

Approved February 15, 1989
Date

MINUTES OF THE SENATE COMMITTEE ON LOCAL GOVERNMENT

The meeting was called to order by Sen. Don Montgomery at
Chairperson

9:00 a.m./~~p.m.~~ on February 14, 1989 in room 531-N of the Capitol.

All members were present except:

Sen. Gaines - Excused

Committee staff present:

Mike Heim, Legislative Research
Emalene Correll, Legislative Research
Theresa Kiernan, Revisor of Statutes
Shirley Higgins, Committee Secretary

Conferees appearing before the committee:

Gerry Ray, Johnson County
Bev Bradley, Kansas Association of Counties
Willie Martin, Sedgwick County

The meeting began with the hearing on SB 61 which would grant authority to counties to create Public Building Commissions. Gerry Ray, Johnson County, testified in support of the bill. (See Attachment I).

The Chairman asked if Public Building Commissions (PBCs) have the authority to levy. Staff answered that they could not and explained further that a PBC could be created under local rule, but it would have no authority to enter into agreements with other entities; a statute would be required to do that, such as 1217-65 regarding school districts. Ms. Ray noted that it was felt that since it is in the statutes for cities to give this authority, counties would need it too. Sen. Steineger said that this is not correct. He thinks counties can create a commission under home rule and enter into leases and issue certificates of participation. The Chairman said that the committee would need to have this checked and asked Ms. Ray to do so also.

Bev Bradley, Kansas Association of Counties, testified next in support of SB 61. (See Attachment II). She also stated that she would be in support if counties can create PBCs under home rule. Sen. Steineger recalled a situation four or five years ago in Shawnee County when the city of Topeka tried to provide a countywide election for a jail, and it was determined that the city could not go beyond city home rule which resulted in an a request for an amendment to the statutes.

Willie Martin of Sedgwick County testified that Sedgwick County had reviewed the Johnson County testimony and has included it in their platform. Sedgwick County does not have a need for it now, but it feels counties should have the same option that cities do in the event of a future need. The Chairman questioned the need for the bill if this can be done now by home rule. Sen. Steineger began a discussion regarding the right to protest section.

Sen. Daniels had questions for staff as to Section 3, page 2. She asked if there would be a problem with the fact that there is no provision to include a County Building Commission that may want to lease their building to cities. Staff said it would probably be better to insert "city". Sen. Daniels then asked with regard to line 43 if it was intended that it just apply to cities, and staff said this was the intent. Sen. Steineger asked if there would be jurisdictional questions for counties to put buildings up in cities. Staff said there would be none. With this, the hearing on SB 61 was concluded, and it was taken under advisement.

The hearing began on SB 65 relating to the sale of property by counties. Gerry Ray, Johnson County, testified in support of the bill. (See Attachment

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON LOCAL GOVERNMENT,

room 531-N, Statehouse, at 9:00 a.m.~~pm~~ on February 14, 1989.

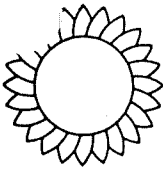
III). Sen. Daniels asked why the sale of property under \$5000 would be without publication. Ms. Ray replied it is such a small piece of land that it is not worth the price to put it in the newspaper and the other hassels involved. Sen. Burke informed the committee of the situation in Johnson County in the past when blocks of small parcels had been sold off.

Sen. Daniels had further questions regarding Ms. Ray's testimony. As to "D", she wanted to know why, again, no notice is given to the public. Ms. Ray said the intent was to negotiate with the bidders who had already bid. As to the proposal that the counties could give back pieces of land to adjacent owners, Sen. Daniels wanted to know if it would be given back whether the owners wanted it or not. Ms. Ray explained the intent was to give authority to counties to to this, but not to force it on anyone. Ms. Ray then said that in regard to the publication question, she would like to call her legal department for clarification if this is a problem to the committee. Sen. Daniels said she would appreciate this on behalf of the public who should know where they stand.

Willie Martin, Sedgwick County, testified in support of the bill. Sedgwick County has reviewed the Johnson County testimony and supports it, but would want guidelines that the committee is comfortable with with regard to the sale of samll pieces of land. Sen. Burke asked staff if there is a statute now that would force land on property owners. Staff said, "No". However, if taxes are not paid by property owners on these small pieces of land, the county would be in the same boat as they were before. Also, there would be no constitutional problem in giving land to adjacent property owners. This concluded the hearing on SB 65, and it was taken under advisement.

The minutes of February 9 were approved.

The meeting was adjourned.



Johnson County
Kansas

FEBRUARY 14, 1989

SENATE LOCAL GOVERNMENT COMMITTEE

HEARING ON SENATE ^{Bill} ~~BULL~~ 61

TESTIMONY OF GERRY RAY, INTERGOVERNMENTAL COORDINATOR
JOHNSON COUNTY BOARD OF COMMISSIONERS

Mr. Chairman, members of the committee, my name is Gerry Ray representing the Johnson County Board of Commissioners.

Senate Bill 61, that was introduced at the request of Johnson County, grants authority to counties to create Public Building Commissions (PBCs) in the same manner as current statutes provide to cities.

