

Approved February 18, 1992  
Date

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT

The meeting was called to order by REPRESENTATIVE M. J. JOHNSON at  
Chairperson

1:35 a.m./p.m. on FEBRUARY 12, 1992 in room 521-S of the Capitol.

All members were present except:

Representative Carl Holmes, excused  
Representative Walker Hendrix, excused

Committee staff present:

Mike Heim, Legislative Research Dept.  
Theresa Kiernan, Revisor of Statutes  
Connie Smith, Committee Secretary

Conferees appearing before the committee:

Representative Joan Wagon  
Chuck Engel, Chairman of the Topeka Public Library Board of Trustees  
Duane Johnson, State Librarian  
Glen Plaisted, Director for the NEKS Library System  
Sally Thompson, State Treasurer

The Chair called the committee's attention to the Local Government Dinner sponsored by the Kansas Association of Counties and the League of Kansas Municipalities, which is being rescheduled for February 25, 1992, at the Shawnee Country Club.

The Chair called for hearings on HB 2849.

HB 2849 - Topeka/Shawnee county library established.

The Chair recognized Representative Joan Wagon, a sponsor of HB 2849. Representative Wagon said that Representative Kathleen Sebelius, cosponsor of HB 2849 could not be here in support as she was chairing Federal State and Affairs. She stated the bill needed a number of technical cleanups and she had provided the Chairman, Vice-Chairman, and the Ranking Minority a copy of the balloon and the committee would receive a copy later. Representative Wagon said a key feature of this bill is that the library will be able to bring up a petition, put it on the ballot and have those people who will be affected by it vote on it.

The Chair recognized Chuck Engel, chairman of the Topeka Public Library Board of Trustees, who testified in support of HB 2849 which would attempt to create a new, larger library district. He said it would create a more equitable funding basis, and those who use its services would all pay the same rate. (Attachment 1) Mr. Engel responded to questions from the committee.

Duane Johnson, State Librarian, said the State Library endorses HB 2849. (Attachment 2) No questions from committee.

Glen Plaisted, director of the NEKS Library System, endorsed HB 2849.

There were no opponents and the Chair closed the hearing on HB 2849.

The Chair called for a hearing on HB 2809.

HB 2809 - Electronic funds transfer for redemption of bonds.

Sally Thompson, State Treasurer, appeared in support of HB 2809. She said HB 2809 allows the option of bond payment of principal and interest to arrive in the treasurer's office in one working day instead of three working days for funds transferred electronically. (Attachment 3)

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT

room 521-S, Statehouse, at 1:35 ~~X~~m./p.m. on FEBRUARY 12, 1992.

The League of Kansas Municipalities wanted to be recorded as in support of HB 2809.

There were no opponents to HB 2809. The Chair closed the hearing on HB 2809.

The Chair turned the committee's attention to SCR 1628 (proclaiming Kechi, Kansas, the Antique Capital of Kansas).

The Chair stated she had talked to the Department of Transportation to see what the procedure was about getting a sign. She said the Department of Transportation stated the only way they could issue a sign was for the Legislature to pass a law proclaiming Kechi the Antique Capital of Kansas. The Chair said she had asked what would happen if we had an amendment that authorized the Department of Commerce to do it. The Chair said they are now going through a program where they will pick the top 5 or 10 places in Kansas and make a list and erect a sign from this list. He said the fastest way to get a sign is to pass a law proclaiming Kechi the Antique Capital of Kansas. Chair stated she would leave it up to committee to discuss and decide what they want to do with SCR 1628.

Representative Nancy Brown moved to table SCR 1628. Representative Brown did not object to Kechi being named the Antique Capital of Kansas but did object to this providing a precedence and the opportunity for any community to come in at any point and time and declare themselves anything they wanted. Representative Mollenkamp seconded the motion. Discussion followed on how KDOT picked the top 5 or 10 spots. The Chair called for the question. The following Representatives wanted to be reported as voting "no": Jack Sluiter, Richard Lahti, Darlene Cornfield, Garry Boston, Georgia Bradford, and Gwen Welshimer. The motion carried to table SCR 1628.

The Chair asked for discussion or action on SB 437 (Exclusion of territory and one cemetery from cemetery districts).

Representative Jess Harder moved to pass favorably and place SB 437 on the consent calendar. It was seconded by Representative Melvin Minor. The motion carried.

The Chair asked for discussion on HB 2798 (Reno county; law enforcement consolidation). The Chair stated she had received another request to include another county in the bill and had thought she might open it to all counties. After talking to Representative Brown, who has heard some downside, she is asking staff to explain what would happen if it were opened to all counties.

