

Approved _____ Date _____

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by SENATOR AUGUST "GUS" BOGINA at
Chairperson

11:10 a.m. ~~p.m.~~ on MAY 2, 1990 in room 123-S of the Capitol.

All members were present except:

Senators Parrish and Winter, who were excused

Committee staff present:

Research Department: Diane Duffy, Leah Robinson
Revisor: Norm Furse, Gordon Self
Committee Staff: Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

HB 2719 -- State affinity credit care program for members of retirement systems under KPERS

The Committee chose to take no action on HB 2719.

HB 3091 -- Community corrections, authority to discontinue certain services

Senators Allen and Gaines withdrew their motion and second to recommend favorable for passage HB 3091 as amended.

Senator Salisbury moved, Senator Harder seconded, that HB 3091 be conceptually amended to clarify that the Secretary of Corrections can make funding changes in community corrections plans at the time that the budget is approved. The motion carried.

Because Senator Parrish was not in attendance, the Committee agreed to support her in amending HB 3091 on the Senate floor with criteria by which funding could be reduced (Attachment 1).

Senator Gaines moved, Senator Allen seconded, that HB 3091 as amended be recommended favorable for passage. The motion carried on a roll call vote.

HB 2565 -- Oil inspection law, fee increase

Senator Doyen moved, Senator Gaines seconded, that HB 2565 as amended be recommended favorable for passage. The motion carried on a roll call vote.

HB 2859 -- Heritage trust fund established for purpose of historic preservation

Ellen Piekalkiewicz, Research Department, explained the amendments contained in the balloon (Attachment 2). Senator Salisbury noted that the concern of the Joint Committee on Arts and Natural Resources was with the ability of owners of historic property to perform preservation and renovation. She stated that this bill goes beyond the concept of the Joint Committee, which endorsed the concept of establishing a trust fund but did not recommend the mortgage fee.

Senator Kerr moved the adoption of the amendments contained in the balloon (Attachment 2) with the exception of the paragraph on page 2 beginning with the words "including grants..." and ending with "historic preservation." Senator Salisbury seconded the motion, which carried on a voice vote.

Senator Doyen moved, Senator Kerr seconded that HB 2859 as amended be recommended favorable for passage. Discussion was held concerning the possibility of EDIF as a funding source. The motion carried.

The Chairman adjourned the meeting at 11:45 A.M.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

Copy of criteria given to Sen. Parrish by Roger Werholtz
on 5/2/90

Criteria by which funding would be reduced if necessary below the FY 1989 base year expenditures.

1. When staffing levels exceed levels justified by active cases under supervision.
2. When one time expenditures were a factor in the FY 1989 base.
 - a. renovation or construction costs
 - b. major equipment purchases
 - c. capital acquisitions
3. Excessive administrative costs.
4. When funded contracts for services remain unused for more than _____ months.
5. No indirect costs will be factored into FY 1989 base or allowed.
6. When client numbers are reduced (KDOC already has this authority but it is included here for clarity).
7. When caseload projections are unsupported by historical experience.
8. When excessive travel costs outside the program area are a factor in the FY 1989 base.
9. When contracted services' costs factored into the FY 1989 base year are significantly higher than other programs' or KDOC's experienced costs.
10. Shrinkage factors, vacancy savings, turnover rates.
11. If funding is reduced to the point that cuts in services are inevitable, it will be accomplished with the goal in mind of equitable distribution of services statewide. When reductions are required that impact on types of services funded, the funding decisions would follow the priorities listed by the Secretary of Corrections as required by KAR 44-11-113. Those priorities establish that the primary focus of community corrections programs should be the retention of certain prison bound adult felony offenders in the community.
12. When across the board reductions are applied to state agencies, those reductions will also apply to the FY 1989 funding base.

