

Approved: 5-5-91  
Date

## MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson George Teagarden at 11:10 a.m. on April 9, 1991 in room 514-S of the Capitol.

All members were present except: All present.

### Committee staff present:

Ellen Piekalkiewicz, Legislative Research Department  
Debra Duncan, Legislative Research Department  
Jim Wilson, Revisor of Statutes  
Susan Miller, Administrative Aide  
Sue Krische, Committee Secretary

### Conferees appearing before the committee:

Sally Thompson, State Treasurer

## INTRODUCTION OF BILLS

Chairman Teagarden requested a motion to ratify the introduction of a bill abolishing the Kansas Technology Enterprise Corporation which was requested by the Governor so that it could be the focus of an interim study of efficiencies in economic development programs. Chairman Teagarden stated no action would be taken on the bill this session. Representative Hochhauser moved introduction of the bill abolishing KTEC. Representative Hamm seconded. Motion carried.

Representative Chronister requested on behalf of herself and Representative Adam introduction of a House concurrent resolution concerning abandonment of rail lines and pertaining to establishment of a joint port authority. Representative Chronister moved introduction of the House concurrent resolution. Representative Wisdom seconded. Motion carried.

Representative Helgerson requested introduction of a House concurrent resolution creating the Kansas Trust Fund which would be created to provide money for preventive services for the aging, for children, for the mentally ill and mentally retarded. Representative Helgerson moved introduction of the House concurrent resolution. Representative Pottorff seconded. Motion carried.

Chairman Teagarden requested introduction of a bill on behalf of Representative Rezac concerning blockage of railroad crossings. Representative Wisdom moved introduction of the bill. Representative Chronister seconded. Motion carried.

HB 2613 - Uncertified bonds, transfer agent signatures on accompanying statements by facsimile.

Sally Thompson, State Treasurer, advised that she had received an opinion from the Attorney General that the pen-signing machine she is proposing to use for signing bonds is the same as a manual signature and, therefore, no change in the statute is required. Ms. Thompson stated no action would be necessary on HB 2613.

HB 2617 - State Treasurer, removing requirements to pay certain warrants by mail.

Sally Thompson, State Treasurer, explained that HB 2617 deals with the appropriate distribution of tax payments (Attachment 1). The bill amends statutes regarding distribution of tax monies to allow the funds to be wired by removing the requirement that they be mailed.

HB 2618 - Sally Thompson, State Treasurer, appeared in support of HB 2618 and provided written testimony (Attachment 2). She explained that the bill would require in statute at least a 30-day notice period to the State Treasurer for the call of temporary notes, as already provided in statute on the call of municipal bonds.

Representative Heinemann moved that HB 2617 and HB 2618 be recommended favorably for passage. Representative Wisdom seconded. Motion carried.

Chairman Teagarden stated there are five bills that were referred to Appropriations from General Orders on April 6, 1991 due to the second-house deadline, which he would like to report out of committee and back to the Floor. Representative Blumenthal moved that SB 346 and SB 323 be reported without recommendation

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, room 514-S Statehouse, at 11:10 a.m.  
on April 9, 1991.

and that SB 23 be amended as recommended by the House Committee on Local Government and, as amended, be reported without recommendation and that SB 322 be amended as recommended by the House Committee on Agriculture and, as amended, be reported without recommendation and that SB 306 be amended as recommended by the House Committee on Governmental Organization and, as amended, be reported without recommendation. Representative Wisdom seconded. Representative Hensley made a substitute motion to adopt Representative Blumenthal's motion with the addition that SB 83 be amended as recommended by the Committee on Elections and, as amended, be reported without recommendation. Representative Adam seconded. Representative Patrick requested that in the future, if bills from General Orders are considered for return to the House floor, the bills be provided in the Committee billbooks so they may be debated and amended. Representative Hensley withdrew the substitute motion with the permission of the second, Representative Adam. On Representative Blumenthal's original motion, the motion carried.

