

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT

The meeting was called to order by Chairperson Representative Gerry Ray at 3:30 p.m. on February 7, 2002 in Room 519-S of the Capitol.

All members were present except:

Committee staff present: Mike Heim, Research Dept.
Theresa Kiernan, Revisor
Kay Dick, Committee Secretary

Conferees appearing before the committee: Kay Shevling, Chair of Wyandotte Co. Library Board
Jody Boeding, Asst. Council for Wyandotte Co/
Kansas City KS

Others attending: See Attached List

The Chair announce, "We are beginning to tighten our schedule so we will be starting on time. We will try to get out on time, but we will not neglect our duties as a committee.

The hearing on HB 2781 - concerning libraries; relating to library funds

Kay Shevling, Chair of Wyandotte County Library Board testified in front of the committee stating that Wyandotte County is unique in that there are three ways in which library services are offered. "The Kansas City School District #500 operates the libraries for Kansas City, the City of Bonner Springs operates the Bonner Springs City Library and the residents who live outside of these two entities pay a county library tax. This includes residents of Piper School District, Turner School District and the City of Edwardsville.

She went on to say that the Unified Government passed Charter Resolution No. CR-01-99, abolishing the old board and creating a new board to administrate the county library funds as well as to support the library services in the county, monitor those services and encourage communication and co-operation among the various libraries.

This amendment would allow the Director of Revenue to transfer the funds as approved by the board directly to the treasurers of the two libraries with which the Wyandotte Library Board contracts for services. The funds would be audited adequately when the books of the Director of Revenue and the treasurers of the libraries were audited, and the board maintains accountability by reviewing statements from the libraries that receive the funds. (Attachment #1)

Jody Boeding, Assistant Counsel testified on behalf of the Unified Government of Wyandotte County/Kansas City, Kansas in support of HB 2781. She stated that the Wyandotte County Library Board is requesting a change in state legislation governing the operation of library boards, concerning the duties of the treasurers of the Library Board, it prohibits counties from chartering out of this statute, even though it is not uniformly applicable to all county. The unique situation in Wyandotte County, which Kay Shevling has described, the Unified Government believes warrants specific treatment in the statute.

The County is the tax collector for all the taxing entities in Wyandotte County. It would be more efficient for the Unified Government to pay the tax proceeds directly to the libraries as directed by the Library Board rather than having the moneys distributed to the Library Board which in turn distributes them to the two libraries. This legislation permits the Unified Government's Director of Revenue to administer the Library Board account for the benefit of the Library Board. Thus, eliminating the middle step.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT at on February 7, 2002 in Room 519-S of the Capitol.

(Attachment #2)

The conferees answered question that were asked by Rep. Miller, Rep. Minor, Rep. Hayzlett, Rep. Dahl, and Rep. Campbell.

The Hearing was then closed on **HB 2781**.

The Chair announce that the committee would now work **HB 2708** - an act concerning Johnson County park and recreation district; relating to the acquisition of property and issuance fo bonds

Rep. Storm made a motion that the bill pass out of committee favorably. Rep. Peterson second the motion. **HB 2708** passes out favorably.

The Chair moves on to work **HB 2709** - An act concerning the uniform commercial code; relating to secured transactions; relating certain financial transaction of municipalities.

Theresa Keirnan, Revisor, explained the written only testimony presented by Rebecca Floyd, General Counsel Kansas Development Finance Authority. "KDFFA serves as the State's primary bond issuer. Numerous state agency issues could be adversely affected by the revisions to Article 9 which may have caused a lapse in perfection of certain security interests on file. The rating agency Standard & Poor's had notified KDFFA that should Standard & Poor become aware that perfections have lapsed, negative rating action may result impacting KDFFA's state agency financing.

KDFFA suggests that in Section 2. ©) (15) on page 14, line 26 the language of the bill read;

A transfer by a government or governmental agency or subdivision

This language would make clear that the existing UCC's that are on file for KDFFA state agency bond issues are protected. (Attachment #3)

Discussion of this change followed.

