Approved: March 8, 2000

#### MINUTES OF THE SENATE ELECTIONS AND LOCAL GOVERNMENT.

The meeting was called to order by Chairman Senator Janice Hardenburger at 1:30 p.m. on March 1, 2000, in Room 529-S of the Capitol.

All members were present except:

Committee staff present: Dennis Hodgins, Legislative Research Department

Mike Heim, Legislative Research Department

Ken Wilke, Revisor of Statutes

Graceanna Wood, Committee Secretary

Conferees appearing before the committee: Thaine Hoffman, Division of Architectural Service

Tim Ryan, Director of Building Codes for Overland Park

Trudy Aron, American Institute of Architect

Gale Haag, State Fire Marshall

Larry Kleeman, League of Kansas Municipalities

Mike Taylor, City of Wichita

Chris Chronis, CFO, Sedgwick County (Written Testimony)

Others attending:

See attached list

Chairman Hardenburger opened the hearing on <u>HB 2598 concerning the Kansas fire prevention code</u>; relating to compliance with certain building codes, and repealing the existing section

Thaine Hoffman, Director, Division of Architectural Services, a proponent of <u>HB 2598</u>, told the Committee that the present statutes allow governmental units to adopt either the Uniform Building Code, the Basic Building Code or the Southern Standard Building Code, that are used throughout the country. In an effort to promote consistency and avoid the problems inherent in having to work under different building codes, the three organizations that administer these codes have agreed to work together to develop a single code, the International Building Code. (<u>Attachment #1</u>)

Senator Becker asked if there is a plumbing and electrical code and would they be included. Mr. Hoffman informed the Committee that plumbing and electrical codes already exist, and they would not be included in the Uniform Building Code.

Tim Ryan, Codes Administrator for the City of Overland Park, a proponent of the bill, testified that this bill would clarify activities currently initiated by several municipalities who have already adopted particular codes, which are among the family of International Codes, i.e., the International Plumbing and the International Mechanical Codes. (Attachment #2)

The Committee discussed if these codes would include fire codes, and Mr. Ryan said the building codes would be considered the main documents and its reference would be International Codes.

Trudy Aron, Executive Director of American Institute of Architects, supporter of <u>HB 2598</u> said the bill would have a positive impact on the design and construction industry, it recognizes the International Building Code, along with the three current codes, as complying with the Kansas Fire Prevention Code. She said the bill does not mandate the adoption of the IBC; it simply allows its adoption. (<u>Attachment #3</u>)

Senator Petty asked if there was a committee being formed. Ms. Aron said there was a committee being formed representing all three model codes that will do interpretations.

State Fire Marshal Gale Haag, testified in support of <u>HB 2598</u>. He said the bill represents a collaborative effort between the Office of Kansas Fire Marshal and other state agencies, also representatives from a cross-section of cities and private organizations. (<u>Attachment #4</u>)

#### CONTINUATION SHEET

Legislative staff asked when these codes would be updated and when the building codes would be adopted using rules and regulations under sub-section (b) of the bill. Mr. Haag advised this would be adopted and updated every three years.

Seeing no opposition to HB 2598, Chairman Hardenburger closed the hearings on the bill.

Senator Steineger moved that **HB 2598** be passed and asked to be placed on the Consent Calendar, seconded by Senator Becker. Motion carried.

Chairman Hardenburger opened the hearing on <u>HB 2661 concerning cities</u>; relating to the destruction <u>of certain records</u>, documents and other papers, and repealing the existing section.

Mike Taylor, Government Relations Director for the City of Wichita, presented testimony in favor of **HB 2661**. He said the City of Wichita requests changing the statutes to allow canceled bond coupons and certificates to be kept only six months from the date of maturity before being destroyed. That would make the handling of certificates such as industrial Revenue Bonds consistent with the handling of General Obligation bonds and other municipal bonds. (Attachment #5)

Larry Kleeman, Assistant Legal Counsel, League of Kansas Municipalities, said the bill would ease the workload of local governments, while still allowing them to retain such records longer if they deem necessary. (Attachment #6)

Seeing no opposition to HB 2661, Chairman Hardenburger closed the hearings on the bill.

Senator Gooch moved that **HB 2661** be passed out favorably and be placed on the Consent Calendar, seconded by Senator Lawrence. Motion carried.

The Chairman opened the hearing on <u>HB 2662 concerning the general bond law; relating to the sale of bonds and repealing the existing section</u>.

