

HOUSE BILL No. 2864

By Representative Tanner

2-13

AN ACT concerning school districts; relating to lease-purchase agreements; amending K.S.A. 10-1116c and K.S.A. 2001 Supp. 72-8225 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 10-1116c is hereby amended to read as follows: 10-1116c. Any lease-purchase agreement entered into pursuant to this act shall be subject to the following conditions:

(a) If the proposed agreement is for a term exceeding the current fiscal year of the municipality, it shall be approved by a majority vote of all members of the governing body.

(b) If the proposed agreement involves the acquisition of land or buildings by a municipality other than a county, school district or community college, is for a term of three or more years, and provides for payments in any year in excess of 3% of the total amount budgeted by the municipality for expenditure during the current year, excluding debt service, a notice thereof specifying the purpose and the total of all payments shall be published once each week for two consecutive weeks in a newspaper of general circulation within such municipality. If, within 30 days following the last publication of such notice, a petition in opposition to the agreement signed by not less than 5% of the qualified voters of such municipality is filed with the appropriate county election officer, no such agreement shall take effect unless and until the same is approved by a majority of the qualified voters of such municipality voting at an election thereon. Any such election shall be called and held in accordance with the provisions of K.S.A. 10-120, and amendments thereto, or in accordance with the provisions of the mail ballot election act.

(c) If the municipality is a county, ~~school district~~ or community college and the proposed agreement involves the acquisition of land or buildings, is for a term exceeding the current fiscal year of the municipality, and provides for annual payments which in the aggregate exceed \$100,000, the governing body of such municipality first shall adopt a resolution stating its intent to enter into such lease-purchase agreement. The resolution shall specify the total of all payments to be made pursuant to the agreement and the purpose for which such agreement is to be entered

1 into. The resolution shall be published once each week for two consec-
2 utive weeks in a newspaper of general circulation within the municipality.
3 If a protest petition signed by not less than 5% of the qualified voters of
4 the municipality, as determined by the vote for secretary of state at the
5 last general election, is filed with the appropriate county election officer
6 within 30 days following the last publication of the resolution, no such
7 agreement shall take effect unless approved by a majority of the qualified
8 voters of the municipality voting at an election thereon. Any such election
9 shall be called and held in the manner provided by K.S.A. 10-120, and
10 amendments thereto, or in accordance with the provisions of the mail
11 ballot election act. If no such protest petition is filed within the time
12 limitation contained herein, the governing body of the municipality may
13 enter into such agreement. If an election is held pursuant to a protest
14 petition and a majority vote is cast in favor of the proposition, the gov-
15 erning body of the municipality shall have authority to enter into such
16 agreement.

17 (d) *If the municipality is a school district and the proposed agreement*
18 *involves the acquisition of real or personal property and provides for*
19 *annual payments which in the aggregate exceed \$10,000, the governing*
20 *body of such municipality first shall adopt a resolution stating its intent*
21 *to enter into such lease-purchase agreement. The resolution shall specify*
22 *the total of all payments to be made pursuant to the agreement and the*
23 *purpose for which such agreement is to be entered into. The resolution*
24 *shall be published once each week for two consecutive weeks in a news-*
25 *paper of general circulation within the municipality. If a protest petition*
26 *signed by not less than 5% of the qualified voters of the municipality, as*
27 *determined by the vote for secretary of state at the last general election,*
28 *is filed with the appropriate county election officer within 30 days follow-*
29 *ing the last publication of the resolution, no such agreement shall take*
30 *effect unless approved by a majority of the qualified voters of the munic-*
31 *ipality voting at an election thereon. Any such election shall be called and*
32 *held in the manner provided by K.S.A. 10-120, and amendments thereto,*
33 *or in accordance with the provisions of the mail ballot election act. If no*
34 *such protest petition is filed within the time limitation contained herein,*
35 *the governing body of the municipality may enter into such agreement.*
36 *If an election is held pursuant to a protest petition and a majority vote is*
37 *cast in favor of the proposition, the governing body of the municipality*
38 *shall have authority to enter into such agreement.*

39 (e) If the proposed agreement is for a term exceeding the current
40 fiscal year of the municipality, the agreement shall specify the following:
41 (1) The amount or capital cost required to purchase the item if paid for
42 by cash, (2) the annual average effective interest cost, and (3) the amount
43 included in the payments for service, maintenance, insurance or other

1 charges exclusive of the capital cost and interest cost.

2 Sec. 2. K.S.A. 2001 Supp. 72-8225 is hereby amended to read as
3 follows: 72-8225. The board of education of any school district, as lessee
4 or lessor, may enter into written contracts for the use of real or personal
5 property and, in addition to the foregoing, the board of education of any
6 school district may enter into lease-purchase agreements as provided by
7 K.S.A. 10-1116b, and amendments thereto. No board of education shall
8 enter into any contract under authority of this section as lessor of any
9 school bus, as defined in K.S.A. 72-8301, and amendments thereto. The
10 term of any lease or lease-purchase agreement entered into under au-
11 thority of this section may be for not to exceed 10 years. Such lease or
12 lease-purchase agreement may provide for annual or other payment of
13 rent or rental fees and may obligate the school district to payment of
14 maintenance or other expenses. The provisions of the cash basis law shall
15 not apply to any lease or lease-purchase agreement entered into under
16 authority of this section in such a manner as to prevent the intention of
17 this section from being made effective. Any lease-purchase agreement
18 which is entered into under authority of this section by any school district
19 and which involves the acquisition of ~~land or buildings~~ *real or personal*
20 *property* is subject to the provisions of K.S.A. 10-1116c, and amendments
21 thereto.

22 Sec. 3. K.S.A. 10-1116c and K.S.A. 2001 Supp. 72-8225 are hereby
23 repealed.

24 Sec. 4. This act shall take effect and be in force from and after its
25 publication in the statute book.

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