account or a fee agency
0036 account by the state or any agency thereof.

0037 (h) "State bank account" means state or special moneys de-
0038 posited in a designated bank in accordance with the provisions of
0039 this act.

0040 (i) "Active account" means a state bank account which (1) is
0041 payable or withdrawable, in whole or in part, on demand, and (2)
0042 is in a bank not having an inactive account.

0043 (j) "Inactive account" means a state bank account which is
0044 not payable on demand but shall not include custodial accounts.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 2635

*Atch. 1
2/27/86
D.P.B*

Attachment 1

0045 (k) "Time deposit, open account" means a state bank account
 0046 which is a deposit, other than a time certificate of deposit, with
 0047 respect to which there is in force a written contract which
 0048 provides that neither the whole nor any part of such deposit may
 0049 be withdrawn, by check or otherwise, prior to the date of matur-
 0050 ity or the expiration of the period of notice which must be given
 0051 by the board in writing.

0052 (l) "Custodial account" means a state bank account of cus-
 0053 todial moneys.

0054 (m) "Fee agency account" means a state bank account of any
 0055 state agency consisting of fees, tuition or charges authorized by
 0056 law prior to remittance to the state treasurer.

0057 (n) "Disbursement" means a payment of any kind whatso-
 0058 ever made from the state treasury or from any active account,
 0059 except transfer of state or special moneys between or among
 0060 active accounts and inactive accounts or either or both of them.

0061 (o) "Interest period" means three months commencing on
 0062 the date an inactive account is initially deposited, and each three
 0063 months thereafter, and in the case of time deposit, open accounts
 0064 means the period of the deposit but not exceeding three months.

0065 (p) "Securities" means any one or more of the following:

0066 (1) Direct obligations of, or obligations that are insured as to
 0067 principal and interest by, the United States government or any
 0068 agency thereof.

0069 (2) Kansas municipal bonds which are general obligations of
 0070 the municipality issuing the same.

0071 (3) Revenue bonds of any agency or arm of the state of
 0072 Kansas.

0073 (4) Revenue bonds of any municipality, as defined by K.S.A.
 0074 10-101, *and amendments thereto*, within the state of Kansas or
 0075 bonds issued by a public building commission as authorized by
 0076 K.S.A. 12-1761, *and amendments thereto*, if approved by the
 0077 state bank commissioner, except (A) bonds issued under the
 0078 provisions of K.S.A. 12-1740 *et seq.*, *and amendments thereto*,
 0079 unless such bonds are rated at least MIG-1 or Aa by Moody's
 0080 Investors Service or AA by Standard & Poor's Corp. and (B)
 0081 bonds secured by revenues of a utility which has been in opera-

and obligations and securities of United States sponsored corporations
 which under federal law may be accepted as security for public funds

0082 tion for less than three years. Any expense incurred in connec-
0083 tion with granting approval of revenue bonds shall be paid by the
0084 applicant for approval.

0085 (5) Temporary notes of any municipal corporation or quasi-
0086 municipal corporation within the state of Kansas which are
0087 general obligations of the municipal corporation or quasi-mu-
0088 nicipal corporation issuing the same.

0089 (6) Warrants of any municipal corporation or quasi-municipal
0090 corporation within the state of Kansas the issuance of which is
0091 authorized by the state board of tax appeals and which are
0092 payable from the proceeds of a mandatory tax levy.

0093 (7) Bonds of any municipal or quasi-municipal corporation of
0094 the state of Kansas which have been refunded in advance of their
0095 maturity and are fully secured as to payment of principal and
0096 interest thereon by deposit in trust, under escrow agreement
0097 with a bank, of direct obligations of, or obligations the principal
0098 of and the interest on which are unconditionally guaranteed by,
0099 the United States of America. A copy of such escrow agreement
0100 shall be furnished to the treasurer.

0101 ~~[(8) Federal farm credit banks consolidated system wide~~
0102 ~~bonds and notes of the federal farm credit banks funding cor-~~
0103 ~~poration.]~~

0104 ~~(8)~~ ~~[(9)]~~ All of such securities shall be current as to interest
0105 according to the terms thereof.

0106 ~~(9)~~ ~~[(10)]~~ Whenever a bond is authorized to be pledged as a
0107 security under this section, such bond shall be accepted as a
0108 security if: (i) In the case of a certificated bond, it is assigned,
0109 delivered or pledged to the holder of the deposit for security; (ii)
0110 in the case of an uncertificated bond, registration of a pledge of
0111 the bond is authorized by the system and the pledge of the
0112 uncertificated bond is registered; or (iii) in a form approved by
0113 the attorney general, which assures the availability of the bond
0114 proceeds pledged as a security for public deposits.

0115 Sec. 2. K.S.A. 75-4201 is hereby repealed.

0116 Sec. 3. This act shall take effect and be in force from and
0117 after its publication in the statute book.

(8)

(9)