

## MINUTES OF THE HOUSE LOCAL GOVERNMENT COMMITTEE

The meeting was called to order by Chairman Sharon Schwartz at 3:33 p.m. on February 26, 2009, in Room 446-N of the Capitol.

All members were present except:

Representative Mike Peterson - Excused

Committee staff present:

Ken Wilke, Office of the Revisor of Statutes

Martha Dorsey, Kansas Legislative Research Department

Jill Shelley, Kansas Legislative Research Department

Carol Bertram, Committee Assistant

Conferees appearing before the committee:

Don Moler, Executive Director, League of Kansas Municipalities

Erik Sartorius, City of Overland Park

Representative Shirley Palmer, Linn County

Senator Pat Apple, Linn County

Kimberly Gencur Svaty, Kansas Municipal Utilities

Others attending:

See attached list.

Committee members had been sent copies of the minutes for the meetings of January 27, 2009, and February 3, 2009. Chair Schwartz asked if there was a motion to approve these minutes. Representative Goico moved that January 27 and February 3 minutes of the Local Government Committee meetings be approved as written, seconded by Representative Gordon. The motion carried.

Chair Schwartz opened the hearing on **SB 35 - Municipal bonds and obligations and interest rates thereon.**

Ken Wilke, Office of the Revisor of Statutes, presented an overview of **SB 35**. In addition, he stated this bill passed the Senate on a vote of 35-5. Questions and answers followed.

Proponents:

Don Moler, Executive Director, League of Kansas Municipalities, appeared before the Committee as a proponent to **SB 35 (Attachment 1)**. He stated the League feels it is important that legislation of this type be passed to give some flexibility to local governments in the issuance of municipal bonds. He went on to note there is a sunset on this bill and the League hopes it will be an adequate time period for the economic difficulties to work themselves out. He emphasized the need for the Committee and the Kansas Legislature to pass this legislation so there will be no additional burden placed on local governments in the issuance on municipal bonds over the coming year.

Questions and answers followed.

Erik Sartorius, City of Overland Park, appeared before the Committee as a proponent to **SB 35 (Attachment 2)**. He stated the low yield on ten-year Treasury bonds, coupled with increased interest notes that have been needed in order to attract buyers to municipal bonds, raises the concern that Kansas municipalities could be placed in the position of being unable to sell bonds.

Questions and answers followed.

Kimberly Gencur Svaty presented written testimony on behalf of the Kansas Municipal Utilities in support of **SB 35 (Attachment 3)**. She went on to answer questions from the committee members.

Chair Schwartz drew the Committee's attention to written-only testimony from the Kansas Association of Counties (**Attachment 4**). Their testimony supports **SB 35**.

CONTINUATION SHEET

Minutes of the House Local Government Committee at 3:30 p.m. on February 26, 2009, in Room 446-N of the Capitol.

There being no further conferees, Chair Schwartz closed the hearing on **SB 35**.

Chair Schwartz opened the hearing on **SB 38 - Hospital districts; formation, Linn county**.

Ken Wilke, Staff, explained the bill and the requirements concerning the creation of a hospital district in Linn County. He noted that **SB 38** would provide two options for holding an election to establish a hospital district in Linn County's Mound City and Paris townships. It also would set requirements for any hospital board established.

Chair Schwartz recognized Representative Shirley Palmer who presented testimony in support of **SB 38**. She stated the citizens of Linn County want a hospital district and are working hard to keep health care services available in their community. They are working with the Linn County Commission and the Olathe Medical Center and many individuals. Their budget is around \$400,000 and they have already raised over \$350,000.

Questions and answers followed.

Chair Schwartz recognized Senator Pat Apple, who presented testimony in support of **SB 38**. He stated this is called a hospital district when actually it is for a medical facility that will attract medical doctors into the community. He went on to say the facility will be built without this legislation, but this legislation will allow for funding the maintenance of the facility, and will provide money for some insurance.

There being no further conferees to appear before the committee, Chair Schwartz closed the hearing on **SB 38**.

The next meeting is scheduled for March 5, 2009.

The meeting was adjourned at 4:10 p.m.

---

Representative Sharon Schwartz, Chair