Rep. Campbell made a motion that the committee amend **HB 2709** - to read as suggested above. Rep. Storm seconded the motion. The amend passed.

A motion was made by Rep. Gilbert that **HB 2709** pass out of committee favorably as amended. Rep. Hermes seconded. The bill passes unopposed.

The Chair announced that next week the Committee would be hearing **HB 2727, HB 2337, HB 2760, HB2670, & HB 2787**.

Action was taken on the minutes of January 22 & 24, 2002. Rep. Gilbert moves to approve, Rep. Campbell seconds. There was no opposition to approval of the minutes.

The meeting was adjourned.

HOUSE LOCAL GOVERNMENT COMMITTEE GUEST LIST

DATE: Feb 7, 2002

NAME	REPRESENTING
Charles Perdue	Kansas City Ks Public Library
Phyllis A. Hancock	Wycs Library Bd
Kimberly Martin	Bonner Springs Library
Jody Boeding	United Govt of Wyandotte County / KC, KS
KAY SHEVING	Wy. Co. Library Board
Bill Schaper	Division of the Budget
Mike Huttles	Ks. Gov't. Consulting
Ashley Shevard	Johnson County

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WYANDOTTE COUNTY LIBRARY BOARD

J. Kay Shevling
Chairperson

James L. Jenkins
Treasurer

Betty T. Roberts
Secretary

Members

Pat Gaunce
Mary Jean Grindel
Nancy Guess
Phyllis Hancock
Carroll V. O'Neal
Linda Quinn
Vicky Wheeler
Shari Wilson

Testimony re: HB 2781, Amendment to K. S. A. 12-1226
House Local Government Committee
Presented by J. Kay Shevling, Chair
Wyandotte County Library Board
February 7, 2002

Madam Chairman and Members of the Committee:

My name is Kay Shevling, and, as chair, I am here to represent the newly reconstituted Wyandotte County Library Board.

As you probably know, the citizens of Wyandotte County voted a few years ago to unify the county and Kansas City, Kansas, governments to improve efficiency and cost effectiveness. After the unification, many of the governmental services were examined, and changes were made to effect more accountability in these areas. A Task Force was appointed to study the county library board and recommend ways to improve the function and structure of the board to better represent and serve the population.

Wyandotte County is unique in that there are three ways in which library services are offered. The Kansas City School District #500 operates the libraries for Kansas City, and the City of Bonner Springs operates the Bonner Springs City Library. The residents who live outside of these two entities pay a county library tax. This includes residents of Piper School District, Turner School District, and the City of Edwardsville. The City of Edwardsville shares a school district with Bonner Springs, but does not share the Bonner Springs Library tax. However, many of the Edwardsville residents use the Bonner Springs City Library and were interested in seeing that their library taxes support that library. The Task Force worked out a formula using the ratio of Edwardsville residents who use the two library systems and recommended that the county tax paid by Edwardsville residents be divided between the two systems using that ratio.

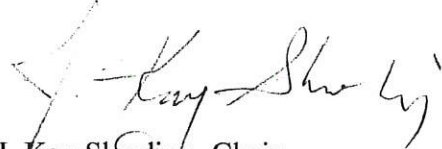
The Unified Government passed Charter Resolution No. CR-01-99, abolishing the old board and creating a new board to administrate the county library funds as well as to support the library services in the county, monitor those services, and encourage communication and cooperation among the various libraries. I am attaching the Wyandotte County Library's Vision Statement which enumerates the many goals for the board.

I am proud to say that the board is functioning very well and is able to reach consensus on most issues. We all share the goal of providing excellent library services to our community. However, we are in a unique position in that we do not actually operate any libraries. We contract with the above mentioned entities to actually provide the services.

The way K. S. A. 12-1226 was written in 1951, the treasurer of the board, a volunteer, must be bonded, and this would be done at the expense of the board. In addition, the board would have to maintain a checking account. This account would receive funds from the Unified Government's Director of Revenue six times a year, and the county library board treasurer would then, immediately write checks to the treasurers of the Bonner Springs City Library and the Kansas City, Kansas School District's treasurer as directed by the board. This means the account would be empty most of the time.

