

## HOUSE BILL No. 2289

By Committee on Taxation

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9 AN ACT concerning the Kansas and Missouri metropolitan culture dis-  
10 trict compact; relating to the distribution of revenues; amending K.S.A.  
11 12-2536 and repealing the existing section.  
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13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 12-2536 is hereby amended to read as follows: 12-  
15 2536. The Kansas and Missouri metropolitan culture district compact is  
16 hereby enacted into law and entered into by the state of Kansas with the  
17 state of Missouri legally joining therein, in the form substantially as  
18 follows:

19 Kansas and Missouri Metropolitan

20 Culture District Compact

21 Article I.—Agreement and Pledge

22 The states of Kansas and Missouri agree to and pledge, each to the  
23 other, faithful cooperation in the future planning and development of the  
24 metropolitan culture district, holding in high trust for the benefit of its  
25 people and of the nation, the special blessings and natural advantages  
26 thereof.

27 Article II.—Policy and Purpose

28 The party states, desiring by common action to fully utilize and improve  
29 their cultural facilities, coordinate the services of their cultural organi-  
30 zations, enhance the cultural activities of their citizens, and achieve solid  
31 financial support for such cultural facilities, organizations and activities,  
32 declare that it is the policy of each state to realize such desires on a basis  
33 of cooperation with one another, thereby serving the best interests of  
34 their citizenry and effecting economies in capital expenditures and op-  
35 erational costs. The purpose of this compact is to provide for the creation  
36 of a metropolitan culture district as the means to implementation of the  
37 policy herein declared with the most beneficial and economical use of  
38 human and material resources.

39 Article III.—Definitions

40 As used in this compact, unless the context clearly requires otherwise:

41 (a) “Metropolitan culture district” means a political subdivision of the  
42 states of Kansas and Missouri which is created under and pursuant to the  
43 provisions of this compact and which is composed of the counties in the

1 states of Kansas and Missouri which act to create or to become a part of  
2 the district in accordance with the provisions of Article IV.

3 (b) "Commission" means the governing body of the metropolitan cul-  
4 ture district.

5 (c) "Cultural activities" means sports or activities which contribute to  
6 or enhance the aesthetic, artistic, historical, intellectual or social devel-  
7 opment or appreciation of members of the general public.

8 (d) "Cultural organizations" means nonprofit and tax exempt social,  
9 civic or community organizations and associations which are dedicated to  
10 the development, provision, operation, supervision, promotion or support  
11 of cultural activities in which members of the general public may engage  
12 or participate.

13 (e) "Cultural facilities" means facilities operated or used for sports or  
14 participation or engagement in cultural activities by members of the gen-  
15 eral public.

16 Article IV.—The District

17 (a) The counties in Kansas and Missouri eligible to create and initially  
18 compose the metropolitan culture district shall be those counties which  
19 meet one or more of the following criteria: (1) The county has a popu-  
20 lation in excess of 300,000, and is adjacent to the state line; (2) the county  
21 contains a part of a city with a population according to the most recent  
22 federal census of at least 400,000; or (3) the county is contiguous to any  
23 county described in provisions (1) or (2) of this subpart (a). The counties  
24 of Johnson in Kansas and Jackson in Missouri shall be *sine qua non* to  
25 the creation and initial composition of the district. Additional counties in  
26 Kansas and Missouri shall be eligible to become a part of the metropolitan  
27 culture district if such counties are contiguous to any one or more of the  
28 counties which compose the district and within 60 miles of the counties  
29 required by this article to establish the district.

30 (b) (1) Whenever the governing body of any county which is eligible  
31 to create or become a part of the metropolitan culture district shall de-  
32 termine that creation of or participation in the district is in the best in-  
33 terests of the citizens of the county and that the levy of a tax to provide  
34 on a cooperative basis with another county or other counties for financial  
35 support of the district would be economically practical and cost beneficial  
36 to the citizens of the county, the governing body may adopt by majority  
37 vote a resolution authorizing the same.

38 (2) Whenever a petition, signed by not less than the number of qual-  
39 ified electors of an eligible county equal to 5% of the number of ballots  
40 cast and counted at the last preceding gubernatorial election held in the  
41 county and requesting adoption of a resolution authorizing creation of or  
42 participation in the metropolitan culture district and the levy of a tax for  
43 the purpose of contributing to the financial support of the district, is filed

1 with the governing body of the county, the governing body shall adopt  
2 such a resolution.

3 (3) Implementation of a resolution adopted under this subpart (b)  
4 shall be conditioned upon approval of the resolution by a majority of the  
5 qualified electors of the county voting at an election conducted for such  
6 purpose.

