

Approved April 5, 1991

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 April 3, 1991 in room 531-N of the Capitol.

All members were present except:

Committee staff present:

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

Conferees appearing before the committee: None

The meeting was called for the purpose of consideration and possible action on bills which had been previously heard.

First to be discussed was HB 2449 regarding zoning for group homes. Sen. Langworthy began a discussion regarding the outcome of the two court cases to which reference was made at the hearing. It was noted that all that remains to be determined in the cases is the amount of settlement. Ms. Kiernan informed the committee of a suggested amendment in subsection (d), lines 35-37, to add before the period "or the department of health and environment". Sen. Daniels made a motion to so amend HB 2449, Sen. Frahm seconded, and the motion carried.

Sen. Lee made a motion to recommend HB 2449 favorable for passage as amended, Sen. Frahm seconded, and the motion carried.

Discussion began on HB 2275 regarding the Kansas-Missouri Culture District Compact. Sen. Langworthy had two changes to offer. The first one was on page 4, lines 21 and 23, to insert after "arts commission of Kansas", "or Kansas committee of humanities" and after "arts commission of Missouri", "or the Missouri humanities council". Sen. Langworthy made a motion to so amend HB 2275, Sen. Frahm seconded, and the motion carried.

The next change was on page 6, line 19, to include language that the sales tax money goes to the specific counties in the compact, and Sen. Langworthy made a motion to so amend. Sen. Frahm seconded, and the motion carried.

Sen. Allen suggested that the House amendment regarding gender and race appearing on page 4, lines 25-27, be amended out. Sen. Langworthy made a motion to so amend HB 2275, Sen. Allen seconded, and the motion carried.

Sen. Allen expressed his concern that additional counties joining the compact in the future should have two representatives, no matter what the population of the county. The Chairman suggested an amendment on page 4 to provide that in any county joining the compact, one member is to be from the Board of County Commissioners and one member is to be selected by the governing body of the largest city in that county. Sen. Allen made a motion to so amend HB 2275, Sen. Daniels seconded, and the motion carried.

Sen. Langworthy made a motion to recommend HB 2275 favorable for passage as amended, Sen. Frahm seconded, and the motion carried.

Attention was turned to HB 2298, relating to consolidation of operations and procedures of municipalities. The Chairman recalled for the committee that the McPherson County Commissioners had been opposed to the bill but county officers had not.

Sen. Daniels made a motion to report HB 2298 favorable for passage, Sen. Allen seconded, and the motion carried.

Last to be considered was HB 2188 regarding the issuance of general obligation bonds by cities and counties. Ms. Kiernan had prepared amendments on page 4 to clarify and for the exempting of the provision of the general obligation bonds from the debt limitation. (Attachment 1).

CONTINUATION SHEET

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room 531-N, Statehouse, at 9:00 a.m./~~p.m.~~ on April 3, 1991

The Chairman said he had received calls of concern from several people, including the financial advisor in Wichita dealing with the freeway program. The concern expressed was that the provision to make them stay within the bonded indebtedness will not help Wichita because, after having reached its bonded limit on the freeway project, it would not be able to do any other projects. Ray Trail, Assistant City Manager for Wichita who had testified, confirmed this concern.

Ernie Mosher of the League of Kansas Municipalities stood to offer an alternative. He suggested amending the bill on page 4, line 41, by striking the period after "county" and adding "unless ad valorem taxes are levied to retire such bonds."

Sen. Steineger said that all that is necessary is that Sedgwick County request that the debt limit be raised for them.

Mr. Trail said that a lot of revenue bonds issued are outside the debt limit, and feels these revenue bonds should remain outside the debt limit. This bill will give them credit enhancement because the bond market looks at not only the debt limit but also how close they are to the limit. He feels the bonds in question should remain revenue bonds and not become general obligation bonds and that the bond market would view this favorably which would result in considerable financial savings.

The Chairman noted that the main concern is over the House making the bill apply statewide. Mr. Trail responded that any other cities or counties would have to demonstrate their viability to the bond market which would scrutinize them closely. He added that he feels that the bill is narrowly constrained for Wichita and that if others use this method, there are controls in place, and the bond market has a great control over this. Therefore, he does not feel that the bill would open the door for a wide range of activities.

Sen. Steineger commented that, in essence, this bill takes revenue bonds and turns them into general obligation bonds, but keeps them outside the debt limit. He favors the resulting interest rate, but feels statewide application bears much more thought with some expert opinions. Sen. Gaines echoed Sen. Steineger's concern with statewide application. The Chairman noted that statewide application is needed by Nemaha and Brown County for a water utility project, and limiting the bill to Wichita would not help them.

Sen. Steineger made a motion to remove the House amendment from HB 2188 and make it applicable to Sedgwick County only, Sen. Petty seconded.

A discussion followed regarding other cities and counties in need of the bill. The Chairman said that several cities are looking for an alternative way to fund public improvements, and this would help them.

Sen. Lee made a substitute motion to amend in the language offered earlier by Mr. Mosher.

Sen. Steineger suggested that the opinion of a bond attorney should be sought regarding this language before the bill reaches the Senate floor because it may become technically invalid at a later date.

Sen. Allen seconded the substitute motion by Sen. Lee.

A discussion began regarding the debt limit and issuance of bonds. Sen. Gaines reiterated that he feels the bill is needed by Wichita, but it should not be made to apply statewide. The Chairman pointed out that there are other areas having the same problems. Sen. Steineger replied that they had not requested the bill though, and he feels this should be a subject for an interim study if it is desired that it apply statewide.

Ms. Kiernan suggested that the bill be amended to allow the City of Wichita alone to go outside the debt limit.

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The primary motion made by Sen. Steineger and the substitute motion by Sen. Lee were withdrawn.

Sen. Allen made a motion to adopt language suggested by Ms. Kiernan to make the bill applicable statewide but to exempt Wichita from the limitations of the bond indebtedness, Sen. Daniels seconded, and the motion carried with Senators Steineger and Burke passing.

Sen. Allen made a motion to change the effective date from publication in the statute book to publication in the register, Sen. Langworthy seconded, and the motion carried .

Sen. Langworthy made a motion to recommend HB 2188 favorable for passage as amended, Sen. Allen seconded, and the motion carried with Senators Burke, Gaines and Steineger passing.

The minutes of April 2 were approved.

The meeting was adjourned at 10:05 a.m.

Proposed Amendment to House Bill No. 2188
(As Amended by House Committee of the Whole)

On page 4, in line 12, following "is", by inserting "otherwise"; in line 39, by striking "in"; in line 40, by striking "addition to and not" and inserting "included in and";

Senate L.G.
4-3-91
Attachment 1