

## HOUSE BILL No. 2203

By Committee on Local Government

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AN ACT concerning cities; relating to the annexation of land located within water districts; amending K.S.A. 12-527 and repealing the existing section.

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

Section 1. K.S.A. 12-527 is hereby amended to read as follows: 12-527. (a) Whenever a city annexes land located within a rural water district organized pursuant to the provisions of K.S.A. 19-3501 *et seq.* or 82a-612 *et seq.*, and amendments thereto, the city shall negotiate with the district to acquire title to all facilities owned by the water district and used for the transportation or utilization of water distribution to the water district benefit units within the area annexed by the city. Title shall vest in or become the property of the city upon payment by the city to the water district of the reasonable value of such property, as agreed upon by the governing body of the city and the board of directors of the district. If the district is unable to reach agreement with the city on the reasonable value for such facilities, then the reasonable value shall be determined in the following manner:

(1) The district and the city shall each select one qualified appraiser and the two appraisers so selected shall then select a third appraiser for the purpose of conducting appraisals so as to determine reasonable value of the property, facilities and improvements of the district annexed by the city.

(2) The agreement or decision of at least two of the three appraisers shall be the fair market value presented to the city for payment and the district for acceptance.

(3) If either the district or the city is dissatisfied with the decision of the appraisers, then the district or the city may institute an action in the district court to challenge the reasonableness of the value determined by the appraisers.

(b) The compensation required by this section shall be paid to the district whether or not the city actually utilizes the facilities of the district for the delivery of water to property within the city and shall be paid at a time not later than 120 days following the date upon which the fair market value of the facilities are certified to the city and to the district,

1 or at such later date as may be mutually agreed upon by the city and the  
2 water district or as may be determined by the district court. The city, as  
3 part of its service extension plan required under the provisions of K.S.A.  
4 12-520b and 12-521c, and amendments thereto, shall notify each affected  
5 rural water district of its future plans for the delivery of water in areas  
6 proposed for annexation currently being served by the district.

7 (c) The governing body of the city and board of directors of the dis-  
8 trict may provide, on such terms as may be agreed upon, that water trans-  
9 mission facilities owned by the district and located within the city may be  
10 retained by the district for the purpose of transporting water to benefit  
11 units outside the city.

12 (d) Except for nonpayment of bills, the district shall not diminish  
13 service to benefit units who were supplied water by the district at the  
14 time of annexation during the period of negotiations conducted pursuant  
15 to this section.

16 (e) Nothing in this section shall be construed as limiting in any man-  
17 ner the authority of a city to select water service suppliers to areas within  
18 the city limits, or to limit in any manner the authority of a city to adopt  
19 and enforce regulations for the operation of a water service supplier,  
20 including but not limited to standards of water quality, classification of  
21 water customers, capacity of water system, water system connections to  
22 sanitary sewer systems, rates and billing practices and other regulations  
23 for protection of the public health, safety and welfare.

24 Sec. 2. K.S.A. 12-527 is hereby repealed.

25 Sec. 3. This act shall take effect and be in force from and after its  
26 publication in the statute book.

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