Representative Hensley moved to amend SB 83 as recommended by the House Committee on Elections and, as amended, report the bill without recommendation. Representative Adam seconded. Representative Heinemann made a substitute motion to amend SB 83 as recommended by the House Committee on Elections and to further amend the bill to delay the next presidential primary for four years and to report SB 83, as amended, favorably for passage. Representative Patrick seconded. Motion carried.

Chairman Teagarden turned to final action on HB 2354 concerning state procurement practices, relating to recycled, low life-cycle cost and energy efficient goods. Representative Adam reviewed a proposed balloon (Attachment 3) to amend the bill, stating the bill basically changes the state procurement practices to encourage the purchase of traditional recycled types of products. Representative Adam stated the original fiscal note on the bill was \$177,000 and 4 FTE. The proposed changes will allow enactment within current resources by giving purchasing the latitude to make a judgment about the purchase of recycled goods. Representative Adam moved adoption of the proposed balloon of amendments on HB 2354 with the addition of KBI cars in new Section 5. Representative Hensley seconded. Representative Wisdom made a substitute motion to strike new Section 5 from the proposed amendments to HB 2354 and to adopt the remainder of the balloon. Representative Vancrum seconded. Representative Wisdom feels the automotive plants in Kansas and the United States should be supported by state government and fuel efficiency should not be the only consideration. Several members noted that besides fuel efficiency, there are a number of additional factors that should be considered when purchasing a fleet. Substitute motion carried.

Representative Adam moved to recommend HB 2354, as amended, favorably for passage. Representative Hensley seconded. Motion carried.

Representative Helgerson moved approval of the minutes as written of March 8 and 11 and April 5, 1991. Representative Wisdom seconded. Motion carried.

The meeting was adjourned at 12:15 p.m. The next meeting is scheduled for Wednesday, April 10 at 12:00 noon, or upon first adjournment of the House.



STATE OF KANSAS

Sally Thompson  
TREASURER

900 JACKSON, SUITE 201  
TOPEKA, KANSAS 66612-1235

TELEPHONE  
(913) 296-3171

Testimony on HB 2617  
before the House Committee on Appropriations  
by  
State Treasurer Sally Thompson  
Tuesday, April 9, 1991

Mr. Chairman and members of the Committee. I appreciate the opportunity to discuss HB 2617 wherein the "directly by mail" or "mailed" requirements for distribution of certain tax monies are amended.

Statutes controlling the distribution of county and city sales and compensating use taxes, transient guest taxes and the city and county highway funds do not contain similarly restrictive language; neither should the statutes regarding city and county revenue sharing (K.S.A. 79-2966), local alcoholic liquor tax (K.S.A. 79-41a04), or local ad valorem tax reduction funds (K.S.A. 79-2962).

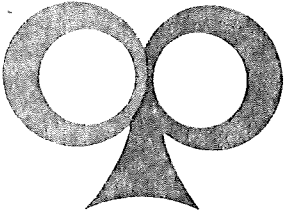
In a concerted effort to hasten the movement of monies in this electronic age, the ability to wire funds or pay them through electronic means leads to greater efficiencies as well as increased professionalism at both the state and local levels. Mailing of distributions should no longer be required.

I respectfully request your approval of HB 2617.

HA

4-9-91

Attachment 1



## Overland Park

January 11, 1991

JAN 15 9 05 AM '91

RECEIVED  
STATE TREASURER

Ms. Sally Thompson  
State Treasurer  
900 Jackson, Suite 201  
Topeka, Kansas 66612-1235

Dear Sally:

As per our discussion on January 8, 1991, attached is a copy of a letter received by the City from the Treasurer's office indicating the current procedure of wiring county and city revenue funds will no longer be continued. The letter suggested that the reason for this change is compliance with state statutes.

Sally, as you undertake the task of making the Treasurer's office more efficient and professional, we would appreciate any assistance you can provide with changing these statutes to improve the distribution process. If there are any questions, please contact me.

