

**CONFERENCE COMMITTEE REPORT BRIEF
HOUSE BILL NO. 2336**

As Agreed to April 5, 2023

Brief*

HB 2336 would amend law pertaining to the issuance of general obligation bonds by airport authorities enacted under the Surplus Property and Public Airport Authority Act and increase the cost thresholds under which a negotiating committee must be convened for state construction projects .

The bill would increase the amount of general obligation bonds that may be issued by such boards without approval from \$1.0 million to \$10.0 million and require amounts in excess of \$10.0 million to be approved by the relevant board of county commissioners, rather than by general election.

The bill would also permit a board of county commissioners to approve the issuance of such bonds in an amount in excess of 1.85 percent of the assessed valuation of tangible personal property within the county.

The bill would further specify any issuance of bonds subject to approval by a board of county commissioners could be petitioned by qualified electors of the county to be submitted to a general election in the manner provided for in continuing law.

Additionally, the bill would increase the cost thresholds for state building projects at which a negotiating committee must be convened for the selection of architectural, engineering, or land surveying services to \$1.5 million and provide for future increases to the thresholds that would begin in FY 2025 based upon increases in the consumer price index for all urban consumers as published by the Bureau of Labor Statistics of the U.S. Department of Labor.

[*Note:* Current law sets the cost threshold at \$1.0 million for the Department of Administration and \$500,000 for all other state agencies.]

The bill would also limit the costs applying to the thresholds from the total project costs to the construction costs of the project.

*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at <http://www.kslegislature.org/kIRD>

Conference Committee Action

The Conference Committee agreed to the provisions of HB 2336, as amended by the Senate Committee on Commerce, and agreed to add the contents of HB 2234, as amended by the Senate Committee on Commerce.

Background

HB 2336

The bill was introduced by the House Committee on Transportation at the request of Senator Dietrich.

House Committee on Commerce, Labor and Economic Development

In the House Committee hearing, **proponent** testimony was provided by representatives of the Metropolitan Topeka Airport Authority and the Board of County Commissioners of Shawnee County. The proponents generally stated the bill would allow for necessary improvements to be made at Topeka's two airports which are not suitable for modern aircraft and lack the buildings and facilities necessary to attract businesses. The bonding authority threshold has not been modified since 1978.

Written-only proponent testimony was provided by representatives of the City of Topeka and Greater Topeka Chamber of Commerce. No other testimony was provided.

Senate Committee on Commerce

In the Senate Committee hearing, **proponent** testimony was provided by representatives of the Metropolitan Topeka Airport Authority and Greater Topeka Chamber of Commerce. The proponents provided testimony similar to the testimony provided at the House Committee hearing.

Written-only proponent testimony was provided by representatives of the City of Topeka and the Board of County Commissioners of Shawnee County. No other testimony was provided.

The Senate Committee amended the bill to:

- Require increases in excess of \$10.0 million to be approved by a board of county commissioners; [*Note*: The Conference Committee retained the amendment.]
- Allow for issuance of bonds in amounts in excess of 1.85 percent; and [*Note*: The Conference Committee retained the amendment.]
- Provide that any issuance of bonds subject to approval by a board of county commissioners could be submitted to a general election. [*Note*: The Conference Committee retained the amendment.]

HB 2234

The bill was introduced by the House Committee on Commerce, Labor and Economic Development at the request of a representative of the State Board of Regents.

House Committee on Commerce, Labor and Economic Development

In the House Committee hearing, **proponent** testimony was provided by representatives of the American Council of Engineering Companies of Kansas, American Institute of Architects of Kansas, Department of Administration, Department of Transportation, and State Board of Regents. The proponents generally stated enactment of the bill would reduce administrative costs of building projects and was appropriate to bring the previously enacted thresholds in line with inflation since their enactment. No other testimony was provided.

The House Committee amended the bill to provide for future increases based upon inflation. [*Note: The Conference Committee retained the amendment.*]

Senate Committee on Commerce

In the Senate Committee hearing, **proponent** testimony was provided by representatives of the American Council of Engineering Companies of Kansas, American Institute of Architects of Kansas, Department of Administration, Department of Transportation, and State Board of Regents. The proponents generally stated enactment of the bill would reduce administrative costs of building projects and was appropriate to bring the previously enacted thresholds in line with inflation since their enactment. No other testimony was provided.

The Senate Committee amended the bill to make it effective upon publication in the Kansas Register. [*Note: The Conference Committee did not retain the amendment.*]

Fiscal Information

HB 2336

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, there would be no state fiscal effect.

The Kansas Association of Counties indicates the bill could have an indeterminate fiscal effect on counties with an airport authority.

HB 2234

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Administration indicates the bill would not have a fiscal effect on agency operations, but would allow for projects to be completed more efficiently. The Department of Transportation indicates the bill would have a fiscal effect on the agency by streamlining the process for engaging in relevant services. The State Board of Regents

indicates enactment of the bill would reduce time spent by negotiating committees and time and funding spent by qualified firms in responding to negotiating committees.

Any fiscal effect associated with the bill is not reflected in *The FY 2024 Governor's Budget Report*.

Bonding authority; Topeka; airport; surplus property and public airport authority act; state construction projects; professional services; cost thresholds

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