

MINUTES OF THE House COMMITTEE ON Local Government

The meeting was called to order by Representative Robert D. "Bob" Miller at
Chairperson

1:39 a.m./p.m. on February 14, 1989 in room 521-S of the Capitol.

All members were present except:

Representative Clyde Graeber, excused
Representative Vern Williams, excused

Committee staff present:

Mike Heim, Legislative Research Dept.
Theresa Kiernan, Revisor of Statutes' Office
Connie Smith, Committee Secretary

Conferees appearing before the committee:

John Torbert, Kansas Association of Counties
Richard Jones, Executive Director, Kansas Assn. of Conservation Districts
Ken Kern, Executive Director, State Conservation Commission

John Torbert appeared before the Committee to request legislation to amend 79-2020 to make it clear that a bankruptcy type action would be covered by the statute. (Attachment I)

Discussion followed.

Chairman Miller asked the Committee to introduce a bill that coincides with HB 2079 dealing with the Good Samaritan Law.

A motion was made by Representative Bowden and seconded by Representative Mollenkamp to introduce new legislation requested by Mr. Torbert and new legislation on the Good Samaritan Law. The motion carried.

Chairman Miller called for hearings on the following House Bills:

HB 2094 - Act concerning the state conservation Commission and conservation districts.

Richard Jones testified in support of HB 2094 with their proposed amendment by removing the words "and two supervisors to represent urban interests" on page 4, lines 154 and 155; and also remove the words "two urban" on page 5, line 156. (Attachment II)

Discussion followed.

Ken Kern testified on HB 2094 and stated that the maximum fiscal impact of the amendment from \$7,500 to \$10,000 would be \$262,500. He also asked Committee for favorable consideration of the provisions. (Attachment III)

Discussion followed.

A motion was made by Representative Holmes and seconded by Representative Reinhardt to strike the added language on page 4, line 154 "and two supervisors to represent urban interests" and on page 5, line 156 strike "two urban"; also insert on page 7, line 252 following expenses, "excluding meals". The motion carried.

A motion was made by Representative Patrick to strike language in line 269 to maintain the current law \$7,500 and strike new section 5. Motion died for lack of second.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Local Government

room 521-G Statehouse, at 1:39 a.m./p.m. on February 14, 1989

A second motion was made by Representative Patrick to delete the language of \$10,000 and reinsert the \$7,500. Motion was seconded by Representative Baker.

Discussion followed.

Representative Patrick and Representative Baker withdrew their motion to amend HB 2094.

Hearing closed on HB 2094.

Chairman Miller turned the Committee's attention to HB 2140.

A motion was made by Representative Baker and seconded by Representative Turnbaugh to pass HB 2140 favorably.

Discussion followed.

A substitute motion was made by Representative Patrick to conceptually amend HB 2140 to prevent automatic renewal clauses in leases. The motion died for lack of a second.

The motion carried to pass HB 2140 favorably.

Chairman Miller asked Committee to make a motion to reconsider their action in regard to legislation introduced on February 9 on museums. The same was introduced in Federal and State Affairs.

A motion was made by Representative McClure and seconded by Representative Holmes to reconsider Committee action on February 9. The motion carried.

A motion was made by Representative Holmes and seconded by Representative Samuelson not to introduce the bill by Representative Sprague. The motion carried.

Chairman Miller reminded the Committee of revised agendas.

A motion was made by Representative Reinhardt and seconded by Representative Holmes to approve the minutes of February 7, 8, and 9. The motion carried.

The meeting adjourned at 2:35 p.m.



"Service to County Government"

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Testimony

To: House Local Government Committee
February 14, 1989

From: John T. Torbert
Executive Director

Subject: Priority Lien Status and Bankruptcy
Request for Legislation

K.S.A. 79-2020 provides that when a property owner "surrenders or transfers such property to another" and there is unpaid tax on that property, "then the taxes on the personal property of such taxpayer shall fall due immediately, and a lien shall attach to the property so surrendered or transferred and shall become due and payable immediately. Such lien shall be in preference to all other claims against such property." This statute was requested by the Kansas Association of Counties and became law in 1985. It was designed to protect the taxpayers by making sure that unpaid taxes became a priority lien. The practical application of this statute is being severely threatened by a situation that occurred recently in Saline County.