Sincerely,

Alan E. Sims  
Assistant to the City Manager

AES:bjn

cc: Bernice Crummett, Finance Director/City Clerk

1-2

Joan Finney  
TREASURER



900 JACKSON, SUITE 201  
TOPEKA, KANSAS 66612-1235

STATE OF KANSAS

TELEPHONE  
(913) 296-3171

November 28, 1990

Overland Park City Treasurer  
City Hall - 8500 Santa Fe  
Overland Park, KS 66212

Dear Treasurer:

During a recent audit of the Treasurer's Office it was brought to our attention that certain statutes require that the distribution of county and city revenue sharing shall be paid "directly by mail" to County and City Treasurer's.

Further research indicates that the same restrictive language is found for distributions of alcoholic liquor tax and local ad valorem tax reduction funds.

In order to comply with state law we will no longer be able to wire these funds to you.

The distribution statutes for county and city sales and compensating use taxes, transient guest taxes and the city and county highway funds do not contain the restrictive "direct by mail" language. We will continue to send these moneys to you by wire, as before.

Please contact this office if you have questions.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Susan M. Seltsam".

Susan M. Seltsam  
Assistant State Treasurer

SMS:tm



STATE OF KANSAS

Sally Thompson

TREASURER

900 JACKSON, SUITE 201  
TOPEKA, KANSAS 66612-1235

TELEPHONE  
(913) 296-3171

Testimony on HB 2618  
before the House Committee on Appropriations  
by  
State Treasurer Sally Thompson  
Tuesday, April 9, 1991

Mr. Chairman and members of the Committee. I appreciate the opportunity to discuss HB 2618 where K.S.A. 1990 Supp. 10-129 is amended to add "temporary notes" to the language which deals with the call of municipal bonds.

The current statute covering bonds requires at least a 30 day notice period. Temporary notes have had no such statutory call procedures. This change would then equalize the procedures between bonds and notes to provide the office of the State Treasurer and/or paying agent sufficient time to fulfill their statutory duties.

HA  
4-9-91  
Attachment 2

HOUSE BILL No. 2354

By Representatives Adam and McClure

2-13

8 AN ACT concerning state procurement practices; relating to recycled, low life-cycle cost and energy efficient goods; amending  
9 K.S.A. 1990 Supp. 75-3740 and repealing the existing section.  
10

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

12 New Section 1. As used in sections 1 through 5: (b)

13 ~~[(a)] "Director" means the director of purchases of the department  
14 of administration.~~

15 ~~[(b)] "Goods" means any supplies, materials or equipment.~~ (c)

16 ~~[(c)] "Practical" means capable of being used, consistent with performance, in accordance with applicable specifications and available  
17 within a reasonable time.~~ (d)

18 ~~[(d)] "Recycled" means recovered from postconsumer solid waste.~~ (e)

19 ~~[(e)] "State purchasing officer" means any state officer or employee  
20 authorized to make purchases directly for a state agency.~~ (f)

21 ~~[(f)] "Subdivision" means any city, county, school district, township  
22 or other political or taxing subdivision of the state.~~ (g)

23 New Sec. 2. (a) The director, in cooperation with the statewide  
24 coordinator of waste reduction, recycling and market development  
25 shall establish, for the purpose of state purchases of goods, two  
26 separate lists, one containing only goods made from recycled materials  
27 and the other containing both those goods and goods made  
28 from virgin materials. The director and other state purchasing officers  
29 may elect to purchase goods appearing on the list of goods made  
30 from recycled materials without regard to the price of like goods on  
31 the other list. If the director or officer elects to purchase goods from  
32 the list containing both types of goods, such purchase shall be based  
33 on the lowest bid, independent of the recycled content of the goods.

34 (b) Contracts for goods made from recycled materials shall be  
35 awarded based on the lowest bid for goods with the highest recycled  
36 content. For purposes of this section, "highest recycled content"  
37 means recycled content equal to not less than 80% of the highest  
38 commercially available amount of postconsumer recycled content for  
39 like goods, as determined pursuant to subsection (c).  
40

41 (c) The director, in cooperation with the statewide coordinator  
42 for waste reduction, recycling and market development, shall re-  
43

(a) "Alternate goods having recycled content" means goods of different manufacture or composition which: (1) Functionally meet or exceed specifications; and (2) contain postconsumer recycled material in an amount equal to at least 80% of the maximum amount of postconsumer recycled material found in commercially available goods that functionally meet or exceed specifications.

