

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:12 a.m. on January 27, 2000 in Room 522-S of the Capitol.

All members were present.

Committee staff present: Lynne Holt, Legislative Research Department
Mary Torrence, Revisor of Statutes
Jo Cook, Committee Secretary

Conferees appearing before the committee: Jay Allbaugh, Multimedia Cablevision
Martha Neu Smith, Kansas Manufactured Housing Assn.
Karen France, Kansas Association of Realtors
Robert Hanson, Weigand-Omega Management, Inc.
Tony Catanese, Key Management Company
Eric Sartorius, Johnson County Board of Realtors

Others attending: See Attached Guest List

SB 54 Tenant access to television service.

Chairman Holmes welcomed Jay Allbaugh, who testified in support of **SB 54** on behalf of the Kansas Cable Telecommunications Association and Multimedia Cablevision (Attachment 1). Mr. Allbaugh stated that the bill allows the cable company to deliver service to residents when such service is requested by either the landlord or the resident free from any access fee or profit sharing and deliverable under the terms of the franchise agreement.

Mr. John Federico, also on behalf of the Kansas Cable Telecommunications Association, provided written testimony as a proponent of **SB 54** (Attachment 2).

Mr. Allbaugh responded to questions from Rep. Alldritt, Rep. Loyd, Rep. Vining and Rep. Myers.

Kansas Manufactured Housing Association Executive Director, Martha Neu Smith, presented testimony in opposition to **SB 54** (Attachment 3). She stated that the most compelling reason for this was a 1982 US Supreme Court decision which stated that landlords could not restrict cable television access to tenants and could receive compensation for that access. Their second reason for opposition is that they feel this issue will be determined at the federal level. Thirdly, they question if there is evidence that substantiates a problem.

Karen France, Director of Governmental Affairs for the Kansas Association of Realtors, testified next as an opponent of **SB 54** (Attachment 4). She stated that the first reason is that the legislation is unconstitutional and constitutes a taking of private property without compensation. She provided a copy of the Supreme Court decision known as the Loretto case (Attachment 5). She also explained that the bill should be rejected because the state should not be in the business of allowing tenants to force property owners to alter their contractual lease agreement in the name of consumer choice.

Appearing as the next opponent to **SB 54** was Robert Hanson, President of Weigand-Omega Management, Inc. Mr. Hanson explained he felt the current provisions in the Landlord Tenant Law adequately cover what is included in **SB 54**. He addressed the issue of easements and access agreements and included with his testimony (Attachment 6) a copy of an Easement Access Compensation Agreement and two letters from a law firm about mandatory building access.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES in Room 522-S at 9:12 a.m. on January 27, 2000.

Mr. Tony Catanese, Vice-President of Key Management Company, presented testimony in opposition to **SB 54** (Attachment 7). Mr. Catanese expressed his belief that this bill was inappropriate and probably unconstitutional. He believes that some special interests wish to take away the rights of property owners for their own benefit and that any forced access would take away constitutionally protected rights of property owners.

Johnson County Board of Realtors Governmental Affairs Director Eric Sartorius appeared next as an opponent to **SB 54** (Attachment 8). Mr. Sartorius explained that they believe this bill tramples on private property rights, it will stifle competition and limit choice, and it is a policy in search of a problem.

Written testimony from William J. Burhop, Executive Director of the Independent Cable & Telecommunications Association in opposition to **SB 54** (Attachment 9) was provided to the committee.

Conferees appearing as opponents to **SB 54** responded to questions from Rep. Holmes, Rep. O'Brien, Rep. Loyd, Rep. Sloan and Rep. Krehbiel.

Chairman Holmes reminded the committee that the joint Education and Utilities Sub-committee on KAN-ED would be meeting on Monday, January 31 in Room 313-S at 9:00 a.m.

The meeting was adjourned at 10:56 a.m.

The next Utilities Committee meeting will be Tuesday, February 1, 2000 at 9:00 a.m.