A sporting goods store filed Chapter 7 bankruptcy. It had unpaid taxes of \$7018.68 and an outstanding bank loan of \$66,180.81 plus interest of \$7,542.91. A bankruptcy trustee liquidated the assets of the store for an aggregate sum of \$14,340.50. The trustee was then going to disburse the funds totally to the bank with the unpaid loan. The county objected on the grounds that the unpaid taxes should be satisfied before any disbursement is made. The county cited 79-2020 as their authority.

The bankruptcy court ruled that the filing of bankruptcy does not constitute a transfer of ownership. It was contended that the bankruptcy trustee does not receive "ownership" of the property. Instead, the trustee is dealing with the property in an administrative sense only.

Saline county has appealed the judge's decision to the U.S. District Court in Wichita. K.A.C. has filed an amicus brief in that appeal. As of yet, no decision has been rendered.

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ATTACH. I

All indications from the attorneys for the parties in the case would lead us to believe that the U.S. District Court will interpret K.S.A. 79-2020 as not having application to bankruptcy. When the statute was passed, I don't believe that it was ever contemplated that it exempted bankruptcy actions. However, because of the fact that questions have been raised about this application, we would like to have legislation introduced to amend 79-2020 to make it clear beyond the shadow of a doubt that a bankruptcy type action would be covered by the statute. This is necessary to protect the interests of the taxpayers and of the local governments that depend on the property tax as their main revenue source. Uncollected taxes mean service cutbacks or tax increases in the future.

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HOUSE LOCAL GOVERNMENT COMMITTEE

FEBRUARY 14, 1989

Testimony on House Bill No. 2094 - AN ACT concerning the state conservation commission and conservation districts; amending K.S.A. 2-1904, 2-1907, as amended by section 29 of chapter 356 of the 1988 Session Laws of Kansas, and 2-1907c and K.S.A. 1988 Supp. 2-1907b and repealing the existing sections; also repealing 2-1905 and 2-1906.

I am Richard Jones, Executive Director of the Kansas Association of Conservation Districts (KACD).

The Association represents the 105 county conservation districts in Kansas. Conservation Districts provide assistance to landowners and operators for the protection and improvement of their soil, water, plant, and animal resources. Conservation Districts are governed by a five member board of supervisors made up of local landowners who serve without compensation.

At our 1987 and 1988 annual conventions, the conservation districts of Kansas adopted resolutions requesting the State Legislature change the Kansas State Conservation District Law. (Copies of the resolutions are attached.) The 1987 resolution called for changes that would clearly indicate that conservation districts could continue to spend district funds for conservation educational materials for use in local schools, conservation awards for students participating in conservation educational programs, such as, conservation essays, limericks, and posters, student scholarships to conservation education camps and to

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ATTACH. II

support the national and state conservation associations. It also calls for them to be able to establish a capitol outlay fund for the purchase of conservation equipment, repair or remodeling of buildings, repair of existing equipment, etc. The 1989 resolution requests the State Legislature to increase its rate of matching funds to the State Conservation Commission beginning in th Fiscal year 1991 budget to a maximum of \$10,000 per county. Copies of these resolutions are attached.

Conservation districts in Kansas carry out strong conservation education programs with the schools in their county. They have conservation essay, limerick, and poster contests for the lower grades and conservation speech contests for the high school students, and provide student scholarships to conservation camps. The present wording in the law is not clear as to whether conservation districts can spend district funds for certificates or prizes for participating students, or for scholarships. Those students who win their district speech contest are eligible to enter the area speech contest and the winners of the area contests go on to the state association meeting where the first and second place winners are awarded college scholarships. The other speech contestants are provided cash awards.

Many districts provide added services to their cooperators through the sales of grass seed, trees, and equipment rental, such as, notill drills, grass seeding drills, tree planters, etc. Some have buildings to store such equipment and seed and even provide office space. Funds collected from these services need to be put into a district outlay fund for the purchase of new equipment

needed to serve their cooperators, to repair existing equipment, and to maintain or remodel existing buildings. All funds in this account would be spent for furthering conservation within the district.