Mike Taylor, Governmental Relations Director for the City of Wichita, a proponent of the bill, advised the Committee that the City of Wichita is requesting update in technological improvements in the way municipal bond sale and auctions are conducted. (Attachment #7)

Written testimony in favor of <u>HB 2662</u> was presented to the Committee for Chris Chronis, CFO of Sedgwick County, Division of Finance, who stated that the bill would enable Sedgwick County to take advantage of new developments in the public finance industry. (<u>Attachment #8</u>)

Larry Kleeman, Assistant Legal Counsel, League of Kansas Municipalities, proponent of the bill said it would help move the state's municipal bond law into the electronic age. (Attachment #9)

Seeing no opposition to HB 2662, Chairman Hardenburger closed the hearing on the bill.

Senator Lawrence moved that the **HB 2662** be passed and asked to be placed on the Consent Calendar, seconded by Senator Gooch. Motion carried.

Meeting was adjourned at 2:20 p.m. Next meeting is scheduled for March 2, 2000.

## ELECTIONS & LOCAL GOVERNMENT COMMITTEE GUEST LIST

DATE: \_\_\_\_\_MARCH 1, 2000

NAME	REPRESENTING
TRUDY ARON	Amer INST of Architects
Tim Repar	City or Overland PARK Jochnson Co.
Kelly Kultala	City of Overland Park
JARRY MALLORY	JOHNSON COUNTY
Dan Fautar	Johnson County
Landay Gawell	181
Larry Kleimen.	Leigne of RS Muniapalities
Mary Lou Carlson	St. Treasurers office
DICK CARTER, JR	KCE
Bill Wall	ICBO
Danille Noe	DofA

# Testimony by Thaine Hoffman, Director – Division of Architectural Services HB 2598 Add International Building Code to list March 1, 2000 Elections and Local Government

Madam Chairperson, members of the committee, the present statutes allow governmental units to adopt either the Uniform Building Code, the Basic Building Code and the Southern Standard Building Code. These three standard codes are used throughout the country. In an effort to promote consistency and avoid the problems inherent in having to work under different building codes, the three organizations that administer these codes have agreed to work together to develop a single code, the International Building Code. A single code will benefit the owners as well simplify the work of the architects and engineers. The new building code is being published this year, although many entities may not adopt it immediately.

It should be noted that because of the compromises necessary to merge the three codes into one, there is much controversy over the new code. Although almost everyone agrees with the advantages of having a single code, many may wait for changes in the new code before adopting it. Thus some entities may continue to use the present edition of the existing codes for some years. We therefore request that the reference to the existing Uniform, Basic and Southern building codes remain in the statute.

It should also be noted that although the "International BUILDING Code" will replace the other BUILDING codes and no new editions of these existing codes will be published, this is not the case with associated codes such as the Uniform Plumbing Code. Therefore there may be objections to this legislation. Please understand that this requested change in legislation would not mandate the use of any code, but simply allow the option to governmental units.

We have worked with the State Fire Marshall and he is in support of this change.

The International Building Code will be the only building code in years to come. We need this legislation to allow governmental entities the flexibility to adopt this code when they feel the time is right. We would therefore appreciate your support of the measure. Thank you.

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City Hall 8500 Santa Fe Drive Overland Park, Kansas 66212

TO: Members of the Senate Elections and Local Government Committee

RE: Testimony in Favor of House Bill No. 2598

DATE: February 28, 2000

FROM: Tim Ryan

**Codes Administrator** 

City of Overland Park, Kansas

The City of Overland Park is in favor of the proposed House Bill No. 2598. This proposal acknowledges the activities by the three Model Code Groups, which are currently recognized in K.S.A. 31-134a. Further, this bill clarifies activities currently initiated by several municipalities who have already adopted particular codes, which are among the family of International Codes, i.e., the International Plumbing and the International Mechanical Codes.

The following is a list of issues, which the City of Overland Park feels are important to consider;

- The three Model Code Groups, which are the statutory members of the International Codes Council, which promulgates the International Codes, are already recognized in the statute. These are the International Conference of Building Officials, Building Officials and Code Administrators International, and the Southern Building Code Congress International.
- Due to the contractual requirements of the International Codes Council, once an International Code is published, none of the statutory members of the Council can publish or promulgate a competing document. The result is that subsequent editions of the codes already recognized by the statues will no longer be published.
- The International Codes were developed utilizing philosophies, practices, and theories, currently recognized by the three Model Code Organizations and their existing documents. The International Codes recognize state of the art technology.
- By recognizing the International Codes, we recognize the need for uniformity of codes that regulate the built environment so that design professionals, contractors, enforcement officials, etc., have consistent regulations. This has a positive impact on cost and ultimately, safety for our constituents.
- Several cities in the State of Kansas where there is a high volume of construction activity have already adopted or initiated adoption processes related to the International Codes.

