

Approved March 21, 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 March 20, 1989 in room 531-N of the Capitol.

All members were present except:

Senators Gaines, Petty, and Steinger - 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:

Rep. Nancy Brown  
Frank Sites, Derby Recreation Commission  
Ernie Mosher, League of Kansas Municipalities  
Bev Bradley, Kansas Association of Counties

The Chairman called the committee's attention to a letter in support of HB 2010 from several Registers of Deeds which had been received after the hearing on the bill on March 15. (See Attachment I). He informed the committee that he had received other calls on this bill from other Registers of Deeds and had cautioned the callers about being divided among themselves.

The hearing began on HB 2140 relating to the powers of recreation commissions. Rep. Nancy Brown appeared in support of the bill and to introduce Tim Wolkin with the Blue Valley Recreation Commission to answer any questions the committee might have. She also read the testimony of Dr. Jim Thompson, Superintendent of Schools for Blue Valley, who was unable to attend. (See Attachment II.)

The Chairman asked if the lease agreements would be subject to the budget law. Staff explained that this would be an exception to the cash basis law and budget law. The Chairman had further questions money available for leases if funds for this are limited by levies that can be raised. Rep. Brown said the commissions would be bound by the levy money they can raise so she sees no problem because the commission could not go beyond the money they have raised or the levy limit. Sen. Allen determined that the mill levy for Blue Valley is 2 now and can go to 4 mills, however, there is no intent at present to raise the mill levy. Sen. Daniels wondered why the bill's effective date was "on publication in the Kansas Register". Rep. Brown said Blue Valley has a site it wants to lease as soon as possible. The Chairman had further questions concerning the leases being subject to budget approval. Rep. Brown said she assumes that the commission would not enter into a lease without having the money budgeted and approved by the governing body. Mr. Wolkin reiterated that Blue Valley would not enter into a lease agreement without having funds available.

Seitz  
Frank ~~Sites~~, Derby Recreation Commission, testified in support of the bill. (See Attachment III).

Sen. Langworthy made a motion to report HB 2140 favorable for passage, Sen. Allen seconded, and the motion carried.

Attention was turned to HB 2081, temporary financing of public services or improvements in anticipation of federal and state loans or grants to municipalities. Ernie Mosher, League of Kansas Municipalities, testified first in support of the bill. (See Attachment IV). Bev Bradley, Kansas Association of Counties, followed with further support of the bill. (See Attachment V). Mr. Mosher confirmed for Sen. Daniels that the bill includes financing only if there is a guarantee that a grant will be given.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON LOCAL GOVERNMENT,  
room 531-N, Statehouse, at 9:00 a.m./~~p.m.~~ on March 20, 1989.

Sen. Allen made a motion to report HB 2081 favorable for passage, Sen. Daniels seconded, and the motion carried.

The minutes of March 16 were approved.

The meeting was adjourned.



March 16, 1989

Senator Don Montgomery  
Chairman - Senate Local Government Committee  
State Capitol Building 128-S  
Topeka, Kansas 66612

Dear Senator Montgomery,

We strongly support the favorable passage of HB 2010 in its present form.

This bill removes the restriction of an 8 point print requirement but retains the authority of the Registrar to reject a document which is not of sufficient legibility to produce a clear and legible copy.

Please be advised that the below signed seventeen Registers of Deeds from South-central Kansas urge your serious consideration for a favorable vote on HB 2010. We wish to see this bill become law. All of the below signed have oil and gas activity in their office. We need to have HB 2010 passed.

Senator Montgomery, please circulate this letter to the other committee members of the Senate Local Government Committee.

Thank you for your time.