Conservation districts are eligible to receive up to \$10,000 from the county for operation of the district, secretary, rent, supplies, etc. The State matches the funds allocated by the county up to \$7,500. The conservation districts feel that the State should match the county funds dollar for dollar. That would require the Conservation District Law to be changed to allow the State to provide up to \$10,000 for matching county funds. The cost of operating any firm or agency has increased over the past years and this is true of the operations of conservation districts and they feel the State should match what the county funds.

We had a committee study the need to change the conservation district law, and the committee made many recommended changes. One of the changes the appointed committee passed on to the conservation districts at their annual meeting was to have one or two urban people elected to the board of supervisors. The conservation districts, at their 1987 annual convention, soundly defeated this proposal. Many of our counties and conservation districts do not have so called urban areas but only small rural communities, so electing urban supervisors would not really change anything, also many of the conservation district boards presently have urban or community people serving on their boards as they live in town and farm in the country. They seem to represent the community in which they live without having to designate

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supervisors being elected to specifically represent urban or rural communities.

I recommend House Bill No. 2094 be amended, by removing the words "and two supervisors to represent urban interests" on page 4, lines 154 and 155; and also remove the words "two urban" on page 5, line 156. The amended bill would read, starting on line 154 and ending on line 156, "The governing body of the district shall consist of five supervisors all of whom are land occupiers who are qualified electors residing within the district. The supervisors who are first elected shall".

The Kansas Association of Conservation Districts support House Bill No. 2094, with the proposed amendment, and urge your committee and the State Legislature to pass these needed district law changes.

KANSAS ASSOCIATION OF CONSERVATION DISTRICTS
43RD ANNUAL CONVENTION
DISTRICT OPERATIONS AND OUTLOOK COMMITTEE
RESOLUTION NO. 5

WHEREAS, Conservation Districts in Kansas have a legislative mandate to assist in conserving the state's soil, water, and natural resources; and

WHEREAS, the Kansas Association of Conservation Districts and the National Association of Conservation Districts are supported by conservation districts in Kansas in order to more effectively fulfill their conservation mandate; and

WHEREAS, soil, water, and natural resource conservation objectives are significantly enhanced by the use of educational and organizational meetings and materials and by the acquisition and use of awards, exhibits, and equipment; and

WHEREAS, the Kansas State Conservation District Law does not directly recognize the value of state and national conservation organizations in supporting and extending conservation principles and practices; and

WHEREAS, the Conservation District Law is not clear concerning the use of funds for educational programs, awards, exhibits and annual meetings; and

WHEREAS, the Conservation District Law does not mention the establishment of a capital outlay fund for the purchase of equipment needed to carry out conservation programs;

THEREFORE, BE IT RESOLVED, that Section 2.1907 of the current Kansas State Conservation District law be changed to clearly provide for the use of district funds for such items as a district capital outlay fund, educational materials, conservation awards, annual meetings and support for the Kansas Association of Conservation Districts and the National Association of Conservation Districts.

KANSAS ASSOCIATION OF CONSERVATION DISTRICTS
44TH ANNUAL CONVENTION
FINANCE AND DEVELOPMENT COMMITTEE
RESOLUTION NO. 1

WHEREAS, The cost of operating a Conservation District in all counties are constantly rising; and

WHEREAS, Some County Commissioners are reluctant to provide more funding than what will be matched by the State Legislature through matching funds;

THEREFORE, BE IT RESOLVED, that KACD request the Legislature of the State of Kansas to increase its rate of matching funds to the State Conservation Commission beginning in the Fiscal Year 1991 budget to a maximum of \$10,000.00 per county.

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State Conservation Commission

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HOUSE COMMITTEE ON LOCAL GOVERNMENT
HOUSE BILL NO. 2094
February 14, 1989

TESTIMONY BY:
KENNETH F. KERN
EXECUTIVE DIRECTOR

The State Conservation Commission provides administrative support to the 105 conservation districts through the Kansas Conservation District Law, K.S.A. 2-1901 through 2-1919. The original law was enacted in 1937 and has been amended several times.

Section 1 of HB-2094 provides for the director of the Experiment Station and Cooperative Extension Service to have a designee at the Commission meetings.

