

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:30 A.M. on February 13, 2008 in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Jennifer Thierer, Kansas Legislative Research Department  
Norm Furse, Revisor of Statutes  
Jason Long, Revisor of Statutes  
Jackie Lunn, Committee Assistant

Conferees appearing before the committee:

Steve Weatherford, KFDA  
Paul Johnson, Kansas Catholic Conference  
Matt Goddard, Heartland Community bankers Association  
Rick Jackson, Capitol Federal Savings  
Brad Snapp, Sedgwick County Housing Department  
Luke Bell, Kansas Association of Realtors

Others attending:

See attached list.

To read testimony submitted by conferees go to

<http://skyways.lib.ks.us/government/KansasSenateCommerceCommittee>.

**SB 488--Authorization of mortgage revenue bonds**

Chairperson Brownlee opened the hearing on **SB 488** and called on Jason Long, Revisors Office, to explain the bill. Mr. Long stated **SB 488** amends provisions regarding the Kansas Development Finance Authority with respect to Home Mortgage loans. New powers are granted to the KFDA regarding loans to moderate and low income families.

Upon the conclusion of Mr. Long's explanation, Chairperson Brownlee introduced Steve Weatherford, KFDA, to give his testimony as a proponent of **SB 488**. Mr. Weatherford presented written testimony (Attachment 1) which can be found in its entirety on the link listed above. In closing, Mr. Weatherford referred the Committee to two additional handouts: *County MRB Program Loan Activity by County* (Attachment 2) and *Loans per 1000 County Residents 2002-2007* (Attachment 3) (***which cannot be found on the link listed above.***) Mr. Weatherford stated the *County MRB Program Loan Activity by County* is raw data showing the loans originated and is compiled from information collected on an annual basis by the Department of Commerce on the county program. He also explained that *Loans per 1000 County Residents 2002-2007* represents how many loans were made in the state between the years 2002 through 2007. He stated that these handouts show that the revenue bond program, over a period of time, generates revenue.

Upon the conclusion of Mr. Weatherford's testimony there was a discussion with the Committee on how the program would work and where any money generated would go. It was noted by Mr. Weatherford that all monies generated through a mortgage revenue bond program would go into the State Housing Trust Fund for the purposes of supporting housing activities. Mr. Westherford stated that the loans originated in Shawnee and Sedgwick counties through their revenue bond program, which are also made available in other counties, produce revenue and all that revenue goes into Shawnee and Sedgwick counties. Mr. Weatherford stated the County Commissioners are using these funds as they see fit within Shawnee and Sedgwick counties only. The Committee has concerns that KFDA would be in competition with mortgage lenders in the private sector.

Chairperson Brownlee entered the discussion stating this bill is different from the bill that was in this Committee four to five years ago in that the bill will not disrupt the programs that are existing in Shawnee and Sedgewick counties. The mortgage revenue bond money comes from the feds. It was noted that other counties in Kansas can participate in the Shawnee/Sedgwick county program. The earnings that can be generated by this type of program became the topic of discussion; how much the fees would be and how much would come to the state for the State Housing Trust Fund. The fiscal note was also discussed. It was noted

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by Mr. Weatherford that Sedgewick and Shawnee counties could continue their existing program. The funds that Sedgewick and Shawnee receive were discussed and the percentage of the split was discussed also.

Chairperson Brownlee made an announcement that the Committee would not be able to work the IMPACT bill today as originally planned and apologized to those that came to the meeting specifically for that purpose. She stated she would get back with all parties involved with a new date.

Chairperson introduced Paul Johnson, Kansas Catholic Conference, to give his testimony as a proponent of **SB 488**. Mr. Johnson presented written testimony ([Attachment 4](#)) which can be found in its entirety on the link shown on page 1 of these minutes.

Upon the conclusion of Mr. Johnson's testimony there was a short discussion regarding low income and who would qualify for these loans.

Chairperson Brownlee introduced Matt Goddard, Heartland Community Bankers Association, to give his testimony as an opponent of **SB 488**. Mr. Goddard presented written testimony ([Attachment 5](#)) which can be found in its entirety on the link shown on page 1 of these minutes.

Chairperson Brownlee introduced Rick Jackson, Capitol Federal Savings, to give his testimony as an opponent of **SB 488**. Mr. Jackson presented written testimony ([Attachment 6](#)) which can be found in its entirety on the link shown on page 1 of these minutes.

Chairperson Brownlee introduced Brad Snapp, Sedgewick County Housing Department, to give his testimony as an opponent for the bill. Mr. Snapp presented written testimony ([Attachment 7](#)) which can be found in its entirety on the link listed on page 1 of these minutes. Mr. Snapp also presented *Kansas Local Government Statewide Housing Program* for the Committee's review which can be found in the office of the Senate Commerce Committee Assistant.

Upon the conclusion of Mr. Snapp's testimony, Chairperson Brownlee asked if he knew how much Sedgewick County made in fees last year from this program. He stated he did not have that information with him but he would email it to her.

Chairperson Brownlee introduced Luke Bell, Kansas Association of Realtors, to give his testimony as an opponent of the bill. Mr. Luke presented written testimony ([Attachment 8](#)) which can be found in its entirety on the link shown on page 1 of these minutes.

Chairperson Brownlee called the Committee's attention to the "written only" proponent testimony of Chris Wilson, Kansas Building Industry Association (KBIA) ([Attachment 9](#)) which can be found in its entirety on the link shown on page 1 of these minutes.

Chairperson Brownlee closed the hearing on **SB 488** stating the Committee would have time to ask questions of the opponents before working the bill.

**Senator Schodorf made a motion to approve the minutes for the following dates: January 16, 2008; January 17, 2008; January 22, 2008; January 23, 2008; January 24, 2008. Senator Reitz seconded. Motion carried.**

Chairperson Brownlee adjourned the meeting at 9:35 a.m. with the next meeting scheduled for February 14, 2008 at 8:30 a.m. in room 1223S.