7 (c) (1) Upon adoption of a resolution pursuant to subpart (b)(1) or  
8 subpart (b)(2), the governing body of the county shall request, within 36  
9 months after adoption of the resolution, the county election officer to  
10 submit to the qualified electors of the county the question of whether  
11 the governing body shall be authorized to implement the resolution. The  
12 resolution shall be printed on the ballot and in the notice of election. The  
13 question shall be submitted to the electors of the county at the primary  
14 or general election next following the date of the request filed with the  
15 county election officer. If a majority of the qualified electors are opposed  
16 to implementation of the resolution authorizing creation of or participa-  
17 tion in the district and the levy of a tax for financial support thereof, the  
18 same shall not be implemented. The governing body of the county may  
19 renew procedures for authorization to create or become a part of the  
20 district and to levy a tax for financial support thereof at any time following  
21 rejection of the question.

22 (2) The ballot for the proposition in any county shall be substantially  
23 the following form:

24 "Shall a retail sales tax of \_\_\_\_\_  Yes  
25 (insert amount, not to exceed ¼ cent)  
26 be levied and collected in Kansas and Missouri metropolitan cultural dis-  No  
27 trict consisting of the county(ies) of \_\_\_\_\_  
28 (insert name of counties)  
29 for the support of cultural facilities and organizations within the district?"

30 The governing body of the county may place additional language on  
31 the ballot to describe the use or allocation of the funds.

32 (d) (1) The metropolitan culture district shall be created when im-  
33 plementation of a resolution authorizing the creation of the district and  
34 the levy of a tax for contribution to the financial support thereof is ap-  
35 proved by respective majorities of the qualified electors of at least Johnson  
36 county, Kansas, and Jackson county, Missouri.

37 (2) When implementation of a resolution authorizing participation in  
38 the metropolitan culture district and the levy of a tax for contribution to  
39 the financial support thereof is approved by a majority of the qualified  
40 electors of any county eligible to become a part of the district, the gov-  
41 erning body of the county shall proceed with the performance of all things  
42 necessary and incidental to participation in the district.

43 (3) Any question for the levy of a tax submitted after July 1, 2000,

1 may be submitted to the electors of the county at the primary or general  
2 election next following the date of the request filed with the county elec-  
3 tion officer; at a special election called and held as otherwise provided by  
4 law; at an election called and held on the first Tuesday after the first  
5 Monday in February, except in presidential election years; at an election  
6 called and held on the first Tuesday after the first Monday in March,  
7 June, August or November; or at an election called and held on the first  
8 Tuesday in April, except that no question for a tax levy may be submitted  
9 to the electors prior to January 1, 2002.

10 (4) No question shall be submitted to the electors authorizing the  
11 levy of a tax the proceeds of which will be exclusively dedicated to sports  
12 or sports facilities.

13 (e) Any of the counties composing the metropolitan culture district  
14 may withdraw from the district by adoption of a resolution and approval  
15 of the resolution by a majority of the qualified electors of the county, all  
16 in the same manner provided in this Article IV for creating or becoming  
17 a part of the metropolitan culture district. The governing body of a with-  
18 drawing county shall provide for the sending of formal written notice of  
19 withdrawal from the district to the governing body of the other county  
20 or each of the other counties comprising the district. Actual withdrawal  
21 shall not take effect until 90 days after notice has been sent. A withdraw-  
22 ing county shall not be relieved from any obligation which such county  
23 may have assumed or incurred by reason of being a part of the district,  
24 including, but not limited to, the retirement of any outstanding bonded  
25 indebtedness of the district.

#### 26 Article V.—The Commission

27 (a) The metropolitan culture district shall be governed by the met-  
28 ropolitan culture commission which shall be a body corporate and politic  
29 and which shall be composed of resident electors of the states of Kansas  
30 and Missouri, respectively, as follows: (1) A member of the governing  
31 body of each county which is a part of the district, who shall be appointed  
32 by majority vote of such governing body; (2) a member of the governing  
33 body of each city, with a population according to the most recent federal  
34 census of at least 50,000, located in whole or in part within each county  
35 which is a part of the district, who shall be appointed by majority vote of  
36 such governing body; (3) two members of the governing body of a county  
37 with a consolidated or unified county government and city of the first  
38 class which is a part of the district, who shall be appointed by majority  
39 vote of such governing body; (4) a member of the arts commission of  
40 Kansas or the Kansas commission for the humanities, who shall be ap-  
41 pointed by the governor of Kansas; and (5) a member of the arts com-  
42 mission of Missouri or the Missouri humanities council, who shall be  
43 appointed by the governor of Missouri. To the extent possible, the gu-

