

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT

The meeting was called to order by Chairperson Carlos Mayans at 3:30 p.m. on February 22, 2000 in Room 519-S of the State Capitol.

All members were present.

Committee staff present: Michael Heim, Legislative Research Department
Dennis Hodgins, Legislative Research Department
Theresa Kiernan, Office of the Revisor of Statutes
Lois Hedrick, Committee Secretary

Conferees appearing before the committee:
Senator Paul Feleciano, Jr.
Tom Powell, Attorney for Oaklawn Improvement District, Wichita
Gregory Ferris, Governmental Affairs Consultant, Wichita
William Jarrell, The Boeing Company, Wichita
Don Moler, League of Kansas Municipalities

Others attending: See Guest List, Attachment 1

The Chair explained that the meeting had been quickly called and posted in order to hear **HB 2877** (annexation of land located within an industrial district; limitations). He noted the committee approved introduction of the bill on February first. This hearing had been withheld until all involved parties were comfortable with the bill's provisions.

Senator Feleciano thanked the committee for hearing the bill and stated it affects a large part of the district he represents. He then introduced Tom Powell, Attorney for the Oaklawn Improvement District which had requested the bill (see Attachment 2). Mr. Powell stated the citizens of Oaklawn Improvement District (located southeast of Wichita, near the Boeing Company) are exploring the possibility of converting the district into a third class city. In 1997, Boeing was detached from the District and agreed to be subject to ad valorem taxes on general obligation bonds, in the amount of \$1,500,000 for rehabilitating sanitary sewers, that were outstanding at that time. Before proceeding to forming a city, the District asks it be given authority to enter into a 20-year non-annexation agreement with The Boeing Company to insure their payment of taxes on those outstanding bonds. Without this authority, Boeing would not be obligated to continue tax payments on the bonds, and the resulting tax increase would make it unaffordable for area residents to form a city.

Mr. Powell stated he and officials from the Oaklawn District met with officials of The Boeing Company, Wichita, and Sedgwick County to determine if there was any opposition to the bill. He indicated it is his understanding there is no opposition to the bill at this time.

Representative Shriver indicated the bill, if passed, could set precedent and other areas of the state could come forward with similar requests for legislation.

Gregory Ferris stated he had been hired by the Oaklawn District's Board to meet with Boeing and Wichita and Sedgwick County Commissioners, and noted there are no tax issues affected by **HB 2877**; it only affects the authority of the Oaklawn District to negotiate with Boeing. Without the bill there would be no negotiation.

William Jarrell, representing The Boeing Company, stated the company has taken no position on the bill at this time. Also, Don Moler of the League of Kansas Municipalities, stated the League has taken no position on the bill.

Representative Flower moved, and Representative Dahl seconded, that **HB 2877** be tabled. On voice vote, in the opinion of the Chair, the motion failed.

Representative Storm moved that **HB 2877** be passed favorably. Representative Welshimer seconded the

CONTINUATION SHEET

motion. In discussion, Representative Jeff Peterson noted that he was not comfortable with the bill and he opposed the motion. Representative Ethel Peterson noted her support since all of the South Central Legislative Delegation (four of whom are on the committee) indicated their support. On call of the motion, on voice vote, the motion was passed.

The minutes of the committee meetings held on February 15 and February 17, 2000 were approved.

The meeting was adjourned at 5:40 p.m.

The next meeting of the committee is on call.