The City of Overland Park and the Johnson County Building Officials Association is committed to ensuring the safety of our citizens by the adoption and enforcement of current nationally recognized model building codes. It is our belief that adoption of this

Senate Elections & Local Government Date:  $\mathcal{J}$ -1-00 Attachment #  $\mathcal{J}$ -1 proposed bill assists in this effort. We therefore would appreciate your support of House Bill No. 2598.

Respectfully Submitted By;

Tim Ryan, CBO

**CODES ADMINSTRATOR** 

City of Overland Park

Senate Elections & Local Government Date: 3-1-00Attachment # 2-2





March 1, 2000

TO:

Senator Hardenburger and Members of the Senate Elections and Local

Government Committee

FROM:

Trudy Aron, Executive Director

RE:

Support for HB 2598

Good afternoon, Madam Chairman, and members of the Committee, I am Trudy Aron, Executive Director of the American Institute of Architects in Kansas (AIA Kansas.) I appreciate the opportunity to testify before you today in support for HB 2598.

AIA Kansas is a statewide association of architects and intern architects. Most of our 700 members work in over 100 private practice architectural firms designing a variety of project types for both public and private clients including justice facilities, schools, hospitals and other health facilities, industrial buildings, offices, recreational facilities, housing, and much more. The rest of our members work in industry, government and education where many manage the facilities of their employers and hire private practice firms to design new buildings and to renovate or remodel existing buildings.

It is seldom that I get the opportunity to testify on a bill that will, ultimately, have such wide impact on the design and construction industry. Currently we have three major regional building codes in our country. Governmental units – states, counties, and/or cities – may adopt any building code and may make amendments to that code. Before an architect can design a building or a contractor can build one, they must know: 1) what code (if any) has been adopted by the jurisdiction; 2) version of the adopted code (periodic revision of codes are adopted); and 3) what, if any, amendments have been made. In Kansas, we have not adopted a statewide building code so there are some jurisdictions without any building code. In areas with codes, we have jurisdictions using the 1979 version of a code and others using the 1997 version. Needless to say, it makes for interesting work.

For decades, industry groups have discussed combining these three codes into one, however, until the last decade, there was much discussion but little progress. Throughout the 1990's the three regional code organizations and those representing all facets of the design and construction industry have worked diligently to accomplishing the goal of one code. The diligence of all these organizations has culminated in the adoption of the International Building Code, 2000 (IBC.) From this time on, the existing codes will not be updated, only the IBC.

HB 2598 recognizes the International Building Code, along with the three current codes, as complying with the Kansas Fire Prevention Code. It does not mandate the adoption of the IBC; it simply allows its adoption. We urge you to vote for HB 2598. We hope it is but the first step in the adoption of one building code in Kansas.

Thank you for allowing us this opportunity to testify in support of HB 2598. I'll be happy to answer any questions you may have.

President
Neal J. Angrisano, AIA
Overland Park
President Elect
Wendy Ornelas, AIA
Manhattan
Secretary
Nancy L. Steele, AIA
Wichita
Treasurer
David H. Livingood, AIA
Lawrence

Directors Richard A. Bartholomew, AIA Overland Park Alison Beck Lawrence Jan Burgess, AlA Wichita Ken Conrad, P.E. Overland Park Russ Crader Manhattan Mark Franzen, AIA Overland Park John Gaunt, FAIA lawrence John E. Heckman, AIA Independence Ken Helmer, AIA Wichita Eugene Kremer, FAIA Manhattan William E. Mankin, AIA Saina Barbara Pearson, Assoc, AIA Emporia Martin Rangel, AIA Wichita David Sachs, AIA Manhattan Gregory E. Schwerdt, AIA Topeka Matthew D. Werner, AIA Topeka Michael T. Wilson, AIA Topeka

Executive Director
Trudy Aron, Hon. AIA, CAE

700 SW Jackson, Suite 209 Topeka, Kansas 66603-3757 Telephone: 785-357-5308

800-444-9853 Facsimile: 785-357-6450 Senate Elections & Local Government Date: 3-1-00 Attachment # 3



## OFFICE OF THE KANSAS STATE FIRE MARSHAL

Gale Haag Fire Marshal

700 SW JACKSON, SUITE 600, TOPEKA, KS 66603-3714 PHONE (785) 296-3401 / FAX (785) 296-0151 Bill Graves Governor

Testimony of State Fire Marshal Gale Haag before the Senate Elections & Local Government Committee March 1, 2000 HB 2598

Thank you Madam Chairwoman and members of the Senate Elections & Local Government Committee. I appreciate this opportunity to come before you regarding the impact HB 2598 will have on fire and life safety in Kansas.

