

Approved \_\_\_\_\_ Date \_\_\_\_\_

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by Senator August "Gus" Bogina at  
Chairperson

11:00 a.m./p.m./ on April 8, 1986 in room 123-S of the Capitol.

All members were present except:

Committee staff present:

Research Department: Robin Hunn, Paul West  
Revisor's Office: Norman Furse  
Committee Office: Judy Bromich, Doris Fager

Conferees appearing before the committee:

Bill Graves, Secretary of State's Office  
Susan Seltsam, State Treasurer's Office  
Ernie Mosher, League of Kansas Municipalities  
Steve Page, Department of Health and Environment  
Elizabeth Taylor, Kansas Association of Local Health Departments  
Dr. Ray Baker, City/County Health Officer, Topeka (By written statement)

SB 745 - Uniform Commercial Code, authorizing Secretary of State to fix certain fees

Mr. Graves indicated that the committee had been concerned about the balance in the U.C.C. fee fund. One of the recommendations was that a cap be placed on the fees charged, and that the Secretary be provided flexibility to reduce those fees if it seems feasible to do so. He explained that those provisions are in SB 745. Answering a question from Senator Bogina, Mr. Graves said there is over \$500,000 in the fund.

Senator Werts asked if it is the plan of the Secretary of State to reduce the fees immediately. He reminded Mr. Graves that the subcommittee had suggested that it would be appropriate to reduce those fees. Mr. Graves responded by stating that it will take some time to change the fees, because of changes in forms, etc. He added that, with passage of the new farm bill, it is not certain what sort of search activity will be forthcoming. He said it is believed that the volume on searches may decline so that the balance in the fee fund may disappear.

Mr. Graves suggested that the provisions of HB 3146 be incorporated into SB 745. Following a short discussion, a motion was made by Senator Feleciano and seconded by Senator Werts to amend SB 745 by incorporating HB 3146. The motion carried by voice vote.

No action was taken on SB 745.

SB 759 - Appropriations for FY 1987, Department of Economic Development  
SB 584 - Appropriations for FY 1986, Department of Economic Development

SB 584

Senator Feleciano presented the subcommittee report for FY 1986. Committee members were given opportunity to question him.

SB 759 - Section 2

Senator Feleciano presented the subcommittee report on this section. He called attention to the figures on page 3 of the subcommittee report, and indicated that these figures probably will need to be lowered even if the one-cent sales tax increase becomes law.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS,

room 123-S, Statehouse, at 11:00 a.m./p/m./on April 8, 1986

SB 759 - Continued

Senator Bogina asked about the Housing program noted in recommendation No. 10. Senator Winter explained that this is a function concerning social services. It is totally federally funded, and the subcommittee felt it should be in SRS instead of KDED. Mr. Schwartz said this transfer was made at his request. He said the program is currently being phased out by the Federal Government.

Senator Bogina then questioned recommendation No. 3 (addition of \$610,000 from the State General Fund for Advanced Technology Research Matching Grant Program). Senator Winter said this is part of funding made by the Legislature in 1983. The Governor, in his basic budget, eliminated the entire \$610,000, and the subcommittee felt the program should be continued. Senator Bogina asked why this has not been placed in a "holding pattern" the same as certain other funds, pending information on revenues to be received. Senator Feleciano said that Wichita State University, for instance, has already contracted with the Boeing Corporation to spend some of these funds. He explained that it takes time to arrange for such contracts.

There was discussion concerning \$100,000 added in recommendation No. 2 to fund the Joint Legislative Commission on Economic Development. Senator Winter said that it was felt the Legislature will pass the Economic Development Commission's initiatives. He suggested that, if that happens, the funding would need to be inserted in the Omnibus Bill. Senator Kerr reminded the committee that the resolution which was passed authorizing the Commission notes a second report date of November 1. He suggested that recommendation No. 2 could not be zero. It was noted by Senator Feleciano that funding for the Commission's work to date came out of KDED's budget.

There were further questions from committee members about the Main Street program, Senator Werts indicated that it is his understanding this is not designed to be an ongoing program, so far as state assistance is concerned.

There were comments concerning the amount of additional funding recommended by the Senate subcommittee for KDED. Senator Winter said that this agency had taken a much larger reduction under the Governor's recommendations than any other agency. He said the subcommittee report provides for KDED what was provided in FY 1986, and nothing more.

Motion was made by Senator Feleciano and seconded by Senator Winter to adopt the subcommittee reports for KDED. The motion carried by voice vote.

Motion was made by Senator Winter and seconded by Senator Feleciano to report SB 759 as amended favorably for passage. The motion carried by roll call vote.