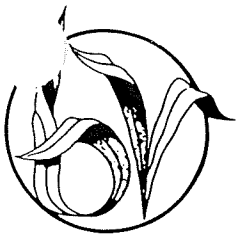
Sincerely,

*Mary Ann Lechane, Sec.*  
South Central Register of Deeds  
*Signatures attached.*

*Senate Local Gov't  
3-20-89  
Attachment I*

REGISTER OF DEEDS - SOUTH CENTRAL DISTRICT

1. BARBER	Betty Jo Swayden <i>Betty Jo Swayden</i>
2. BARTON	Lynette Kramen <i>Lynette Kramen</i>
3. BUTLER	Dixie Rose <i>Dixie Rose</i>
4. COMANCHE	Elaine Coles - <i>Elaine Coles</i>
5. COWLEY	Eldena Glasgow <i>Eldena Glasgow</i>
6. EDWARDS	Emily White <i>Emily White</i>
7. HARPER	Rhonda Swafford <i>Rhonda Swafford</i>
8. HARVEY	Dani Porter <i>Dani Porter</i>
9. KINGMAN	Martha Lou Campbell <i>Martha Lou Campbell</i>
10. KIOWA	Faye Hargadine <i>Faye Hargadine</i>
11. PAWNEE	Thelmarie Wilhite <i>Thelmarie Wilhite</i>
12. PRATT	Vera Compton <i>Vera Compton</i>
13. RENO	Mary Trock <i>Mary Trock</i>
14. RICE	Gladys Meek <i>Gladys Meek</i>
15. RUSH	Mary Ann Pechanec <i>Mary Ann Pechanec</i>
16. SEDGWICK	Pat Kettler <i>Pat Kettler</i>
17. STAFFORD	Lynette Bennington <i>Lynette Bennington</i>



# Blue Valley Schools

15020 Metcalf ~ P. O. Box 23901 ~ Overland Park, Kansas 66223-0901 ~ 913-681-4000

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U.S.D. #229

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*Treasurer*

TO: MEMBERS OF THE SENATE LOCAL GOVERNMENT COMMITTEE  
FROM: DR. JAMES C. THOMPSON, SUPERINTENDENT OF SCHOOLS  
RE: HOUSE BILL 2140  
DATE: MARCH 15, 1989

As an official in the Blue Valley Unified School District #229, southeast Johnson County, I would like to express my support for the enactment of House Bill 2140 regarding the powers and duties of Recreation Commissions. Specifically, I support the expansion of authority of Recreation Commissions to enter into lease agreements for real and personal property.

Because the Boards of Education of the Blue Valley School District and Olathe Unified School District #233 feel that Recreation Commissions should have the authority to lease real property, our Boards unanimously adopted legislative positions seeking to expand such authority. Thus, both school districts believe that the authority to lease real and personal property is an appropriate activity in which Recreation Commissions can engage.

We recognize that historically, Recreation Commissions did not have the authority to own, acquire, or lease real property. Commissions typically depended upon the cities or school districts in which they were organized to provide real property on which recreation facilities were located. Previously, this apparently worked well.

The problem today is that school districts, particularly fast-growing ones like Olathe and Blue Valley, do not have adequate resources to acquire property for recreation facilities. This is compounded by the high per-acre costs of land in many of our already-settled communities. What makes more sense is to permit Recreation Commissions to lease real property which can be used for recreation facilities. Oftentimes, this means leasing or renting athletic fields, auditoriums, performance areas, and day-camp facilities which are already available from other agencies or organizations in the community. The sharing of such facilities through lease makes a lot of sense to our taxpayers.

A specific example of the above dilemma is occurring in the Blue Valley area. Our population has tripled since

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1980. The school district has concentrated its capital improvement efforts on providing educational facilities. Consequently, athletic fields and other facilities for community recreation are significantly lacking. The Recreation Commission has the means and desire to provide recreational facilities but lacks the statutory authority.

I believe that other school district officials across the state would agree with me that Recreation Commissions should be granted the authority to lease real and personal property. I hope that this committee supports this measure and passes it out of committee.