This bill represents a collaborative effort between my office, a number of other state agencies and representatives from a cross-section of cities and private organizations like the American Institute of Architects. The purpose of this legislation is to include in the list of possible building code choices, the 2000 International Building Code. This legislation does not change anything that is currently adopted it simply adds another option. As State Fire Marshal, I support this legislation.

I thank you for your time and your favorable consideration of this legislation. I am pleased to stand for questions.

Senate Elections & Local Government Date: 3-1-00 Attachment # 4

"Where fire safety is a way of lij



#### TESTIMONY

City of Wichita

Mike Taylor, Government Relations Director
455 N Main, Wichita, KS. 67202

Phone: 316-268-4351 Fax: 316-268-4519

#### House Bill 2661 Retention and Destruction of Canceled Certificates

Delivered March 1, 2000 to Senate Elections and Local Government Committee

The City of Wichita is requesting changes in the way canceled bond certificates are handled. Current law requires canceled bond certificates be returned to the City Clerk, then retained for five years, after which they can be destroyed. These requirements are cumbersome and require the City of Wichita to store dozens and dozens of boxes filled with obsolete bond certificates. An example of the bonds affected by this proposed change are Industrial Revenue Bonds, issued to help a company purchase new equipment and expand its operations.

The City of Wichita requests changing the statutes to allow canceled bond coupons and certificates to be kept only six months from the date of maturity before being destroyed. This proposed change to KSA 12-120 makes the handling of certificates such as Industrial Revenue Bonds, consistent with the handling of General Obligation bonds and other municipal bonds as spelled out in KSA 10-111. Not only will these changes bring consistency

This is not a big ticket, glamorous issue, but it will bring consistency in the way municipal bonds are handled and it will save some money. At one point the City of Wichita was storing 300 boxes of canceled or paid bond certificates at an average annual cost of \$25 per box. That's \$7,500 a year. Multiple that times the five year retention period and you've spent \$37,500. The changes proposed in House Bill 2661 would cut storage costs in this example by more than \$30,000. Admittedly, that's not a huge amount of money, but when you're trying to be as efficient with tax dollars as possible, every little bit helps.

Officials at two Wichita banks who frequently act as trustees for many of our bond issues, have told us this change will be beneficial and one they will welcome. And the changes will benefit all cities in Kansas which issue the types of bonds governed by KSA 12-120.

The City of Wichita urges you to support House Bill 2661 as a small, but effective step in helping city government make better use of tax dollars. This bill had no opposition during hearings before the House Local Government Committee and was placed on the House Consent Calendar for passage.

Senate Elections & Local Government

Date: 3-1-00 Attachment #5 To: Senate Committee on Elections & Local Government

From: Larry Kleeman, Assistant Legal Counsel

Date: March 1, 2000

Re: League Support of HB 2661

Thank you for the opportunity to appear today on behalf of the League's 530 member cities in support of HB 2661.

The League supports the City of Wichita's efforts to amend the records retention law with regard to municipal bonds and coupons. The current retention period of 5 years can be unreasonably burdensome on municipalities when considering the labor and cost of storing huge volumes of bonds and the multitude of accompanying coupons. And the larger cities in Kansas have this problem compounded due to the larger amounts and more frequent issuances of bonds. HB 2661 would ease the workload of local governments, while still allowing them to retain such records longer if they deem necessary.

The League urges favorable support of HB 2661.

Thanks for you consideration and I'd be happy to answer any questions.

Senate Elections & Local Government Date:  $\mathcal{J}$ -l- $\mathcal{O}$   $\mathcal{O}$  Attachment #  $\mathcal{G}$ 



## TESTIMONY

City of Wichita

Mike Taylor, Government Relations Director
455 N Main, Wichita, KS. 67202

Phone: 316-268-4351 Fax: 316-268-4519

## House Bill 2662 Municipal Bonds: Bids and Form of Submission

Delivered March 1, 2000
To
Senate Elections and Local Government Committee

Technology is changing the way business is conducted. It seems like every commercial on television is for some type of e-commerce. Web page, e-mail, and dot-com are familiar, everyday phrases in our vocabulary. The City of Wichita is requesting the chance to take advantage of these technological improvements in the way municipal bond sales and auctions are conducted.