Section 2, line 154, of the bill provides for two supervisors to represent urban interests. This was a change that a special committee was working on but the proposal had not been submitted to the conservation districts for their review, comments and approval. If the two urban supervisors are included in the final bill, line 156 through 161 will need to be revised.

Line 175 of Section 2 amends the voting procedures so that an election for a supervisor can be completed by acclamation when no more than one person is nominated for a position.

Section 3, line 251, provides for clarification of the expenditure of tax funds.

Line 269 of Section 3 amends the amount of state aid to match funds received by conservation districts from the county commissioners. The state match would be increased from \$7500 to \$10,000 per district.

Conservation districts have experienced a tremendous increase in their workload as a result of the state water plan and the 1985 Food Security Act (FSA). Funds are needed at the district level to provide for:

- a. Part-time employee and in some districts a full-time employee
- b. Additional office equipment or furniture
- c. Replacement of office equipment or furniture
- d. Educational materials
- e. Office supplies

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ATTACH III

We assume the increased funds would be available to conservation districts for their calendar year 1990, which is the State FY 1991. Conservation districts will submit budget requests to the Commission by September 1, 1989, to be included in the FY 1991 budget request. A summary of the conservation district budgets and request for state aid is attached for FY 1990. Currently there are 72 districts receiving over \$7500 from their county commissioners.

The following is an estimate of the number of districts that may use the increased funds and the fiscal impact:

<u>State</u> <u>Fiscal Year</u>	<u>Conservation</u> <u>District</u> <u>Calendar Year</u>	<u>Estimated</u> <u>No. of Districts</u>	<u>Fiscal Impact</u>
FY 1991	1990	75	\$187,500
FY 1992	1991	85	212,500
FY 1993	1992	90	225,000

The maximum impact of the amendment is \$262,500.

New Section 5 is to provide authority for the conservation districts to set aside funds from existing sources in a capital outlay fund, to provide for building space, remodeling, purchases of equipment, etc., to carry out district activities and functions. All interest received on investment of funds shall be credited to the capital outlay fund. This would provide districts the means to accumulate funds for large expenditures.

Thank you for the opportunity to explain the State Conservation Commission viewpoints on HB-2094. We urge your favorable consideration of the provisions.

CONSERVATION DISTRICTS FUNDS FY 1990

County	A	B	C	D	E	F
	County General Funds	Hill Levy		Other Funds	Total From County	State of Kansas Matched
		Total	Matched			
Allen		\$12,000	\$7,500		\$12,000	\$7,500
Anderson	9,000	0	0		9,000	7,500
Atchison		12,500	7,500		12,500	7,500
Barber	7,500	5,000	0		12,500	7,500
Barton	3,000	21,000	4,500		24,000	7,500
Bourbon	10,000	22,000	0		32,000	7,500
Brown	10,000	0	0		10,000	7,500
Butler	6,750	0	0		6,750	6,750
Chase	7,500	0	0		7,500	7,500
Chautauqua	6,195	0	0		6,195	6,195
Cherokee	0	16,000	7,500		16,000	7,500
Cheyenne	0	9,000	7,500		9,000	7,500
Clark	1,500	6,000	6,000		7,500	7,500
Clay		7,500	7,500		7,500	7,500
Cloud		29,250	0		29,250	7,500
Coffey	0	25,000	7,500		25,000	7,500
Comanche	4,000	0	0		4,000	4,000
Cowley	7,500	5,000	0		12,500	7,500
Crowford	10,000	7,150	0		17,150	7,500
Decatur		8,000	7,500		8,000	7,500
Dickinson	10,000	0	0		10,000	7,500
Daniphan	9,500	1,900	0		11,400	7,500
Douglas		47,859	7,500	12,141	60,000	7,500
Edwards	0	4,700	4,700		4,700	4,700
Elk	6,000	0	0		6,000	6,000
Ellis	7,500	18,850	0		26,350	7,500
Ellsworth	10,000	5,000	0		15,000	7,500
Finney	7,500	16,500	0		24,000	7,500
Ford	10,000				10,000	7,500
Franklin		10,500	7,500		10,500	7,500
Geary	6,000	0	0		6,000	6,000
Gove		7,500	7,500		7,500	7,500
Graham	7,500	8,000	0		15,500	7,500
Grant	7,500	0	0		7,500	7,500
Gray	7,500	2,000	0		9,500	7,500
Greeley	3,850	0	0		3,850	3,850
Greenwood		15,360	7,500		15,360	7,500
Hamilton	10,000	0	0		10,000	7,500
Harper	6,000	15,000	1,500		21,000	7,500
Harvey	0	15,000	7,500		15,000	7,500
Haskell		10,200	7,500		10,200	7,500
Hodgeman		7,700	7,500		7,700	7,500
Jackson	7,500	13,000	0		20,500	7,500
Jefferson		15,000	7,500		15,000	7,500
Jewell	10,000	0	0		10,000	7,500
Johnson	17,500	0	0		17,500	7,500
Kearny	7,500	45,000	0		52,500	7,500
Kingman	7,500	0	0		7,500	7,500
Kiowa	7,500	0	0		7,500	7,500
Labette	7,500	0	0		7,500	7,500
Lane	10,000	33,000	0		43,000	7,500
Leavenworth	7,500	10,000	0		17,500	7,500
Lincoln		12,937	7,500	1,063	14,000	7,500
Linn	7,500	0	0		7,500	7,500

