

Approved On: 2/18/87

Minutes of the House Committee on Assessment and Taxation. The meeting was called to order by E. C. Rolfs, Chairman, at 10:00 a.m. on February 16, 1987 in room 519 South at the Capitol of the State of Kansas.

All members of the Committee were present.

Committee staff present:

Tom Severn, Legislative Research
Chris Courtright, Legislative Research
Don Hayward, Reviser of Statutes
Millie Foose, Committee Secretary

On January 26, 1987, Unified School District No. 263, Sedgwick County, had a bid opening for the issuance of \$2,000,000 General Obligation Bonds for the construction of a new elementary school in Mulvane. Although the local paper and the Kansas Register published the notice, it was not published in the Topeka Daily Capital. Bonds have been printed and are ready for delivery. If the school district would have to remarket the bonds today, it would entail substantial extra costs in interest costs, reprinting, etc. They therefore requested that the House Committee on Taxation introduce the following bill: (Attachment 1)

AN ACT relating to the issuance of general obligation bonds by certain unified school districts; validating and confirming certain proceedings for the issuance of such bonds and any bonds issued thereunder.

Representative Fox moved, second by Representative Francisco, that this bill be introduced. The motion carried.

There being no further business to come before the committee, the meeting was adjourned.



E. C. Rolfs, Chairman

HOUSE BILL NO. _____

By Committee on Taxation

AN ACT relating to the issuance of general obligation bonds by certain unified school districts; validating and confirming certain proceedings for the issuance of such bonds and any bonds issued thereunder.

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

Section 1. Any unified school district which, prior to the effective date of this act, has authorized, pursuant to the provisions of K.S.A. 72-6761, and amendments thereto, the issuance of general obligation bonds of the school district in the amount of \$2,000,000, for the purpose of providing funds for constructing a new elementary school within the district, and conducted a bond election therefor under the mail ballot election act, and a majority of the qualified electors of the school district voting on the question voted in favor of the issuance of the bonds, is hereby authorized to issue and sell such bonds in the manner provided by law notwithstanding the fact that insufficient published notice of the bond sale was given. All proceedings for the issuance of such bonds and all bonds issued pursuant thereto are hereby validated and confirmed. The total amount of bonds issued under authority of this act shall not exceed the amount of \$2,000,000.

Sec. 2. This act shall take effect and be in force from and after its publication in the Kansas register.

STIFEL, NICOLAUS & COMPANY INCORPORATED

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February 13, 1987

The Honorable Debara K. Schauf
State Capital
Topeka, KS 66612

Re: Proposed Legislation for Allowance of Two Notices of Publication
for Bond Sale for USD #263, Sedgwick County, Kansas (Mulvane)

Representative Schauf:

I am writing this letter on behalf of the Unified School District No. 263, Sedgwick County, Kansas (Mulvane). On Monday, January 26, 1987, the USD #263 had a bid opening for the issuance of \$2,000,000 General Obligation Bonds for the construction of a new elementary school in Mulvane. We were notified the Topeka Daily Capital failed to publish Notice of Bond Sale. However, both the local newspaper and the Kansas Register, being official papers, published this Notice of Bond Sale in the manner prescribed by Kansas Statutes. As you are aware, the school district is in need of special legislation allowing for only the two publications to be made.

This bond issue had very broad interest, nationally and statewide. The Notice of Bond Sale was published in the Daily Bond Buyer, a national publication, which all bond dealers in the country subscribe. The following companies submitted bids in various syndicates for the school district's bonds as follows: Stifel, Nicolaus & Company, Stepp Investments, Ltd., Ranson and Company, Country Club Bank, Beecroft Cole, Stern Brothers, United Missouri Bank, Isaac Bond Investments, Inc., Zahner & Company, the Columbian Securities Corporation, E.F. Hutton & Company, Inc., George K. Baum, United Securities, Inc., Bank IV of Wichita, Mid-Continent Municipal Investments, J.O. Davidson & Associates, Inc., First Securities Company, Kidder-Peabody, and Piper Jaffray & Hopwood.

As you can see from the above list of bond dealers, there was significant interest from bidders throughout the country. I am attaching a copy of the Bid Tabulation Sheet showing the interest rates and the bids received from account managers.

The principal reason for providing the immediate legislation, is to allow the school district to make delivery on the bonds (slated for February 26, 1987) which have been sold. In fact, bonds have been printed and are ready for delivery subject to the Attorney General's opinion. Interest rates have risen from the time these bonds were sold by approximately ten (.10%) basis points. Should the school district have to remarket these bonds today, they would pay substantially more in interest costs due to the newspaper publication error. Also, the school district would have additional costs for publication, reprinting the bonds, Notice of Sale, and Official Statements, as well as \$40,000 in additional interest costs.



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I know of your interest in and support of the community of Mulvane. Enactment of this special legislation would certainly be beneficial to Unified School District No. 263. On behalf of the school district, we would appreciate any assistance you can provide.

Sincerely,



Steven F. Randle
Vice President
Municipal Finance

SFR/dvc

BIDDER	RATES				GROSS INTEREST COST	PREMIUM	NET INTEREST COST	AVERAGE INTEREST COST
UNITED MISSOURI BANK OF KANSAS CITY, N.A. 10th & Grand, P.O. Box 226 Kansas City, MO 64141	19 87	thru	19 88	7.25 %	\$1,312,750.	-0-	\$1,312,750.	6.352016
	19 89	thru	19 92	6.75 %				
	19 93	thru	19	5.40 %				
	19 94	thru	19	5.50 %				
	19 95	thru	19	5.60 %				
	19 96	thru	19	5.75 %				
	19 97	thru	19	5.90 %				
	19 98	thru		6.0 %				
	19 99	thru		6.15 %				
	2000	thru		6.30 %				
	2001	thru		6.40 %				
	2002	thru		6.50 %				
	2003	thru		6.60 %				
	2004	thru		6.70 %				
2005	thru	2006	6.75 %					
GEORGE K. BAUM & CO. 1004 Baltimore Ave. Kansas City, MO 64105	19 87	thru	19 94	6.50 %	\$1,328,466.67	-0-	\$1,328,466.67	6.428065
	19 94	thru	19 95	5.75 %				
	19 95	thru	19 96	5.90 %				
	19 96	thru	19 97	6.0 %				
	19 97	thru	19 98	6.10 %				
	19 98	thru	19 99	6.20 %				
	19 99	thru	2000	6.30 %				
	2000	thru	2001	6.40 %				
	2001	thru	2002	6.50 %				
	2002	thru	2003	6.60 %				
	2003	thru	2004	6.70 %				
	2004	thru	2005	6.75 %				
	2005	thru	2006	6.80 %				
		thru						
STERN BROTHERS & CO. 2200 City Center Square 110 Main St. Kansas City, MO 64199	19 87	thru	19 92	6.75 %	\$1,337,666.67	-0-	\$1,337,666.67	6.472581
	19 93	thru	19	6.0 %				
	19 94	thru	19	5.60 %				
	19 95	thru	19	5.80 %				
		thru						