1 bernatorial appointees to the commission shall be residents of the district.  
2 The term of each commissioner initially appointed by a county governing  
3 body shall expire concurrently with such commissioner's tenure as a  
4 county officer or three years after the date of appointment as a commis-  
5 sioner, whichever occurs sooner. The term of each commissioner suc-  
6 ceeding a commissioner initially appointed by a county governing body  
7 shall expire concurrently with such successor commissioner's tenure as a  
8 county officer or four years after the date of appointment as a commis-  
9 sioner, whichever occurs sooner. The term of each commissioner initially  
10 appointed by a city governing body shall expire concurrently with such  
11 commissioner's tenure as a city officer or two years after the date of  
12 appointment as a commissioner, whichever occurs sooner. The term of  
13 each commissioner succeeding a commissioner initially appointed by a  
14 city governing body shall expire concurrently with such successor com-  
15 missioner's tenure as a city officer or four years after the date of appoint-  
16 ment as a commissioner, whichever occurs sooner. The term of each  
17 commissioner appointed by the governor of Kansas or the governor of  
18 Missouri shall expire concurrently with the term of the appointing gov-  
19 ernor, the commissioner's tenure as a state officer, or four years after the  
20 date of appointment as a commissioner of the district, whichever occurs  
21 sooner. Any vacancy occurring in a commissioner position for reasons  
22 other than expiration of terms of office shall be filled for the unexpired  
23 term by appointment in the same manner that the original appointment  
24 was made. Any commissioner may be removed for cause by the appoint-  
25 ing authority of the commissioner.

26 (b) The commission shall select annually, from its membership, a  
27 chairperson, a vice-chairperson, and a treasurer. The treasurer shall be  
28 bonded in such amounts as the commission may require.

29 (c) The commission may appoint such officers, agents and employees  
30 as it may require for the performance of its duties, and shall determine  
31 the qualifications and duties and fix the compensation of such officers,  
32 agents and employees.

33 (d) The commission shall fix the time and place at which its meetings  
34 shall be held. Meetings shall be held within the district and shall be open  
35 to the public. Public notice shall be given of all meetings.

36 (e) A majority of the commissioners from each state shall constitute,  
37 in the aggregate, a quorum for the transaction of business. No action of  
38 the commission shall be binding unless taken at a meeting at which at  
39 least a quorum is present, and unless a majority of the commissioners  
40 from each state, present at such meeting, shall vote in favor thereof. No  
41 action of the commission taken at a meeting thereof shall be binding  
42 unless the subject of such action is included in a written agenda for such  
43 meeting, the agenda and notice of meeting having been mailed to each

1 commissioner by postage paid first-class mail at least 14 calendar days  
2 prior to the meeting.

3 (f) The commissioners from each state shall be subject to the provi-  
4 sions of the laws of the states of Kansas and Missouri, respectively, which  
5 relate to conflicts of interest of public officers and employees. If any  
6 commissioner has a direct or indirect financial interest in any cultural  
7 facility, organization or activity supported by the district or commission  
8 or in any other business transaction of the district or commission, the  
9 commissioner shall disclose such interest in writing to the other commis-  
10 sioners and shall abstain from voting on any matter relating to such fa-  
11 cility, organization or activity or to such business transaction.

12 (g) If any action at law or equity, or other legal proceeding, shall be  
13 brought against any commissioner for any act or omission arising out of  
14 the performance of duties as a commissioner, the commissioner shall be  
15 indemnified in whole and held harmless by the commission for any judg-  
16 ment or decree entered against the commissioner and, further, shall be  
17 defended at the cost and expense of the commission in any such pro-  
18 ceeding.

19 Article VI.—Powers and Duties of the Commission

20 (a) The commission shall adopt a seal and suitable bylaws governing  
21 its management and procedure.

22 (b) The commission has the power to contract and to be contracted  
23 with, and to sue and to be sued.

24 (c) The commission may receive for any of its purposes and functions  
25 any contributions or moneys appropriated by counties or cities and may  
26 solicit and receive any and all donations, and grants of money, equipment,  
27 supplies, materials and services from any state or the United States or  
28 any agency thereof, or from any institution, foundation, organization, per-  
29 son, firm or corporation, and may utilize and dispose of the same.