We feel that this process is both cumbersome, unnecessarily expensive, and inefficient, especially now that electronic transfer is used by most businesses and agencies. The amendment would allow the Director of Revenue to transfer the funds as approved by the board directly to the treasurers of the two libraries with which the Wyandotte Library Board contracts for services. The funds would be audited adequately when the books of the Director of Revenue and the treasurers of the libraries were audited, and the board maintains accountability by reviewing statements from the libraries that receive the funds.

Thank you for your time and consideration of this matter.



J. Kay Shevling, Chair
Wyandotte County Library Board

**Wyandotte County's Library Vision Statement - May, 1999
(Kansas City, Kansas Public Library & Bonner Springs City Library)**

The Wyandotte County libraries will provide a diverse collection of resources to meet the educational, informational, cultural and recreational needs of the community. Access will be ensured by providing coordinated information resources, up-to-date technology, adequate telecommunication and trained staff. The libraries will endeavor to be the most comprehensive source of information for the community, and the people of this community, with the help of library staff, will have access to the information that they need.

Goals

1. Wyandotte County libraries will make access to library resources available through online catalog accessible through the Internet. These resources will be available to all Wyandotte County library patrons for direct checkout and interlibrary loan.
2. Wyandotte County libraries will provide access to a variety of bibliographic databases to provide access to magazine and newspaper articles. These databases will be available at all library locations at no cost to the patron, on-line databases which are available through the Kansas State Library's statewide subscriptions, and additional data bases which enhance service to customers. For 1999, the Kansas City, Kansas Public Library provides access to the following databases including Electric Library, SIRS Researcher, Discover and Government Reporter, GaleNet, First Search and NoveList. Bonner Springs City Library offers access to the SIRS Researcher database. Other databases and information services will be evaluated and added as funding permits.
3. Wyandotte County libraries will investigate additional service delivery points for library services.
4. Wyandotte County libraries will provide free Internet access to patrons in their facilities.
5. Beginning in March 1999, Wyandotte County library customers may submit reference questions via e-mail to Wyandotte County library staff.
6. Wyandotte County library staff will continue to offer introductory training/programs about the use of microcomputers and information available through the Internet and online databases.
7. Wyandotte County libraries will continue to develop and make available local information resources, through use of technology. Development of local

Kansas history resources and digitized copies of unique documents held in the Kansas collections will be available.

8. Wyandotte County libraries will continue to maintain a home page for the Wyandotte County Economic and Development Council in conjunction with city/county governments and other local civic and governmental organizations. The URL is <http://www.kumc.edu/wcedc/>. The Wyandotte County libraries will also assist other local community organizations with home page development as resources permit.
9. Wyandotte County libraries will investigate hardware and software to enhance service to people with disabilities.
10. Wyandotte County libraries will continue development of their Internet sites. The web resources will inform patrons about hours of operation, policies and services offered at the libraries. They will encourage use of the library collections by posting book reviews, booklists, and activities. They will provide self-directed access to special library collections and services, including Kansas and Wyandotte County history collections, newsletters, business services, staff recommendations, and community organizations. The web sites will be evaluated for age level, content and current information. The URLs are <http://www.kckpl.lib.ks.us/> and <http://skyways.lib.ks.us/nekls/bonnerrsprings/>.
11. Wyandotte County libraries will provide guidance to county residents in using electronic information resources, so that they can fully participate in the workforce and maintain lifelong learning.
12. Wyandotte County libraries will help create welcoming places where youth in Wyandotte County can learn and grow to enhance individual development.
13. Wyandotte County library service to area businesses will be expanded in order to help them be profitable and prosper.
14. Wyandotte County libraries will provide preschool programs and materials to aid children under the age of six in developing reading readiness, reading enjoyment, and be better prepared to enter school.