- strike bracketed language

Attachment 3  
4-9-91

1 search markets of goods containing recycled materials and identify  
2 the highest commercially available amount of postconsumer recycled  
3 content for any given goods.

4 (d) The director shall, where practical, solicit bids from manu-  
5 facturers of goods identified in subsection (c). (b)

6 New Sec. 3. (a) The director shall develop and implement a  
7 cooperative purchasing program whereby subdivisions may join in  
8 state purchases of goods by competitive bid for the purpose of making  
9 it economically feasible to purchase goods made from recycled ma-  
10 terials. Participation by a subdivision in such program shall be con-  
11 strued to comply with any procedures required by law for purchases  
12 by the subdivision.

13 (b) The director, in cooperation with the statewide coordinator  
14 of waste reduction, recycling and market development, shall provide  
15 technical assistance and advice to subdivisions to encourage solid  
16 waste reduction, recycling and development of markets for recycled  
17 and recyclable materials through procurement policies and practices.  
18 Subdivisions shall aggressively pursue procurement policies and prac-  
19 tices that encourage solid waste reduction, recycling and develop-  
20 ment of markets for recycled and recyclable materials and compost  
21 and shall, whenever practical, procure products containing recycled  
22 materials.

23 New Sec. 4. On or before the first day of the regular legislative  
24 session each year, the director shall submit to the governor and to  
25 the legislature a report summarizing progress in implementing the  
26 provisions of sections 2 and 3 and any plans or recommendations  
27 for furthering the purposes of those sections. The report shall in-  
28 clude, but not be limited to:

29 (a) A summary list of available goods that contain recycled  
30 materials;

31 (b) the results of any existing performance tests conducted on  
32 recycled or durable goods and agencies' experience with recycled or  
33 low life-cycle cost goods used;

34 (c) a list of all subdivisions participating in and using the coop-  
35 erative purchasing program; and

36 (d) a list of goods purchased for their low life-cycle cost, recycled  
37 content or recyclability and a list of such goods reviewed for  
38 purchase.

39 New Sec. 5. (a) The average fuel efficiency for automobiles pur-  
40 chased for the state by the director or any other state purchasing  
41 officer in any given category of automobiles shall equal or exceed  
42 national fuel efficiency standards for that category for the year in  
43 which the automobiles are purchased.

where practical, shall provide for any gi  
contract a category of alternate goods having  
recycled content.

(b) Using commercially available sources, the  
director shall identify pursuant to subsection (a)  
alternate goods having recycled content.

Any subdivision may purchase pursuant to section 2  
alternate goods having recycled content upon  
inspection of the file or record of bids and  
bidders required by K.S.A. 75-3740 and amendments  
thereto to be maintained by the director

alternate goods having recycled content

and

strike bracketed language

passenger automobiles in the state fleet, other  
than automobiles of the Kansas highway patrol  
shall equal or exceed the federal fuel econc  
standards established by 49 C.F.R. part 531

3-8



1 ~~(b)~~ All off-highway and medium truck tires purchased for the  
2 state by the director or any other state purchasing officer shall be  
3 retreaded tires.]

— strike bracketed language

4 Sec. 6. K.S.A. 1990 Supp. 75-3740 is hereby amended to read  
5 as follows: 75-3740. (a) Except as provided by K.S.A. 1990 Supp.  
6 75-3740b and section 2, and amendments thereto, all contracts and  
7 purchases made by or under the supervision of the director of pur-  
8 chases or any state agency for which competitive bids are required  
9 shall be awarded to the lowest responsible bidder, taking into con-  
10 sideration conformity with the specifications, terms of delivery, and  
11 other conditions imposed in the call for bids. ~~In determining the~~  
12 ~~lowest responsible bidder, the director, where practical, shall con-~~  
13 ~~sider the complete life-cycle cost of the goods, including, but not~~  
14 ~~limited to, factors such as initial cost, energy consumption, energy~~  
15 ~~cost, warranties, product performance, expected maintenance costs,~~  
16 ~~resale value and ultimate, safe disposition costs. It shall be incumbent~~  
17 ~~upon the bidder to demonstrate the life-cycle costs of goods for which~~  
18 ~~a bid is offered.]~~