RECEIVED MAY 2 1990

SWAM.
May 2, 1990
Attachment 1

[As Amended by House Committee of the Whole]

As Amended by House Committee

Session of 1990

HOUSE BILL No. 2859

By Representatives Adam, Fuller, Jenkins and Wagnon

2-7

SWAM
May 2, 1990
Attachment 2

11 AN ACT establishing the heritage trust fund; providing for the pur-
12 pose of expenditures from such trust fund; increasing the mortgage
13 registration fee and providing for payment of a portion of such
14 fee to the heritage trust fund; amending K.S.A. 79-3102 and re-
15 pealing the existing section.
16

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

18 New Section 1. (a) ~~The county treasurer shall pay quarterly to~~
19 ~~the state treasurer, commencing on October 1, 1990, 4% of all~~
20 ~~moneys, to the nearest dollar, \$.01 of each \$.26 paid to the county~~
21 ~~treasurer during the preceding calendar quarter from mortgage reg-~~
22 ~~istration fees under K.S.A. 79-3101 to 79-3107, inclusive, and amend-~~
23 ~~ments thereto, and credited to the county general fund under K.S.A.~~
24 ~~79-3104 and amendments thereto. All such moneys paid to the state~~
25 ~~treasurer shall be deposited in the state treasury and credited to~~
26 ~~the heritage trust fund.~~

Except as provided in subsection (b),

(b) No payments under subsection (a) shall be made by the county treasurer to the state treasurer during any calendar year in excess of a total of \$100,000. All moneys collected in excess of this amount which under subsection (a) would be paid to the state treasurer shall be credited to the county general fund.

27 New Sec. 2. (a) (1) There is hereby established in the state
28 treasury the heritage trust fund. All moneys deposited in the heritage
29 trust fund shall be used for the purpose of ~~assisting~~ historic pres-
30 ~~ervation through the regulation of projects which encroach upon,~~
31 ~~damage or destroy historic property, for assisting private in-~~
32 ~~dividuals with historic preservation projects projects involving~~
33 ~~property included in the national register of historic places or the~~
34 ~~state register of historic places and for the administration of K.S.A.~~
35 ~~75-2715 to 75-2725, inclusive, and amendments thereto, ex-~~
36 ~~cluding property owned by the state or federal government for by~~
37 ~~a member of the state legislature; and shall be used by the state~~
38 ~~historical society for the administration of the heritage trust fund~~
39 ~~program. [Not less than 50% of the moneys credited to such fund~~
40 ~~shall be used for grants to county historical societies, which grants~~
41 ~~shall not require matching funds from the recipient county historical~~
42 ~~societies.] The state historical society may also provide grant as-~~
43 ~~sistance from moneys in the heritage trust fund on a matching basis~~

awarding grants to assist

At least 50% of the amount awarded annually in grants shall be used for the preservation of eligible properties owned by county and local governments, county and local historical societies and by private nonprofit organizations.

1 and also may establish a revolving fund loan program from moneys
2 in such fund. ~~No person who is a member of the state legislature~~
3 ~~shall be eligible to receive a grant or a revolving fund loan under~~
4 ~~this section.~~ The state historical society shall ensure that such moneys
5 are expended for the purpose of this section,
6 and may adopt rules and regulations as necessary to carry out the
7 purpose of this section.

8 (2) In evaluating grant applications, under subsection (a)(1), the
9 state historical society shall consider the following factors: The level
10 of historical significance of the property; the condition of the prop-
11 erty; the urgency of the preservation work proposed; whether or
12 not the property is endangered; the type of work proposed; a geo-
13 graphical distribution of assisted properties; the administrative abil-
14 ity of the applicant; the potential benefit to the community and the
15 state; community support for the project; ineligibility of the project
16 for other funds; and an assessment of the need of the owner for
17 the grant assistance to do the project.

18 (b) On or before the 10th day of the month following the month
19 in which moneys are first credited to the heritage trust fund, and
20 monthly thereafter on or before the 10th day of the month, the
21 director of accounts and reports shall transfer from the state general
22 fund to the heritage trust fund the amount of money certified by
23 the pooled money investment board in accordance with this sub-
24 section. Prior to the 10th day of the month following the month in
25 which moneys are first credited to the heritage trust fund, and
26 monthly thereafter prior to the 10th day of the month, the pooled
27 money investment board shall certify to the director of accounts and
28 reports the amount of money equal to the proportionate amount of
29 all the interest credited to the state general fund for the preceding
30 month, pursuant to K.S.A. 75-4210a and amendments thereto, that
31 is attributable to moneys in the heritage trust fund. Such amount
32 of money shall be determined by the pooled money investment board
33 based on: (1) The average daily balance of moneys in the heritage
34 trust fund during the preceding month as certified to the board by
35 the director of accounts and reports and (2) the average interest rate
36 on time deposit, open accounts for that period as determined under
37 K.S.A. 75-4212 and amendments thereto. On or before the fifth day
38 of the month following the month in which moneys are first credited
39 to the heritage trust fund, and monthly thereafter on or before the
40 fifth day of the month, the director of accounts and reports shall
41 certify to the pooled money investment board the average daily
42 balance of moneys in the heritage trust fund during the preceding
43 month.