The City of Wichita usually sells bonds on a semi-annual basis. State law requires interested purchasers to submit sealed bids. More and more cities across the nation are accepting these bids by fax or through the Internet. The City of Wichita's bond counsel is of the view that KSA 10-106 does not allow fax or Internet submissions.

House Bill 2662 would modify the current "sealed bid" requirements to allow cities to craft procedures to receive bids directly via fax or Internet. The procedure for this would be spelled out in the notice of sale so potential buyers would clearly understand the rules and procedures. There are also electronic security measures which can be employed to protect the privacy of the bids. People buy and sell stocks and banking everyday over the Internet, all done over secure e-commerce channels. Municipal bond bids would be no different.

The fact is, many bids are already received by fax, but because of the "sealed bid" requirement, the faxed bid is sent to a transmission agent at a local bank, the bid is then put in an envelope and the "sealed bid" is delivered to City Hall. This change would make it clear that the faxed bid could be sent directly to the City.

Over the next several years, electronic bidding is expected to become the norm and the City of Wichita requests Kansas law (KSA 10-106) be revised allowing cities to take advantage of this new technology.

This bill was placed on the consent calendar in the House and was pulled off to use as vehicle for an amendment which had nothing to do with the bill itself. That amendment was defeated and the bill passed 118-0.

Senate Elections & Local Government

Date: 3-1-00 Attachment # 7



#### SEDGWICK COUNTY, KANSAS DIVISION OF FINANCE

525 N. Main, Suite 823 \* Wichita, Kansas 67203 \* Telephone (316) 383-7591 \* FAX (316) 383-7729 \*

TO:

Senator Janice Hardenburger

SUBJ:

HB 2662

Elections and Local Government Committee

FROM: Chris Chronis, CFO

DATE: February 24, 2000

I am writing to voice my support of this bill, which I understand is to be the subject of a committee hearing next week.

HB2662 would enable Sedgwick County to take advantage of new developments in the public finance industry. Since 1997, a growing number of issuers have chosen to conduct electronic auctions of bonds. Numerous analyses of these sales have concluded they resulted in reduced borrowing costs for the local governments.

Pittsburgh, Pennsylvania is one such issuer. The first local government to conduct a bond sale via the internet, Pittsburgh has done so several times in the past 3 years. City finance officials estimate borrowing costs have totaled about \$1-million less than traditional bond sales would have required. They attribute this savings to their ability -- easily accomplished by electronic auction methods but impractical using traditional sealed written bids -- to sell individual maturities to low bidders rather than all maturities of an issue to a single bidder. In 1999, Pittsburgh received an award from the Ford Foundation Program on Innovation in American Government for their leadership in this new method of selling bonds.

It is not certain that Sedgwick County would sell bonds electronically if HB 2662 becomes law. However, we would like to be able to consider this new technology carefully. If we determine that our taxpayers can receive the benefits others have reported we want to be able to change the way we sell bonds.

To: Senate Committee on Elections & Local Government

From: Larry Kleeman, Assistant Legal Counsel

Date: March 1, 2000

Re: League Support of HB 2662

Thank you for the opportunity to appear today on behalf of the League's 530 member cities in support of HB 2662.

HB 2662 would help move the state's municipal bond law into the electronic age. The computer and internet revolutions that have occurred over the past decades have touched all our lives in one way or another. One need only watch a few Superbowl commercials to realize that modern commerce is moving fast and furiously online. And local government officials across Kansas are taking advantage of these new technologies everyday – keeping in touch with citizens via email, using the internet to stay informed about municipal issues, allowing residents to apply for local licenses online, etc.

Current state law, however, restricts the ability of cities and counties to utilize the advantages of electronic commerce when it comes to the sale of bonds. By allowing bond bids to be received by fax or other forms of electronic transmission, HB 2662 moves the municipal bond law into the 21<sup>st</sup> century. Cities and counties will still be able to establish stricter criteria for the receipt of bond bids. But for technology-savvy municipalities, this bill frees them up to utilize and take advantage of modern electronic business practices.

Local governments should not be held back by this archaic law; therefore, the League urges favorable passage of HB 2662.

Thanks for you consideration and I'd be happy to answer any questions.

Senate Elections & Local Government Date: 3-1-00