Representative Brown wanted to give staff some incite what she and Ernie Mosher had discussed. Ernie said the Riley County legislation was specifically drafted for Riley county. She stated it had something to do with an overall appointed board governing the law enforcement district and she has a real concern having appointed boards having a lot of authority.

Staff said there is a requirement that the issue be voted on, basically that being the office of Sheriff and have an appointed chief law enforcement officer for the county. Staff said he didn't see from a public policy standpoint any harm in having it apply statewide. Even a statewide bill does not always solve everybody's desires. Riley county's law provides for a 7-member board consisting of both elected officials and lay appointees. They submit a budget and it is not a separate taxing entity.

The meeting was adjourned at 2:35 p.m.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

DATE Feb 12, 1992

NAME

ADDRESS

REPRESENTING

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L.M. CORNHILL	Topeka	Topeka Public Library
Jim Marwin	Topeka	Topeka Pub. Lib. any
Blenny Roach	Topeka	intern to Rep. Wagner
BEV BRADLEY	TOPEKA	KS Assoc of Counties
Mike Miller	Topeka	City of Topeka
DAVE JOHNSON	Topeka	State Library
Chuck Engel	Topeka	Topeka Public Library

Testimony of Charles Engel  
H.B. 2849  
Wednesday, February 12, 1992

Madame Chair and members of the committee. I am Chuck Engel, chairman of the Topeka Public Library Board of Trustees. On behalf of the other trustees, I ask your serious consideration of HB 2849, as a logical and simple solution to a complicated and totally inequitable funding problem facing the Topeka Public Library.

Like most public libraries in Kansas, the Topeka Public Library is a creature of statute. Its governance, limitations on operations and funding are all controlled by statute.

In the mid-1960s, the legislature created seven multi-county library systems to provide library services to Kansans living outside a library district. Topeka is a member of the Northeast Kansas Library System (NEKLS) which comprises fourteen counties in extreme northeast Kansas.

Property owners within the library system but outside a library district, are assessed .61 mills annually for library services. The system uses the millage to contract with participating libraries within the system to provide services to its patrons. Libraries participating in the system must provide service free of charge to any patron living within the system.

The application of system statutes to the operation of the Topeka Public Library is dramatic. Our library is the largest in the system, and is second only to the Wichita Public Library in the size of its service area outside its taxing district. System patrons

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Attachment 1

lean heavily on the Topeka Public Library for services, and it loans four books to every one book it borrows through interlibrary loan programs.

Shawnee County residents living outside the City of Topeka and Silver Lake and Rossville Townships annually contribute \$146,552 to NEKLS through the .61 mill levy for library service. NEKLS then provides the Topeka Public Library an annual grant of just \$67,230 to provide library services to rural Shawnee Countians and other patrons in the entire system.

Although one doesn't need a Topeka Public Library card to enjoy all its programs, especially children's story time, cultural events, and periodicals, our records show 58,066 registered borrowers, 47,720 of whom reside inside the City of Topeka, and 10,315, or 18 percent of whom live in the county outside Rossville and Silver Lake townships.

Although 18 percent of our users are system patrons, the annual NEKLS grant to the Topeka Public Library is only 1.5 percent of its annual budget. Those figures alarm us.

Further, the .61 mills levied on NEKLS property owners is 91 percent less than the 6.99 mills levied in the City of Topeka for library service. Stated differently, Topeka property taxpayers pay eleven times the rate their rural neighbors do for the same library services.

Earlier I alluded to the fact that the Topeka Public Library's mill levy is capped by statute at six mills. Currently, the mill levy rests at 5.75 mills. At the same time, it is experiencing the greatest demand in its history for services from an increasingly growing

number of patrons. Its budgets have been affected considerably by increases in the minimum wage, the Americans with Disabilities Act, wear and tear on its collection and physical plant and the increasing costs of new technology required to deliver library services.

The library board has studied several options to solve this funding inequity. We considered shortened library hours and curtailing other services such as the bookmobile and off-site services. We considered withdrawing from NEKLS, and thereby eliminate our responsibility to service all system patrons free of charge. However, that act would cause divisiveness instead of unity. The third option was to attempt to create a new, larger library district. House Bill 2849 is the product of that effort.