SB 746 - Commission collected by State Treasurer for receiving and disbursing funds

Ms. Seltsam distributed Attachment A and reviewed the testimony for the committee. When asked by Senator Werts how the amendments in SB 746 compare with charges made by fiscal agents outside of Government, she said it is difficult to determine. She added that some agents charge one dollar per check, and some charge five dollars per transfer. She stated that the amount suggested in SB 746 is probably a median amount.

Mr. Mosher stated that the League of Municipalities is not objecting to the fees proposed by SB 746, but is objecting to the approach proposed. He indicated that there is no more work to processing a \$200,000 bond than there is to a \$1,000 bond, and he suggested if the price is too high for State Treasurer's services, municipalities will go to private banks for the service. He said it might be possible to increase the maximum amount charged per bond.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS,

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SB 746 - Continued

There was an extended discussion concerning the contents of SB 746 and the possible solution to the need for additional funding. One committee member noted that, since this is a service the state provides, it should be cost effective.

Ms. Seltsam said it is true that each bond processed takes the same amount of time, regardless of the amount of the bond. She indicated the Treasurer's office is attempting to eliminate the "per bond" language, because sometimes transferring is made from several small bonds to one large one. She added that it is impossible to know in advance how many bonds will be purchased, but it is possible to know the amount involved.

No action was taken on SB 746.

SB 752 - Concerning the food service inspection reimbursement fund

Mr. Page explained that SB 752 increases the percentage of inspection fees paid to local health department from 60% to 80% of the total. He noted this was recommended by the subcommittee which studied the budget for the Department of Health and Environment.

Ms. Taylor appeared to state that her organization supports the changes in SB 752.

Dr. Baker had left prepared testimony supporting SB 752 (Attachment B).

Motion was made by Senator Talkington and seconded by Senator Doyen to report SB 752 favorably for passage. The motion carried by roll call vote.

RE-REFERRAL OF BILLS

Senator Talkington indicated that several bills had been re-referred to this committee in order that they might be returned to General Orders. Motion was made by Senator Talkington and seconded by Senator Harder to report the following bills without recommendation: Sub. for HB 2743, HB 2753, HB 2783, and HB 2874. The motion carried by roll call vote.

The meeting was adjourned by the Chairman.

Office of the  State Treasurer

JOAN FINNEY  
STATE TREASURER  
700 Harrison  
P.O. Box 737  
TOPEKA, KANSAS 66601

April 8, 1986

Senate Ways and Means Committee

Re: SB 746

Senate Bill 746 would change the rate of commission the state fiscal agency charges for bond redemption. Currently the charge is \$1.25 per bond, whether the bond is a \$1,000. or \$500,000. This bill would change the commission rate to \$1.25 per \$1000. of principal.

The total commission deposited to the general fund in FY 85 was \$41,528. Based on FY 85 business, and using a charge of \$1.25 per thousand on principal paid, the total commission would have amounted to \$87,875. and increase of \$46,346.

The additional revenue produced if this bill is enacted would help the fiscal agency subprogram of the state treasurer's office fund itself.

S.W.M. 4/8/86

A 4-8-86  
11:00

Testimony Before Senate Ways and Means Committee

April 8, 1986

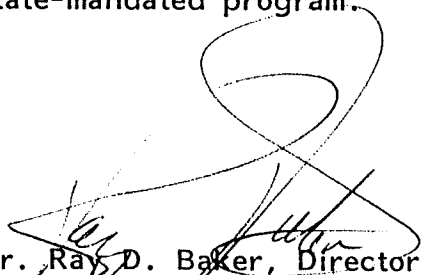
I'm Dr. Ray Baker, Health Officer for Shawnee County. I understand S.B. 752 will raise the proportion of locally collected food establishment fees paid to contracting local health departments from 60% to 80%.

I'm here to make a brief statement in support of that bill. Although neither could be here this morning, I've talked to both Dr. Tosh from Wichita and Dr. Newkirk from Kansas City, and they, too, support the bill for similar reasons.

My Health Department has been inspecting food establishments for 42 years. It is a fundamental public health function formerly funded in large measure by local fees. But, when the state delegated authority in 1977 for local health departments to enforce the state inspections law, duplicate local fees were logically prohibited. I understood and supported that requirement.

However, the state reimbursement for these inspections has never paid for our cost. In 1985, we spent \$38,000 for the program and received an estimated \$20,000. Wichita and Kansas City health departments fund from 50% to 65% of their program costs through local taxes.

Therefore, all three health departments strongly support S.B. 752. It should be another step toward the goal of full state reimbursement for this state-mandated program.



Dr. Ray D. Baker, Director  
Health Department

Topeka-Shawnee County

S. W + M 4/8/86

B 4-8-86  
11:00 a.m.