County	A	B	C	D	E	F
	County General Funds	Hill Levy		Other Funds	Total From County	State of Kansas Matched
		Total	Matched			
Logan	7,500	0	0		7,500	7,500
Lyon		25,200	7,500		25,200	7,500
McPherson		23,512	7,500		23,512	7,500
Marion		14,000	7,500		14,000	7,500
Marshall	10,000	7,500	0		17,500	7,500
Meade	7,500	0	0		7,500	7,500
Miami		10,000	7,500		10,000	7,500
Mitchell		14,000	7,500		14,000	7,500
Montgomery	10,000	0	0		10,000	7,500
Morris	7,500	0	0		7,500	7,500
Morton		30,909	7,500	616	31,525	7,500
Neasha		11,738	7,500	2,262	14,000	7,500
Neosho	7,500	0	0		7,500	7,500
Ness	7,500	6,000	0		13,500	7,500
Norton		7,500	7,500		7,500	7,500
Osage	10,000	0	0		10,000	7,500
Osborne	8,500	0	0		8,500	7,500
Ottawa	8,500	0	0		8,500	7,500
Pawnee	7,500	0	0		7,500	7,500
Phillips	7,500	0	0		7,500	7,500
Pottawatomie	10,000	55,000	0		65,000	7,500
Pratt		11,500	7,500		11,500	7,500
Rawlins	6,500	0	0		6,500	6,500
Reno		28,600	7,500	5,209	33,809	7,500
Republic	10,000	12,500	0		22,500	7,500
Rice	7,500	19,000	0		26,500	7,500
Riley	10,000	10,000	0		20,000	7,500
Rooks	8,100	0	0		8,100	7,500
Rush	10,000	15,000	0		25,000	7,500
Russell	7,500	0	0		7,500	7,500
Saline	7,500	5,000	0		12,500	7,500
Scott	10,000	0	0		10,000	7,500
Sedgwick	78,580	0	0		78,580	7,500
Seward	7,500	0	0		7,500	7,500
Shownee	8,750	0	0		8,750	7,500
Sheridan	7,000	0	0		7,000	7,000
Sherman		12,500	7,500		12,500	7,500
Seth		12,500	7,500		12,500	7,500
Stafford		7,191	7,191	309	7,500	7,500
Stanton	7,500	3,000	0		10,500	7,500
Stevens	7,500	7,020	0		14,520	7,500
Sumner		15,119.47	7,500		15,119.47	7,500
Thomas	7,500	0	0		7,500	7,500
Trego		1,843	1,843		1,843	1,843
Wabunsee	7,500	0	0		7,500	7,500
Wallace	10,000	0	0		10,000	7,500
Washington	7,500	15,000	0		22,500	7,500
Wichita		9,000	7,500		9,000	7,500
Wilson		7,500	7,500		7,500	7,500
Woodson		15,000	7,500		15,000	7,500
Wyandotte		24,023	7,500		24,023	7,500
TOTALS	\$617,725.00		\$273,234.00	\$21,600.00	\$1,576,386.47	\$765,338.00

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