

Approved: May 9, 2012

(Date)

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Carolyn McGinn at 10:30 a.m. on March 13, 2012 in 548-S of the Capitol.

Senator Emler was absent.

Committee staff present:

Jan Lunn, Committee Assistant
Melinda Gaul, Chief of Staff, Senator McGinn's Office
Eli Johns, Intern, Senator McGinn's Office
J. G. Scott, Chief Fiscal Analyst, Legislative Research Department
Michael Steiner, Senior Analyst, Legislative Research Department
Bobbi Mariani, Fiscal Analyst, Legislative Research Department
Jill Wolters, Office of the Revisor of Statutes
David Wiese, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes

Conferees:

Ernest Straub, President, Straub Construction Company
Jim Kistler, President, Heart of America Chapter, Associated Builders and Contractors, Inc.
Andy Sanchez, Executive Secretary-Treasurer, Kansas AFL-CIO
Mike Kane, Political Affairs, Laborers' Local 1290
Dennis Taylor, Secretary, Department of Administration

Others attending:

See attached list

Senator Schmidt moved introduction of 12rs2396, which was narrowly written for one constituent concerning Kansas Police and Firemen's Retirement System; Senator Kelly seconded the motion, which carried on a voice vote.

Senator Schmidt moved introduction of 12rs2413 concerning unitary tax credits; Senator Kelly seconded the motion, which carried on a voice vote.

Senator Huntington moved introduction of a bill that requires both the Secretary of the Department of Revenue and the Secretary of the Department of Commerce to report annually concerning the Rural Opportunity Zone Program to the Senate Committee on Assessment and Taxation; Senator Kelly seconded the motion, which carried on a voice vote.

Governor's Budget Amendment (GBA) No. 3 (Attachment 1):

Senator McGinn called attention to the GBA, which was received March 12, 2012

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

Minutes of the SENATE WAYS AND MEANS Committee at 10:30 AM on March 13, 2012 in 548-S of the Capitol.

Hearing on **HB 2515—Competitive Bid Protection Act**

Daniel Yoza, Office of the Revisor of Statutes, briefed committee members on **HB 2515**, would establish the Competitive Bid Protection Act. When contracting for public works construction, governmental entities would not be able to require bidders, contractors, subcontractors, or material suppliers to enter into any kind of project labor agreement (PLA) with a labor organization. Governmental entities would be prohibited from discriminating based upon the presence or absence of a PLA. Any agent working on the behalf of a governmental entity would be prohibited, as well. The bill would not prohibit bidders, construction managers, contractors, design-builders, subcontractors, or material suppliers from voluntarily entering into a project labor agreement.

Ernest Straub, President, Straub Construction Company, expressed strong support for **HB 2515**. (Attachment 2) He indicated that PLAs requires contractors to recognize signatory unions as the sole representative of workers on a covered project; it forces workers to join the union, uses apprentices only from union apprenticeship programs, forces workers into contributing to a union pension plan, and supports the union's restrictive work rules.

Jim Kistler, President, Heart of America Chapter, Associated Builders and Contractors, Inc., indicates that **HB 2515** establishes a state policy of openness and fairness. PLAs typically increase costs and decrease competition and discriminate against minorities and women. He encouraged favorable passage of **HB 2515**. (Attachment 3)

When asked whether there was any information from minority groups within the state, Mr. Kistler indicated a copy of a letter from Adolphus Pruitt, President, Missouri NAACP, to the St. Louis Hazelwood School District Board of Education, was included in his testimony

Written testimony in support of **HB 2515** was submitted by:

Daniel Murray, Kansas State Director, National Federation of Independent Business (Attachment 4)

Andy Sanchez, Executive Secretary-Treasurer, Kansas AFL-CIO, spoke in opposition to **HB 2515** indicating PLAs were developed to outline terms and conditions whereby construction specifications and standards are met; they have been used in the public and private sector for nearly a century. He testified that PLAs assure a level playing field and encouraged committee members to oppose **HB 2515**. (Attachment 5)

Mike Kane, Political Affairs, Laborers' Local 1290, testified that passage of **HB 2515** would be a step backwards for Kansans and could negatively impact their ability to make a livable wage. (Attachment 6)

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Written testimony in opposition to **HB 2515** was submitted by:
Ty E. Dragoo, United Transportation Union, Kansas State Legislative Board, Director/Chairman (Attachment 7)

Chairperson McGinn closed the hearing on **HB 2515**

Hearing on **HB 2687--State building advisory commission, reports and recommendations on state capital improvement budget estimates:**

Jill Wolters, Office of the Revisor of Statutes, reported this bill came from the Office of the Repealer, in an attempt to repeal legislation that is outmoded, unreasonable, duplicative, onerous or unduly burdensome. Under current law, the State Building Advisory Commission is required to provide a yearly report on each capital improvement budget estimate submitted by state agencies. The report has not been done for years.

Dennis Taylor, Secretary, Department of Administration, indicated **HB 2687** repeals current statutory language to eliminate the yearly reporting requirement (Attachment 8)

Chairperson McGinn closed the hearing on **HB 2687**.

Hearing on **HB 2703-- Repealer, central motor pool for state agencies**

Jill Wolters, Office of the Revisor of Statutes, indicated that this bill would repeal the five statutes concerning the state central motor pool and branch motor, which no longer exist.

Dennis Taylor, Secretary, Department of Administration, indicated **HB 2703** repeals statutes no longer required (Attachment 9).

Chairperson McGinn closed the hearing on **HB 2703**.

Hearing on **HB 2706--Appraisal prior to purchase or disposition of real property by state or agency, appointment of appraiser**

Jill Wolters, Office of the Revisor of Statutes, indicated current law provides for three independent appraisals of real property prior to state purchase or disposition. **HB 2706** revises statute to required only one disinterested appraiser for real property valued at \$200,000 or less, as determined by the county assessment value of such property

Dennis Taylor, Secretary, Department of Administration, indicated **HB 2706** would streamline the process by minimizing the cost and time involved in obtaining one appraisal. (Attachment 10).

In response to questions, Secretary Taylor indicated:

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- The proposed bill provides an idea as to the sales price of the property; it does not replace the marketplace value.
- The Legislature had asked agencies do provide an inventory of all property; the inventory report was submitted to the Legislature on November 1. The agencies subsequently provided a list of properties that could be subjects of disposition.
- Appraisals for property could be subject (at some time) to the Kansas Open Meeting Act (KOMA); county assessment records are considered public record. However, it was clarified that if acquiring property, appraisals are not subject to open records; if selling property, appraisals would be public under KOMA.

Senator Vratil moved **HB 2703** and **HB 2687** favorable for passage and placed on the consent calendar; Senator Kelly seconded the motion, which carried on a voice vote.

The meeting was adjourned at 11:20 a.m.