

Approved:
Date: April 5, 2002

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson Sandy Praeger at 1:00 a.m. on April 3, 2002 in Room 234 N of the Capitol.

All members were present except:

Committee staff present: Dr. Bill Wolff, Kansas Legislative Research Department
JoAnn Bunten, Committee Secretary

Conferees appearing before the committee:

Mark Tomb, Leagues of Kansas Municipalities

Others attending: See attached list.

Hearing on HB 2947 - Maximum interest rate for municipal bonds

Mark Tomb, League of Kansas Municipalities, testified before the Committee in support of **HB 2947** which provides a technical amendment to K.S.A. 10-1009 that establishes the maximum rate of interest on Kansas municipal bonds. Mr. Tomb noted that current law sets the maximum rate of interest on municipal bonds at a rate of the 30-year treasury bond plus 2%. He noted that the federal government stopped selling 30-year treasury bonds in late 2001. Rates for the 30-year bonds are still being published by *The Bond Buyer*, but since the government no longer sells these items, it is unclear as to how long these rates will continue to be published. **HB 2947** would replace the 30-year treasury bond reference with the more commonly used 10-year treasury bond rate. (Attachment 1)

Mr. Tomb also provided written testimony in support of the bill from Randy Irej, Gilmore & Bell, Kansas City, Missouri. (Attachment 2)

There were no opponents to the bill.

After Committee discussion on **HB 2947**, the Chair asked for the Committee's consideration of the bill.

Senator Teichman made a motion the Committee recommend **HB 2947** favorable for passage, seconded by Senator Corbin. The motion carried.

Approval of Committee minutes

Senator Corbin made a motion to approve the Committee minutes of March 26, 27, 28, 2002, seconded by Senator Teichman. The motion carried.

Adjournment

The meeting was adjourned at 1:20 p.m.

CONTINUATION SHEET