

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE

The meeting was called to order by Chairman Steve Brunk at 9:03 a.m. on February 12, 2009, in Room 784 of the Docking State Office Building.

All members were present except:

Representative Louis Ruiz- excused

Committee staff present:

Renaë Jefferies, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes
Jerry Donaldson, Kansas Legislative Research Department
Dennis Hodgins, Kansas Legislative Research Department
Stephen Bainum, Committee Assistant

Conferees appearing before the committee:

Trudy Aron, American Institute of Architects

Others attending:

See attached list.

The meeting was called to order by Chairman Steve Brunk at 9:03 a.m. He opened the hearing on **HB 2238**.

HB 2238 - Amending the fairness in private construction contract act and the fairness in public construction contract act regarding retainage.

Trudy Aron, American Institute of Architects, presented testimony in opposition to **HB 2238** (Attachment 1). She said that after substantial completion there was almost always things that needed to be done for final completion. The 10% retainage provides the certainty that the contractor will come back and do them.

Representative Grange asked if we would see the AIA do away with bonding requirements. Trudy said no. John asked about a heating and air contractor who had \$30,000 sitting on the books, waiting to get his money, what does he have to do with the base or carpet finishing. Trudy said that he has nothing to do with that but until everything is done you are not sure that it is installed correctly. John said that this is work that is already done and approved and now they are going to pay us for it but withhold 10% out while we are waiting for guys to put base down.

Representative Worley commented that there could be a certificate of occupancy and there are still things to do. That is pretty common but it doesn't mean that the building is unsafe. The city is concerned about the safety issues, not whether the sheetrock is painted.

Stuart Little, on behalf of the Board of County Commissioners of Sedgwick County, Kansas presented written only testimony in opposition to **HB 2238** (Attachment 2).

Larry R Baer, League of Kansas Municipalities, presented written only testimony in opposition to **HB 2238** (Attachment 3).

Darci Meese, on behalf of Water District No. 1 of Johnson County, presented written only testimony in opposition to **HB 2238** (Attachment 4).

Erik Sartorius for the City of Overland Park, presented written only testimony in opposition to **HB 2238** (Attachment 5).

Darryl C. Lutz for Butler County presented written only testimony in opposition to **HB 2238** (Attachment 6).

The Chairman closed the hearing on **HB 2238**. He then opened the hearing on **HB 2260**.

HB 2260 - Amendments to the Kansas home inspectors professional competence and financial responsibility act.

CONTINUATION SHEET

Minutes of the House Commerce And Labor Committee at 9:00 a.m. on February 12, 2009, in Room 784 of the Docking State Office Building.

The Chairman called the committee's attention to three sets of Balloon Amendments. The Balloon by Jeff Barnes was chosen to be worked first (Attachment 7).

Representative Pottorff made a motion to strike New Section 1, on page 1, lines 16 through 42. Representative Grant seconded the motion. The motion carried.

Representative Schwab made a motion to strike lines 11 through 13 on page 3. Representative Pottorff seconded the motion. The motion carried.

Representative Grant made a motion to strike lines 20 through 27 on page 3. Representative Swenson seconded the motion. The motion carried.

Representative Grant made a motion to insert the words, "The chairperson must be a registered home inspector." after the word "position" on line 28 of page 4. Representative Hermanson seconded the motion. The motion carried.

Representative Schwab made a motion to strike lines 25 through 28 on page 6. Representative Prescott seconded the motion. The motion carried.

Representative Grange made a motion to insert on page 8, line 36 the words, "unless the applicant has been actively engaged as a home inspector as defined in K.S.A. 2008 Supp. 58-4502, and amendments thereto, and met the requirements of clause (i) or clause (ii) of subparagraph (B) of paragraph 7 of subsection (c) of this section". The motion was seconded by Representative Hermanson. The motion carried.

The consensus of the committee was to reject the strikeout of the words "for compensation" on page 9, line 33.

Representative Grant made a motion to strike lines 30 through 32 on page 10 and replace them with the words "A person who is not registered as a home inspector, may assist a registered home inspector in the performance of an inspection provided that the person is supervised at the inspection site by a registered home inspector and any home inspection report rendered in connection with the home inspection is reviewed and signed by the registered home inspector." Representative Pottorff seconded the motion. The motion carried.

Representative Bethell made a motion to strike lines 38 through 40 on page 10. Representative Quigley seconded the motion. The motion carried.

The Chairman called the committee's attention to the Dan Bowers Balloon Amendment. (Attachment 8).

Representative Schwab made a motion to insert on page 2 line 17 the language, " ; which is performed as part of a purchase or sale of real estate and transfer of ownership." Representative Prescott seconded the motion.

Representative Quigley made a substitute motion that the committee not adopt the balloon on page 2 of the Bowers Balloon Amendment. Representative Bethel seconded the motion. The substitute motion carried.

Representative Bethell made a motion that we pass out HB 2260 favorably for passage as amended. Representative Grange seconded the motion. The motion carried.

The next meeting is scheduled for February 16, 2009.

The meeting was adjourned at 10:23 a.m.