

To: House Committee on Financial Institutions and Pensions

From: John Goodyear, General Counsel

Date: March 8, 2023

RE: Opponent Testimony on HB 2436 – Written Only

We want to thank Chairman Hoheisel and the members of the Committee for affording the League of Kansas Municipalities the opportunity to provide testimony opposing HB 2436.

The League is opposed to HB 2436 because of the limits that it places on a city's ability to contract. Every year, representatives from our member cities review and develop policies to guide our organization during the legislative session. The League's number one priority is to protect home rule. As such, the League opposes legislation that limits the ability of local officials to make local decisions. This legislation prohibits cities from adopting and implementing certain policies and standards when considering the parties with whom the city will contract.

Many governmental entities look to their annual budget as a policy document. The items and initiatives that the entity uses public funds on can demonstrate the things valued in that community. For example, we may have a city with a younger population that spends more on playground equipment to give parents and children more entertainment options when they use the local park. If a city notices that a park is used more for walking trails, they can invest their money there instead. The same can be observed when a city chooses the parties with whom they will contract. Often product quality and price point and will be the most important factors, but a tiebreaker could be values espoused by the other party.

We have cities that may wish to base a decision on the fact that the other party adheres to or has rejected ESG guidelines. The ability to contract is fundamental to the exercise of local control. How or if a city wants to address these guidelines as they consider the parties with whom they contract should remain a local decision.

The League is opposed to SB 2436 because of the limits that it places on a city's ability to contract and would ask that this Committee not recommend it favorably for passage.