— strike bracketed language

19 (b) The director of purchases shall have power to decide as to  
20 the lowest responsible bidder for all purchases, but if:

21 (1) The dollar amount of the bid received from the lowest re-  
22 sponsible bidder from within the state is identical to the dollar  
23 amount of the bid received from the lowest responsible bidder from  
24 without the state, the contract shall be awarded to the bidder from  
25 within the state; and

26 ~~(2) in the case of bids for paper products specified in K.S.A.~~  
27 ~~1990 Supp. 75-3740b, the dollar amounts of the bids received~~  
28 ~~from two or more lowest responsible bidders are identical, the~~  
29 ~~contract shall be awarded to the bidder whose bid is for those~~  
30 ~~paper products containing the highest percentage of recyclable~~  
31 ~~materials; and~~

32 ~~(3) in the case of bids for paper products specified in K.S.A.~~  
33 ~~1990 Supp. 75-3740b; (2) the dollar amounts of the bids received~~  
34 ~~from two or more lowest responsible bidders are identical, the con-~~  
35 ~~tract shall be awarded to the bidder whose bid is for those paper~~  
36 ~~products goods containing the highest percentage of recycled~~  
37 ~~materials.~~

38 (c) Any or all bids may be rejected, and a bid shall be rejected  
39 if it contains any material alteration or erasure. The director of  
40 purchases may reject the bid of any bidder who is in arrears on  
41 taxes due the state, who is not properly registered to collect and  
42 remit taxes due the state or who has failed to perform satisfactorily  
43 on a previous contract with the state. The secretary of revenue is

33  
34

1 hereby authorized to exchange such information with the director of  
2 purchases as is necessary to effectuate the preceding sentence not-  
3 withstanding any other provision of law prohibiting disclosure of the  
4 contents of taxpayer records or information. Prior to determining the  
5 lowest responsible bidder on contracts for construction of buildings  
6 or for major repairs or improvements to buildings for state agencies,  
7 the director of purchases shall consider: (1) The criteria and infor-  
8 mation developed by the secretary of administration, with the advice  
9 of the state building advisory commission to rate contractors on the  
10 basis of their performance under similar contracts with the state,  
11 local governmental entities and private entities, in addition to other  
12 criteria and information available, and (2) the recommendations of  
13 the project architect, or, if there is no project architect, the rec-  
14 ommendations of the secretary of administration or the agency archi-  
15 tect for the project as provided in K.S.A. 75-1254, and  
16 amendments thereto. In any case where competitive bids are re-  
17 quired and where all bids are rejected, new bids shall be called for  
18 as in the first instance, unless otherwise expressly provided by law.

19 (d) Before the awarding of any contract for construction of a  
20 building or the making of repairs or improvements upon any building  
21 for a state agency, the director of purchases shall receive written  
22 approval from the state agency for which the building construction  
23 project has been approved, that the bids generally conform with the  
24 plans and specifications prepared by the project architect, by the  
25 secretary of administration or by the agency architect for the project,  
26 as the case may be, so as to avoid error and mistake on the part of  
27 the contractors. In all cases where material described in a contract  
28 can be obtained from any state institution, the director of purchases  
29 shall exclude the same from the contract.

30 (e) All bids with the names of the bidders and the amounts  
31 thereof, together with all documents pertaining to the award of a  
32 contract, shall be made a part of a file or record and retained by  
33 the director of purchases for five years, unless reproduced as pro-  
34 vided in K.S.A. 75-3737, and amendments thereto, and shall be  
35 open to public inspection at all reasonable times.

36 (f) As used in this section and in K.S.A. 75-3741, and amend-  
37 ments thereto, "project architect" shall have the meaning ascribed  
38 thereto in K.S.A. 75-1251, and amendments thereto.

39 Sec. 7. K.S.A. 1990 Supp. 75-3740 is hereby repealed.

40 Sec. 8. This act shall take effect and be in force from and after  
41 its publication in the statute book.

3-4