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**Testimony Before
The House Local Government Committee
February 7, 2002**

House Bill 2781

Chief Counsel
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Deputy Chief Counsel
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Assistants:

Jody Boeding
Kenneth J. Moore
Robert P. Burns
Delia M. York
Angela J. Lawson
Henry E. Couchman Jr.
F. Charles Dunlay
Marc Conklin

**Testimony on Behalf of
The Unified Government of Wyandotte County/Kansas City, Kansas
In Support of HB 2781
By Jody Boeding, Assistant Counsel**

On behalf of the Unified Government of Wyandotte County/Kansas, thank you for the opportunity to appear before the Committee today in support of HB 2781. I am an Assistant Counsel for the Unified Government and also act as a staff liaison to the Wyandotte County Library Board.

The Wyandotte County Library Board is requesting a change in state legislation governing the operation of library boards, specifically, K.S.A. 12-1226, concerning the duties of the treasurer of the Library Board. K.S.A. 19-101a prohibits counties from chartering out of this statute, even though it is not uniformly applicable to all counties. K.S.A. 12-1226 currently has one section which applies to Johnson County and another section which applies to all other counties. The County Library Board made this request to the Unified Government, and the Unified Government has endorsed the proposal.

Kay Shevling, Chair of the Wyandotte County Library Board, has just given you the background of the request for this legislation and the unique situation in Wyandotte County which we believe warrants specific treatment in the statute. When the County Library Board was formed in 1964, it briefly operated a separate library, supported by a library tax levy. Since 1966 the Library Board has contracted with Unified School District 500, which operates the Kansas City, Kansas Public Library, to provide library service to other parts of Wyandotte County in exchange for moneys raised by the library tax levy. Currently the Library Board is sharing the proceeds from the tax levy with both the Kansas City, Kansas Public Library and the Bonner Springs City Library.

The County is the tax collector for all the taxing entities in Wyandotte County. It seems most efficient for the Unified Government to pay the tax proceeds directly to the libraries as directed by the Library Board rather than having the moneys distributed to the Library Board which in turn would distribute them to the two libraries. This legislation permits the Unified Government's Director of Revenue to administer the Library Board account for the benefit of the Library Board.

**HOUSE
LOCAL
GOVERNMENT
02/05/02
Attachment 2**

*Written Only***HOUSE LOCAL GOVERNMENT COMMITTEE****TESTIMONY ON HOUSE BILL 2709
PRESENTED BY REBECCA FLOYD
GENERAL COUNSEL
KANSAS DEVELOPMENT FINANCE AUTHORITY**

Members of the Committee, thank you for the opportunity to submit written testimony on House Bill 2709, relating to Article 9 of the Uniform Commercial Code, which deals with secured transactions.

A substantially revised version of Article 9 of the Uniform Commercial Code (UCC) has been enacted all 50 states and the District of Columbia. Revised Article 9 contains important changes in the manner in which perfection of a security interest is achieved and has both retrospective and prospective effect: it applies to transactions consummated before and after the effective date of Revised Article 9.

Revised Article 9 raises issues for governmental issuers like KDFA that have pledged, and investors who have relied upon, collateral security. In secured public finance transactions (such as revenue bond or conduit financings), collateral security is often evidenced by a pledge of revenues, accounts, general intangibles or some combination thereof.

KDFA serves as the State's primary bond issuer. Numerous state agency issues could be adversely affected by the revisions to Article 9 which may have caused a lapse in perfection of certain security interests on file. The rating agency Standard & Poor's has notified KDFA that should Standard & Poor become aware that perfections have lapsed, negative rating action may result impacting KDFA's state agency financings.

KDFA would like to see the following language added to Section 2. (c) (15) on page 14, line 26 of the bill:

A transfer by a government or governmental agency or subdivision

This language would make clear that the existing UCC's that are on file for KDFA state agency bond issues are protected.

Thank you again for this opportunity, please call or e-mail me with any questions.
Rebecca Floyd: 357-4445 (ext. 303) or rfloyd@kdfa.org