

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE.

The meeting was called to order by Chairperson Les Donovan at 8:30 a.m. on March 14, 2001 in Room 245-N of the Capitol.

All members were present except: Senator Pugh

Committee staff present: Hank Avila, Legislative Research Department  
Bruce Kinzie, Revisor of Statutes  
Marian F. Holeman, Committee Secretary

Conferees appearing before the committee: Rep. Bob Grant  
Bob Totten, KS Contractors  
Orville Spray, Venture Corp.,  
R. J. Koreen, Andrews Asphalt Co.,  
Steve Heft, Heft Sand & Gravel  
Steve Sloan, Midwest Minerals  
Woody Moses, KS Aggregate Producers  
Terry Leatherman, KCCI  
Don Moler, League of KS Municipalities  
Randy Allen, Exec. Dir., KS Assoc. of Counties  
Randy Riggs, City of Chanute, KS  
Commissioner Hooley Alcorn, Jewel Co.  
Ron Karn, Jefferson Co. Road Supt.  
Dan Harden, KS Co. Highway Assoc./Riley Co. Engr.  
Mike Graf, Ellis Co. Public Works Dir.  
Glen Larson, Washington Co. Public Works Adm.  
Commissioner Donnie Yarnell, Neosho Co.  
Mayor Paul Pitts, Erie, KS  
John M. Franiuk, Mayor, City of Tonganoxie

Others attending: See attached list.

**HB 2369: CITIES & COUNTIES; PAVING MATERIALS; PROHIBITING SALE THEREOF**

The following conferees all appeared as proponents of the bill.

Representative Bob Grant originally requested this bill because it was reported to him that some counties have been selling crushed rock to private individuals. He believes public entities should not be in competition with private businesses ([Attachment 1](#)). He included a balloon amendment in an attempt to remove the public entities objections to the bill. Bob Totten, Public Affairs Director, Kansas Contractors Association, also supports the bill because of efficiency and economic factors involved ([Attachment 2](#)).

Orville Spray, Chairman, Venture Corporation provided information on “contracting out” public works projects as compared to “in house” work ([Attachment 3](#)). R.J. Koreen, Vice-President and Business Manager for Andrews Asphalt & Construction Inc. addressed the unfair advantage enjoyed when a taxing authority imposes itself in production of or provision of services that the private sector can do ([Attachment 4](#)). Steve Heft, President, Kansas Aggregate Producers’ Association addressed the “public purpose” and “home rule” issues ([Attachment 5](#)). Steve Sloan, President, Midwest Minerals, Inc., Pittsburg, KS. testified regarding their toughest competitors in the marketplace - county governments, and the major problems involved in this process ([Attachment 6](#)).

Edward Moses, Managing Director, Kansas Aggregate Producers’ Association, speaking on behalf of the statewide trade association, explained the purpose of **HB 2369** is to provide a clear policy regarding appropriate roles of private and public sectors in Kansas. He further discussed the negative impact of current practices as they relate to his industry. He also supplied supporting documents relative to the subject ([Attachment](#)

## CONTINUATION SHEET

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE at 8:30 a.m. on March 14, 2001 in Room 245-N of the Capitol.

7). Terry Leatherman, Vice-President, Legislative Affairs for Kansas Chamber of Commerce and Industry, explained why the Chamber supports **HB 2369**. They recognize that critical public policy topics are clashing here - unfair government competition with private enterprise against home rule powers of local government. However, this bill proposes to halt a governmental entity overproducing a product which it then markets against private businesses (Attachment 8).

The following conferees all appeared as opponents of **HB 2369**.

Don Moler, Executive Director, League of Kansas Municipalities, emphasized constitutional home rule in Kansas and expressed his belief that this bill is unnecessary (Attachment 9). Randy Allen, Executive Director, Kansas Association of Counties, urged the committee to refrain from enacting a uniform prohibition on sale or provision of paving materials by counties or cities to other units of local government and suggested an amendment to address this wording in the bill (Attachment 10).

Randy Riggs, City Manager, City of Chanute requested **HB 2369** be killed. They view this as an attempt to force local governing bodies to abandon solutions developed at the local level (Attachment 11). Doyle "Hooley" Alcorn, Commissioner, Jewell County explained the demographics and economics of their small farming county/community which has no sales tax base and the reasons why this bill would be harmful to their area. At the annual meeting of the North Central Kansas County Highway Officials Association, March 8, 2001, the Association, representing sixteen counties, unanimously voted to oppose **HB 2369** (Attachment 12). Ronald Karn, President, Kansas County Highway Association commented that he felt the initiating reason for the bill could be addressed in some other manner. Also, that this bill or any bill limiting amount of shared resources is unnecessary (Attachment 13). Dan Harden, Riley County Engineer urged counties not be restricted as set forth in this bill, explaining the circumstances under which Riley County sells recycled asphalt pavement which it generates (Attachment 14). Mike Graf, Public Works Administrator, Ellis County expressed concern regarding conflicting issues resulting from this bill. He referred to statutory provisions which provide that the secondary road system is under the management and discretion of the Board of County Commissioners. He referred specifically to statutes regarding division of related costs among local governments. This bill would restrict that authority with regard to paving materials. He proposed either dismissal or tabling the bill until completion of an in-depth study to fully define the issues (Attachment 15). Glen Larson, Public Works Administrator, Washington Co., addressed the issue as one affecting counties. He has explored this issue with county and city officials and found none of them advocated that a government entity sell paving materials or any other property to a private entity, except thru existing Kansas Statute. Some statutes directly promote cooperation and pooling of resources by counties. **HB 2369** seems to diametrically oppose cooperation and pooling. They believe that compliance with, and enforcement of, present statutes is all that is needed (Attachment 16). Commissioner Donnie Yarnell, Chairman, Neosho County Commission, advised that misinformation has been circulated and that Neosho County does not sell to individual or private contractors as a matter of everyday business. He provided further details as to how they do operate (Attachment 17). John M. Franiuk, Mayor, City of Tonganoxie expressed their concerns about this bill, explained how their county/city operations function and their need to be able to maintain the current process because it is vital to their economic development (Attachment 18).

Charles McKinney, City Councilman, Erie advised that Mayor Paul Pitts was unable to attend and presented his written opposition testimony (Attachment 19). Lonie R. Addis, Labette County/Legislative Chair, Kansas County Commissioners Association was unable to attend but submitted written testimony in opposition to **HB 2369** (Attachment 20). Also received written opposition testimony from Tim Schook, City Administrator, City of Washington, Kansas (Attachment 21).

Chairman Donovan announced receipt of two more proposed amendments to this bill which will be worked at tomorrow's meeting;

Meeting adjourned at 9:30 a.m.

Next meeting is scheduled for Thursday, March 15, 2001.