

MINUTES OF THE SENATE COMMERCE COMMITTEE.

The meeting was called to order by Chairperson Karin Brownlee at 8:00 a.m. on March 7, 2003 in Room 123-S of the Capitol.

All members were present except: Senator Brungardt, absent

Committee staff present: Mitch Rice, Revisor of Statutes
Jodie Anspaugh, Secretary

Conferees appearing before the committee: Mike Farmer, Kansas Catholic Conference
Dave Holtwick, Home Builders Association of Greater Kansas City
Matt Goddard, Heartland Community Bankers Association
Martha Neu Smith, Kansas Manufactured Housing Association
Rick Jackson, Capitol Federal Savings
Chuck Stones, The Kansas Bankers Association
Chris Wilson, Kansas Building Industry Association
Ed Jaskinia

Others attending: See attached list.

Chairperson Brownlee continued the hearing on SB 222. Mike Farmer, Executive Director of Kansas Catholic Conference, testified in support of the bill. (Attachment 1) This would assist buyers with down payment and closing costs, which is often the largest hurdle to overcome in becoming a homeowner.

Dave Holtwick, Home Builders Association of Greater Kansas City, testified in support of SB 222. (Attachment 2) With the authority to issue single-family mortgage revenue bonds, the Kansas Development Finance Authority could serve as the catalyst to stimulate home ownership throughout the state for low and moderate income homebuyers.

The committee asked questions of all SB 222 proponents regarding first time home buyers, down payments, and local housing programs.

Steve Weatherford, President of KDFA, distributed a proposal for an amendment to the bill. (Attachment 3) The amendment would address the concerns of those who are concerned that KDFA will compete with direct lenders.

Matt Goddard, Heartland Community Bankers Association, testified in opposition to SB 222. (Attachment 4) HCBA is concerned that this bill would put KDFA and the state of Kansas in the position of competing with taxpaying mortgage revenue lenders, directly and indirectly. KDFA would use its ability to issue tax-free bonds to establish artificially low pricing for mortgage products that taxpaying businesses will be unable to match.

Martha Neu Smith, Kansas Manufactured Housing Association, provided written testimony in opposition to SB 222. (Attachment 5)

Rick Jackson, Capitol Federal Savings, testified in opposition to SB 222. (Attachment 6) He is concerned that KDFA will give loans to those who cannot afford them and then may have to foreclose on homes and destroy the dream of homeownership for some Kansas families.

Chuck Stones, Kansas Bankers Association, testified in opposition to SB 222. (Attachment 7) He believes that Steve Weatherford does not intend to compete with private lenders, but is concerned that

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future administrations may. His position would be closer to neutral if the amendments offered today by Mr. Weatherford are adopted.

Chris Wilson, Director of Government Affairs for the Kansas Building Industry Association, testified in opposition to SB 222. (Attachment 8) Should this bill move forward, she suggests that the KDFB board add two or more positions for members with building expertise and also that the local areas with these programs should be allowed to continue.

Ed Jaskinia brought testimony from Robert Ebey of Lawrence. (Attachment 9) Mr. Ebey is neutral on SB 222. He has concerns about creating such a large state agency; it could become something it is not intended to be.

Senator Brownlee closed the hearing on SB 222. She announced that the committee will finish this bill at the next meeting.

The meeting was adjourned at 9:30 a.m.

The next meeting is scheduled for March 11, 2003 at 8:30 a.m. in Room 123-S.