A Public Building Commission has the power to acquire building sites and construct, reconstruct, equip and furnish buildings or other facilities such as parking structures. They can enter into leases with other governmental entities, for the purpose of building such facilities. The proceeds from the leases are used to retire bonds issued by the PBC for the project.

PBCs provide an alternative financing mechanism for building projects in which the operating budget can pay the cost of the lease but not the full cost of the new building. An additional advantage are that bonds issued by a PBC will generally receive more favorable interest rates than a lease/purchase arrangement that a third party financier could provide.

Counties are now able to work with cities to use the PBC concept, however there are many instances when a PBC does not exist in the city where the county facilities are needed. It is also a very complex process to work through all of the details of construction when two governmental entities are involved.

Senate Bill 61 does not create any new authority it merely extends existing authority to counties and grants them the same financing options that cities have had for some time.

Thank you for your time and consideration of the proposal. Johnson County requests that Senate Bill 61 be recommended for passage by the committee.

2-14-89
Senate Local Gov't
Attachment I



"Service to County Government"

212 S. W. 7th Street
Topeka, Kansas 66603
(913) 233-2271
FAX (913) 233-4830

Testimony

To: Senator Don Montgomery, Chairman
Members Senate Local Government Committee

From: Bev Bradley, Legislative Coordinator
Kansas Association of Counties

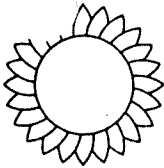
Re: SB-61 An act relating to public building commissions

Thank you Mr. Chairman and members of the committee.

The Kansas Association of Counties supports granting the Board of County Commissioners the authority to create Public Building Commissions for counties consistent with the existing authority of cities. Public Building Commissions have the power to acquire building sites and construct, reconstruct, equip and furnish buildings or other facilities such as parking structures. PBCs can enter into leases with other governmental entities for facilities. The proceeds from the leases are used to retire bonds issued by the PBC for construction. PBCs provide a financing mechanism for building project(s) where the operating budget can pay lease costs but not the full cost of a new structure. Further the bonds issued by a PBC will generally receive lower interest than lease purchase arrangements.

This statement is a convention approved position, voted by our membership last November. KAC supports SB-61 so that counties may have the same options as cities currently have for using Public Building Commissions to finance public facilities.

2-14-89
Senate Local Gov't
Attachment II



**Johnson County
Kansas**

FEBRUARY 14, 1989

SENATE LOCAL GOVERNMENT COMMITTEE

HEARING ON SENATE BILL 65

TESTIMONY OF GERRY RAY, INTERGOVERNMENTAL COORDINATOR
JOHNSON COUNTY BOARD OF COMMISSIONERS

Mr. Chairman, members of the committee, my name is Gerry Ray representing the Johnson County Board of Commissioners.

Senate Bill 65 was requested by Johnson County to provide alternatives in the sale and disposal of county owned real property. The statute that the bill amends applies to only Johnson, Sedgwick and Shawnee Counties. Several years ago the three counties were separated out in the statutes pertaining to the disposal of county property and Senate Bill 65 is consistent with that earlier legislative decision.

The change being requested would allow the three Boards of Commissioners to:

A. Upon unanimous approval of the Board of County Commissioners and three publications of notice the Board may dispose of property with a value of more than \$150,000.00 through public bidding. Such action would be subject to a protest petition. If the requirements are fulfilled and no valid petition for election is filed or the sale is authorized by referendum but is not completed, the Board may sell the property upon terms and conditions approved by unanimous vote of the Board.

B. Dispose of real property having a value of less than \$5,000.00 through public or private sale, by negotiation or by quit claim deed, without a requirement for publication or referendum. This would provide a more efficient and expeditious method not currently available, to sell small parcels of property.

C. Dispose of real property acquired by dedication, plating or for the purposes of right-of-way or drainage by vacating such properties with revision to adjoining landowners. The provision would allow the county to transfer unusable property to private ownership thus putting the property on the tax rolls and relieving the county of maintenance and liability responsibility. The action would require unanimous approval of the Board of County Commissioners.

2-14-89
Senate Local Gov't
Attachment III

D. Dispose of real property having a value in excess of \$5,000 but less than \$150,000.00 through a public bid sale. If public bids are not received or those received are not sufficient or acceptable, the county may negotiated the sale of such property without further publication or notice. The process is essentially the same as for property over \$150,000.00 except that it is not subject to a protest petition.

E. Enter into contracts for sale or lease-purchase for a term of no longer than five years. The provision would allow an option that would especially helpful in sales to average citizens who find it difficult to pay cash at the time of sale.

The proposed changes allow three of the larger counties more efficient methods to dispose of parcels of real property by recognizing that different methods of disposition are necessary for different size tracts of land. The current statutes sets up a mechanism without the flexibility to achieve good utilization of property that no longer has any public purpose. Both the counties and the citizens will benefit from such property being used productively rather than remaining unused.

Thank you for your consideration of the proposal. We believe the changes in the process will have many advantages and urge the committee to recommend Senate Bill 65 favorably. for passage.

2-14-89
Senate L.G.
III-2