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# KANSAS RECREATION AND PARK ASSOCIATION

410 WEST ASH  
SALINA, KANSAS 67401

(913) 823-5635  
Laura J. Kelly, Executive Director

TESTIMONY ON HOUSE BILL NO. 2140  
BEFORE THE SENATE COMMITTEE ON LOCAL GOVERNMENT

BY

FRANK SEITZ, SUPERINTENDENT OF RECREATION, DERBY, KS  
LEGISLATIVE CHAIRMAN, KANSAS RECREATION AND PARK ASSOCIATION  
MARCH 20, 1989

Mr. Chairman, Ladies and Gentlemen of the Committee

In 1987 modifications to the Kansas Recreation Enabling Law which came out of an interim study of a joint Special Committee on Federal and State Affairs concerning recreation commissions. That Bill went on to be approved by both the full House and Senate and signed into law and now governs the operation of in excess of 176 communities who have initiated public recreation programs in the State of Kansas.

House Bill 2424 received the support of the Kansas Recreation and Park Association, League of Municipalities and Kansas Association of School Boards who worked to create legislation which would be acceptable for all involved. As with any legislation in which change occurs different interpretations of these changes arise. It is because of differing interpretations concerning the powers section of KSA 1988 Supp. 12-1928 that we appear before you today.

The Powers section of 12-1928 states "Every Recreation Commission appointed pursuant to this act shall have the power to; "followed by 11 (A thru K) powers granted to commissions. Our requests centers around item (g.) "enter contracts". Because of conflicting interpretations of what entering contracts suggests, we would support the addition to the powers section presented to you today which is a new section (h.) under the powers section which states "Enter lease agreements for real and personal property. The term of any such lease shall not exceed 10 years." This language is similar to the authority given school districts in KSA 72-8225 concerning leasing privileges. We support this proposal to you after consulting with both the League of Municipalities and the State Association of School Boards and to my knowledge, there has been no negative reaction. We would ask for your consideration of this addition.

Thank you very much for allowing me the time to speak on this issue.

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Attachment III





League  
of Kansas  
Municipalities

Municipal  
Legislative  
Testimony

An Instrumentality of its Member Kansas Cities. 112 West Seventh Street, Topeka, Kansas 66603 Area 913-354-9565

TO: Senate Committee on Local Government  
FROM: E.A. Mosher, Executive Director  
RE: HB 2081 -- Temporary Financing of State Assisted Improvements  
DATE: March 20, 1989

The League of Kansas Municipalities supports the passage of HB 2081.

**In Brief:** HB 2081 would provide municipalities (all local units) with a method of temporarily financing that portion of public services or improvements which will be permanently financed by state loans or grants. Passage is important for local implementation of the new state water pollution loan fund program and infrastructure loan program. Passage will also help prevent violations of the cash basis law where state-administered federal grants, like CDBG, are on a reimbursement basis. Passage is especially important for smaller local units which have little uncommitted cash or reserve funds.

**1988 History.** HB 2081 is the same as SB 513 of the 1988 session, which was withdrawn from the House consent calendar and a floor amendment added which would have restricted the authority of cities to impose franchise fees on utilities. At the end of the session, the amended bill remained in conference committee. Near the end of the session, SB 765, identical to the original SB 513, was passed by the Senate by a vote of 39 to 0. This bill died on House general orders at the adjournment of the 1988 session.

**Background:** Kansas municipalities may now issue temporary notes under K.S.A. 10-123 to temporarily finance improvements in advance of the issuance of bonds. Municipalities may also issue temporary notes or no-fund warrants under K.S.A. 12-1662 et seq. to temporarily finance the federal share of direct federally-assisted projects which are on a reimbursement basis. **But there is no similar authority to finance local expenditures in advance of the receipt of a state loan or grant, or state-administered federal aid.** The cash basis law (K.S.A. 10-1112:10-1116a) prohibits a municipality from entering into a financial obligation in excess of funds actually on hand, with certain exceptions, such as where bonds are authorized. There are now no exceptions for state loans or grants or for state-administered federal aid.

