

Approved 3-25-87 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 23, 1987 in room 521-S of the Capitol.

All members were present except:
Representative Douville, Excused

Committee staff present:

Mike Heim, Legislative Research Dept.
Bill Edds, Revisor of Statutes' Office
Sharon Green, Committee Secretary

Conferees appearing before the committee:

Bernie Hayen, League of Kansas Municipalities
Jim Kaup, League of Kansas Municipalities

Chairman Sand called the meeting to order.

Bernie Hayen testified in support of SB 155, stating that the bill authorizes cities to establish a consolidated street and highway fund to receive state highway connecting link moneys and special city and county highway fund moneys to be used solely for street and highway purposes. He also stated that this would provide a better accounting of incoming and outgoing funds. (Attachment 1)

A discussion was held among the committee members and staff regarding the impact of SB 155. There was expressed concern regarding the connecting link moneys policy.

Chairman Sand closed the hearing on SB 155.

Jim Kaup testified in support of SB 156, stating that the bill amends the Kansas Tort Claims Act to clarify that municipalities may issue temporary notes to pay any judgments, compromises, or settlements and may issue no-fund warrants without State Board of Tax Appeals approval. He stated that the bill was requested for clarification purposes.

Chairman Sand closed the hearing on SB 156.

Motion was made by Representative Beauchamp and seconded by Representative Graeber to favorably pass SB 155.

A substitute motion was made by Representative Francisco to conceptually amend SB 155 to specifically designate the connecting link moneys to be used for connecting links. There was no second to the substitute motion.

Representative Graeber withdrew his second to the motion to favorably pass SB 155. Representative Miller seconded the motion.

A substitute motion was made by Representative Dean and seconded by Representative Francisco to table SB 155 until the next House Local Government meeting. The motion carried.

Motion was made by Representative Baker and seconded by Representative Graeber to favorably pass SB 156. The motion carried.

The minutes of March 18 were approved as presented.

Meeting adjourned.



League of Kansas Municipalities

PUBLISHERS OF KANSAS GOVERNMENT JOURNAL / 112 WEST SEVENTH ST., TOPEKA, KANSAS 66603 / AREA 913-354-9565

TO: House Committee on Local Government
FROM: Bernie Hayen, Assistant Director for Special Services
DATE: March 23, 1987
SUBJECT: SB 155: City Consolidated Highway Fund

The purpose of SB 155 is to authorize cities to establish a consolidated highway fund. Every city now has at least two highway "funds"--(1) the street account within its general fund, and (2) the special highway fund (the funds for the city share of the state "special city and county highway fund" aid program under K.S.A. 79-3425c). Some cities have more. About 35 cities of the third class have a special street maintenance fund under K.S.A. 15-733, and about 60 cities of the second and third class have a special street lighting fund under K.S.A. 14-535 and 15-712. In addition, there are at least 35 cities that have provided by home rule charter ordinance for a special tax (fund) to be levied for street purposes outside the tax lid. Finally, it might be noted that those cities that receive payments for the maintenance of state highway connecting links, under K.S.A. 68-416, are required to deposit the money in the city's "street and alley funds," to be used solely for the maintenance of city connecting links.

The basic purpose of SB 155 is to permit city governing bodies to establish by ordinance a single consolidated highway fund, to replace the several accounts and funds that now exist for highway and street purposes. In instances in which a separate property tax fund exists, moneys therein could be transferred by the annual budget, to the consolidated fund, with the actual disbursements made from the consolidated fund. Moneys in the consolidated fund could "be used solely for highway purposes." (See line 28.)

The League believes SB 155 is necessary because of the general prohibition against the budgeted transfer of moneys contained in the state budget law; K.S.A. 79-2934 provides "No part of any fund shall be diverted to any other fund...except as provided by law." SB 155 would provide the statutory authority for such budgeted transfers. Further, it is believed that the bill is consistent with the requirement of K.S.A. 68-416 that state connecting link payments to cities be "credited to the street and alley fund of such cities..." and the requirement of K.S.A. 79-3425c that state highway aid payments to cities be credited "to a separate fund to be used for the construction, reconstruction, alteration, repair and maintenance of the streets and highways...." The proposed "consolidated highway fund" meets the requirement of "a separate fund" in this act. The intent of the "separate fund" was to prevent cities from using highway aid for police or other non-highway purposes, an intent preserved by SB 155.

Passage of SB 155 will allow cities to simplify their financial procedures, reduce fund balance needs, and permit more effective capital improvement planning of municipal street needs. We urge you to act on it favorably.

Attachment 1

President: John L. Carder, Mayor, Iola • Vice President: Carl Dean Holmes, Mayor, Plains • Past President: Ed Eilert, Mayor, Overland Park • 3-23-87
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