The proposed legislation will:

- extend the taxing basis from the City of Topeka to the Shawnee County borders, but exclude Silver Lake and Rossville townships, since residents there support two township libraries with mill levies;
- require a majority vote of the electorate in the proposed library district to approve of the creation of the library;
- change the name to the Topeka and Shawnee County Public Library;
- create a new board of ten members appointed for specified terms by the Topeka City Council and the Shawnee County Commission;
- transfer all assets and obligations of the Topeka Public Library to the Topeka and Shawnee County Public Library; and

- authorize a district-wide mill levy of five mills, which we believe will be required to provide better service to all residents of the library district.

In a 1985 survey conducted by the Central Research Corporation, we learned that respondents residing in rural Shawnee County were just as likely to use the Topeka Public Library regularly as their city neighbors. In fact 63 percent of the rural respondents used the library regularly, averaging a visit at least once every five weeks. Topeka Public Library is the library for rural Shawnee Countians, and they use it. HB 2849 would create an equitable funding basis, and those who use its services would all pay the same rate.

Please do not interpret my remarks as an attack on my rural neighbors. The fact that such a large percentage of them use the library's services regularly is not only legal, but encouraged by statute. Also, please do not take my remarks as an indictment against the system library law. It is a good law which required vision when it was enacted, and it has served many Kansans well over the past 25 years. I hope you will interpret my remarks, though, as a fair and reasonable request to change existing statutes to permit the library to become an even better library to be shared with all the members of the system.

February 12, 1992

To: House Local Government Committee

From: Kansas State Library

About: Speaking as a proponent of House Bill 2849

I am Duane Johnson, State Librarian. Thank you for the opportunity to speak in favor of House Bill 2849.

The State Library endorses House Bill 2849 because the establishment of the new library district which this legislation authorizes would:

1. Eliminate the serious library service funding inequity which exists between the Topeka library district and the county area.

2. Strengthen the funding of the Topeka library district using a fair method so that improved library service can be provided to the people of the county.

3. Maintain the direct participation of county citizens in the decision on this local tax district and library service question through the election for which the bill provides.

4. Enable the Topeka library to continue to be a valuable and active participant in the Northeast Kansas Library System and the statewide library information network.





STATE OF KANSAS

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Testimony before the House Committee on Local Government  
presented by State Treasurer Sally Thompson  
Wednesday, February 12, 1992

Thank you madam chairperson, Rep. Johnson, and members of the local government committee for allowing this opportunity to discuss with you House Bill 2809.

One of the responsibilities of the state treasurer's office is to register all municipal bonds issued in the state of Kansas. We also act as transfer agent/paying agent (that is, collect bond payments and pay them out to bond holders) on approximately 85 percent of all of the bonds issued. Last year we collected fees for services amounting to \$429,000 and generated \$1,454,000 in interest income on these payments as they passed through the state treasury.

During the calendar year 1991, we registered 238 bond issues for a total dollar value of \$785.0 million. We were selected as paying agent on 202 issues (85%) of the number of issues but only 57% of the dollar value. Part of the reason we were unable to be competitive on the large dollar bond issues is the reason I am here today.

HB 2809 allows the option of bond payment of principle and interest to arrive in the treasurer's office in one working day instead of three working days for funds transferred electronically. It allows the state and the treasurer's office to provide 20th century cash management procedures as well as reduce the cost to repay municipal bonds.

As it currently stands, KSA 10-130 does not contemplate electronic funds transfers of cash which gives us immediate use of "collected funds". The three-day period in the 10-130 provides time

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*Attachment 3*

for checks to clear and the assurance of "collected funds" before bond payments were paid out by the fiscal agency of the state treasurer's office. We will only offer the one day options for electronic transfers to keep the integrity of "collected funds" intact.

The most important issue is the revenue that is lost not only for the state's general fund but in the state's economy overall. The three-day funding requirement makes the state noncompetitive with out-of-state large bond servicing agents. I would like to share with you a recent (and dramatic) example of how the current wording impacted on the state in overall revenue lost:

The state treasurer's office was being considered by the City of Wichita to take over the servicing of Wichita's outstanding bond portfolio from their existing service agent, Chase Manhattan. In order to even be considered we had to find a way to achieve a one-day funds' transfer. The treasurer's office, therefore, arranged for the city to issue a check that wouldn't withdraw funds from their bond proceed fund until the day before payment date. In order to keep the city's business, Chase Manhattan offered not only free bond servicing (removed their fees) but also guaranteed a cash rebate of \$200,000 the first year and \$100,000 each year thereafter for the outstanding life of the bonds. We can only project that Chase Manhattan was earning a minimum of twice that much based on the interest earned on float. This is interest dollars not earned by the state of Kansas. Not to mention, this creates a situation of million dollar checks floating through the mail system.

If you have any questions, I will be happy to answer them. Thank you for your attention to this issue.

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