Chapter 320, 1988 Session Laws of Kansas, provides for a state revolving loan fund for local units for water pollution control purposes. Chapter 394, 1988 Session Laws of Kansas, provides for a state loan program for public infrastructure improvements for economic development purposes. However, these 1988 acts do not deal with the practical problem of how a municipality pays for the initial costs (e.g., planning and engineering) of a state assisted project, or how the contractor is to be paid, if the state assistance is on a reimbursement basis. There are now also some practical (and legal) local problems in handling state-administered federal CDBG grants.

**Explanation of Bill.** HB 2081 proposes a general act, applicable to all municipalities, authorizing the temporary financing of the costs of services and improvements for which state assistance (including state-administered federal funds) will be later received, by the issuance of temporary notes or no-fund warrants. The notes or warrants may not be issued unless there is a written agreement providing for the state loan or grant, and for not to exceed the amount of the proposed loan or grant.

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3-20-89  
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President: Douglas S. Wright, Mayor, Topeka \* Vice President: Irene B. French, Mayor, Merriam \* Past President: Carl Dean Holmes, Mayor, Plains  
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Some problems have occurred in the past with the timely receipt of federal loans and grants, and may well occur under a state-administered program. As a result, Section 3 of the bill permits the extension of the notes or warrants if the state assistance is not timely received. Further, Section 3 provides for the issuance of new notes or warrants if the state loan or grant actually received is less than agreed to, which would be retired by tax levies or other sources (e.g., service charges).

Frequently, a state or federal grant or loan may be for only a part of the cost, requiring the municipality to temporarily finance the state and federal share as well as permanently finance the local share. Section 5 of the bill provides that if bonds are to be issued, the bonds may cover the state-federal share as well as the local share. To do so, the municipality must already be authorized by law to issue bonds for the purpose or improvement (lines 79:81).

**Objections.** One objection was raised to the similar bill at the 1988 Session. That issue related to the fact that Section 2(b) provides that the issuance of no-fund warrants under this proposed act does not require approval of the State Board of Tax Appeals. Since the notes or warrants could not be issued unless there was a written agreement with a state agency and the amount temporarily borrowed could not exceed the amount to be received by the loan or grant, it seems incongruous for one state agency--the Board of Tax Appeals--to approve the temporary financing of a program which has already been approved by another state agency, in writing, and by the locally elected governing body.

**Advantages.** HB 2081 would provide a practical means for local units to utilize state grant and loan programs which now exist or may be enacted in the future, and state-administered federal assistance programs on a reimbursement basis, and a legal means to meet the requirements of the cash basis law. It is especially needed by smaller local governments.

Senate L.C.  
3-20-89  
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"Service to County Government"

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(913) 233-2271  
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MARCH 20, 1989

TESTIMONY

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**Executive Director**  
John T. Torbert

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

From: Bev Bradley, Legislative Coordinator  
Kansas Association of Counties

Re: HB 2081, relating to the temporary financing of public services or improvements in anticipation of state loans or grants.

The Kansas Association of Counties is in support of HB-2081, a bill to provide temporary financing of state assisted municipal improvements and services.

Provisions currently exist for municipalities to issue temporary notes to temporarily finance improvements in advance of issuance of bonds and temporary notes or no fund warrants to temporarily finance the federal share of federally funded projects. It seems the precedent is set but authority needs to be specific for similar authority to finance local expenditures in advance of the receipt of a state loan or grant. No such authority currently exists. As proposed in HB-2081, the notes or warrants may not be issued unless there is a written agreement providing for the state loan or grant and the amount must not exceed the amount of the proposed loan or grant to be received by the municipality.

Section 5 authorizes any municipality authorized by law to issue bonds, to include in any bond authorization an amount to temporarily finance any expenditures necessary in advance of receiving the state loan or grant as well as the local share of the cost of the given project.

We believe this is practical legislation, usable by counties. Therefore, the Kansas Association of Counties supports HB-2081.

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Attachment V