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The state historical society may establish different matching
fund requirements for the various types of applicants, but the
matching contributions required from for-profit corporations
shall be dollar for dollar. For-profit corporation applicants
shall be assisted only if the property's continued existence is
threatened or its rehabilitation is not economically feasible
without grant assistance.

, including grants from this fund for the purposes of conducting
cultural resource surveys, preparing national register
nominations, preservation plans and historic preservation
educational materials and disseminating information on historic
preservation.

involving historic preservation projects

(3) (A) The state historical society shall establish
provisions to recapture grant moneys in accordance with the
following factors: If an approved rehabilitated building is held
by the grantee for longer than five years after the completion of
the grant project, there is no recapture of the grant funds; if
the owner, or designated heir, in the case of the owner's death,
disposes of the property after a holding period of less than one
year after the completion of the grant project, 100% of the grant
is recaptured; and for properties held between one and five
years, the grant recapture amount is reduced by 20% per year.

(B) The state historical society may inspect a rehabilitated
property at any time during the five-year period and may revoke
or invalidate the approval if work was not undertaken as
presented in the grant application or if further unapproved
alterations have been made. Modifications made during the
five-year period following the completion of the grant shall be
made in accordance with standards established by the state
historical society.

1 (c) Except as otherwise provided in this section, all expenditures
2 from the heritage trust fund shall be made in accordance with ap-
3 propriation acts upon warrants of the director of accounts and reports
4 issued pursuant to vouchers approved by the secretary of the state
5 historical society or a person designed by the secretary.

6 Sec. 3. K.S.A. 79-3102 is hereby amended to read as follows:
7 79-3102. (a) Before any mortgage of real property, or renewal or
8 extension of such a mortgage, is received and filed for record, there
9 shall be paid to the register of deeds of the county in which such
10 property or any part thereof is situated a registration fee of ~~\$.25~~
11 \$.26 for each \$100 and major fraction thereof of the principal debt
12 or obligation which is secured by such mortgage, and upon which
13 no prior registration fee has been paid.

14 (b) As used herein, "principal debt or obligation" shall not include
15 any finance charges or interest.

16 (c) In any case where interest has been precomputed, the register
17 of deeds may require the person filing the mortgage to state the
18 amount of the debt or obligation owed before computation of interest.

19 (d) No registration fee whatsoever shall be paid, collected or
20 required for or on: (1) Any mortgage or other instrument given solely
21 for the purpose of correcting or perfecting a previously recorded
22 mortgage or other instrument; (2) any mortgage or other instrument
23 given for the purpose of providing additional security for the same
24 indebtedness, where the registration fee herein provided for has
25 been paid on the original mortgage or instrument; (3) any mortgage
26 or other instrument upon that portion of the consideration stated in
27 the mortgage tendered for filing which is verified by affidavit to be
28 principal indebtedness covered or included in a previously recorded
29 mortgage or other instrument with the same lender or their assigns
30 upon which the registration fee herein provided for has been paid;
31 (4) any lien, indenture, mortgage, bond or other instrument or en-
32 cumbrance nor for the note or other promise to pay thereby secured,
33 all as may be assigned, continued, transferred, reissued or otherwise
34 changed by reason of, incident to or having to do with the migration
35 to this state of any corporation, by merger or consolidation with a
36 domestic corporation as survivor, or by other means, where the
37 original secured transaction, for which the registration fee has once
38 been paid, is thereby continued or otherwise acknowledged or val-
39 idated; (5) any mortgage or other instrument given in the form of
40 an affidavit of equitable interest solely for the purpose of providing
41 notification by the purchaser of real property of the purchaser's
42 interest therein; (6) any mortgage in which a certified development
43 corporation certified by the United States small business adminis-

1 tration participates pursuant to its community economic development
2 program; or (7) any mortgage for which the registration fee is oth-
3 erwise not required by law.

4 (e) The register of deeds shall receive no additional fees or salary
5 by reason of the receipt of fees as herein provided. After the payment
6 of the registration fees as aforesaid the mortgage and the note thereby
7 secured shall not otherwise be taxable.

8 Sec. 4. K.S.A. 79-3102 is hereby repealed.

9 Sec. 5. This act shall take effect and be in force from and after
10 its publication in the statute book.

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