

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:30 A.M. on January 28, 2005 in Room 123-S of the Capitol.

All members were present except:

Susan Wagle- excused

Committee staff present:

Susan Kannarr, Kansas Legislative Research Department

Kathie Sparks, Kansas Legislative Research Department

Helen Pedigo, Revisor of Statutes

Jackie Lunn, Committee Secretary

Conferees appearing before the committee:

Martha Neu Smith, Executive Director Kansas Manufactured Housing

Sandy Jacquot, League of Kansas Municipalities

Judy Moler, General Counsel/Legislative Services Director

Steve Weatherford, K DFA

Others attending:

See attached list.

Chairperson Brownlee opened the meeting with an introduction of a conceptual bill to eliminate Kansas, Inc. She stated she and Senator Jordan met with Secretary Fricke yesterday for a way to approach this and redistribute their functions and he is in favor of this bill. Senator Wysong moved to introduce the bill. Senator Schodorf seconded. Motion carried.

Chairperson Brownlee introduced another bill to increase salary for Workers Compensation Administrative Law Judges. Senator Kelly moved to introduce. Senator Schodorf seconded. Motion carried.

The motion was made to approve the minutes for January 12th and 13th by Senator Jordan and seconded by Senator Wysong. Motion carried.

Chairperson Brownlee introduced Helen Pedigo, Revisor of Status to explain **SB 4**. (Attachment 1)

The bill was originally introduced last year in different form. It was based on Federal legislation passed in 2000 that required each state to have installation and inspection standards in place for manufactured housing. They gave the states until December of this year to have these standards in place and if they are not in place HUD will come in and administer a program in the state of Kansas. Both sides have come to an agreement on several of the issues, but not all.

Upon completion of Ms. Pedigo's explanation Chairperson Brownlee opened the hearing on **SB 4** by introducing Martha Neu Smith, Executive Director of Kansas Manufactured Housing to give her testimony. Ms. Smith stated the Manufactured Housing Industry requested the original introduction of this legislation to satisfy a change in federal law. She stated they have been working on this legislation since the end of the 2004 regular Legislative session. Ms. Smith offered proposed amendments to **SB 4** and explained that amendment. In closing she stated with the amendments included with her testimony, the Manufactured Housing Industry feels they have tried to meet the concerns of the interested parties and were still able to meet the requirement of the federal law. She requested the Committee to accept the amendment and pass the bill out favorably. (Attachment 2)

Upon completion of Ms. Smith's testimony, there was discussion with the Committee. Chairperson Brownlee suggested to set the amount for the inspection be set by rules and regs committee. That makes it more flexible than putting it in the statute.

Chairperson Brownlee introduced Sandy Jacquot, Director of L/General Counsel for the League of Kansas Municipalities. Ms. Jacquot stated this bill as amended does not either mandate or preempt the authority of cities to regulate in this area locally allowing cities the flexibility to act in the best interest of their citizens in their communities. Therefore, the League of Kansas Municipalities supports **SB 4** with the recommended amendment. (Attachment 3)

CONTINUATION SHEET

MINUTES OF THE Senate Commerce Committee at 8:30 A.M. on January 28, 2005 in Room 123-S of the Capitol.

Chairperson Brownlee called on Judy Moler to give her testimony and was alerted Ms. Moler's testimony was written testimony only. (Attachment 4)

Chairperson Brownlee introduced Steve Weatherford, President of Kansas Housing Resources Corporation to give his testimony on **SB 4**. Mr. Weatherford stated that **HB 2719** was written during the previous session to have the Department of Revenue administer the installation program. When it was clear the Manufactured Housing Association and the Kansas Department of Revenue were at an impasse and no other agencies could be found to administer the program, the Kansas Housing Resources Corporation was requested to administer the program. While some progress has been made in defining the programs in **SB 4**, there are still several issues remaining. Mr. Weatherford explained the issues remaining. (Attachment 5) There is an option in the federal law which gives states the alternative of setting up the program or having HUD to come in and set up the program. If the states don't have this program in place by December 27, 2005 HUD could come and implement the program with local governments losing all local controls and monies for this program.

Chairperson Brownlee had turned the meeting over to Chairperson Jordan. Upon completion of the discussion on **SB 4**, Chairperson Jordan suggested that Kansas Manufactured Housing and Kansas Housing Resources Corporation meet during the week and try to resolve the remaining issues on **SB 4**. With that said, Chairperson Jordan closed the hearing on **SB 4**. He stated the bill would be worked next week.

Chairperson Jordan adjourned the meeting at 9:20 a.m. with the next meeting scheduled for Tuesday, February 1, 2005 at 8:30 a.m. in room 123S.