30 (d) Upon receipt of recommendations from the advisory committee  
31 provided in subsection (g), the commission may provide donations, con-  
32 tributions and grants or other support, financial or otherwise, for or in  
33 aid of cultural organizations, facilities or activities in counties which are  
34 part of the district. In determining whether to provide any such support  
35 the commission shall consider the following factors:

- 36 (1) Economic impact upon the district;
- 37 (2) cultural benefit to citizens of the district and to the general public;
- 38 (3) contribution to the quality of life and popular image of the district;
- 39 (4) contribution to the geographical balance of cultural facilities and  
40 activities within and outside the district;
- 41 (5) the breadth of popular appeal within and outside the district;
- 42 (6) the needs of the community as identified in an objective cultural  
43 needs assessment study of the metropolitan area; and

1 (7) any other factor deemed appropriate by the commission.

2 (e) The commission may own and acquire by gift, purchase, lease or  
3 devise cultural facilities within the territory of the district. The commis-  
4 sion may plan, construct, operate and maintain and contract for the op-  
5 eration and maintenance of cultural facilities within the territory of the  
6 district. The commission may sell, lease or otherwise dispose of cultural  
7 facilities within the territory of the district.

8 (f) At any time following five years from and after the creation of the  
9 metropolitan cultural district as provided in paragraph (1) of subsection  
10 (d) of article IV, the commission, may borrow moneys for the planning,  
11 construction, equipping, operation, maintenance, repair, extension, ex-  
12 pansion, or improvement of any cultural facility and, in that regard, the  
13 commission at such time may:

14 (1) Issue notes, bonds or other instruments in writing of the com-  
15 mission in evidence of the sum or sums to be borrowed. No notes, bonds  
16 or other instruments in writing shall be issued pursuant to this subsection  
17 until the issuance of such notes, bonds or instruments has been submitted  
18 to and approved by a majority of the qualified electors of the district  
19 voting at an election called and held thereon. Such election shall be called  
20 and held in the manner provided by the general bond law;

21 (2) issue refunding notes, bonds or other instruments in writing for  
22 the purpose of refunding, extending or unifying the whole or any part of  
23 its outstanding indebtedness from time to time, whether evidenced by  
24 notes, bonds or other instruments in writing. Such refunding notes, bonds  
25 or other instruments in writing shall not exceed in amount the principal  
26 of the outstanding indebtedness to be refunded and the accrued interest  
27 thereon to the date of such refunding;

28 (3) provide that all notes, bonds and other instruments in writing  
29 issued hereunder shall or may be payable, both as to principal and inter-  
30 est, from sales tax revenues authorized under this compact and disbursed  
31 to the district by counties comprising the district, admissions and other  
32 revenues collected from the use of any cultural facility or facilities con-  
33 structed hereunder, or from any other resources of the commission, and  
34 further may be secured by a mortgage or deed of trust upon any property  
35 interest of the commission; and

36 (4) prescribe the details of all notes, bonds or other instruments in  
37 writing, and of the issuance and sale thereof. The commission shall have  
38 the power to enter into covenants with the holders of such notes, bonds  
39 or other instruments in writing, not inconsistent with the powers granted  
40 herein, without further legislative authority.

41 (g) The commission shall appoint an advisory committee composed  
42 of members of the general public consisting of an equal number of per-  
43 sons from both the states of Kansas and Missouri who have demonstrated

1 interest, expertise, knowledge or experience in cultural organizations or  
2 activities. *Subject to the provisions of subsection (l), the advisory com-*  
3 *mittee shall make recommendations annually to the commission regard-*  
4 *ing donations, contributions and grants or other support, financial or oth-*  
5 *erwise, for or in aid of cultural organizations, facilities and activities in*  
6 *counties which are part of the district.*

7 (h) The commission may provide for actual and necessary expenses  
8 of commissioners and advisory committee members incurred in the per-  
9 formance of their official duties.

10 (i) The commission shall cause to be prepared annually a report on  
11 the operations and transactions conducted by the commission during the  
12 preceding year. The report shall be submitted to the legislatures and  
13 governors of the compacting states, to the governing bodies of the coun-  
14 ties comprising the district, and to the governing body of each city that  
15 appoints a commissioner. The commission shall publish the annual report  
16 in the official county newspaper of each of the counties comprising the  
17 district.

18 (j) The commission has the power to apply to the congress of the  
19 United States for its consent and approval of the compact. In the absence  
20 of the consent of congress and until consent is secured, the compact is  
21 binding upon the states of Kansas and Missouri in all respects permitted  
22 by law for the two states, without the consent of congress, for the purposes  
23 enumerated and in the manner provided in the compact.

24 (k) The commission has the power to perform all other necessary and  
25 incidental functions and duties and to exercise all other necessary and  
26 appropriate powers not inconsistent with the constitution or laws of the  
27 United States or of either of the states of Kansas or Missouri to effectuate  
28 the same.

29 (l) (1) *Except as provided by this subsection, at least 40% of all mon-*  
30 *eys expended by, or authorized to be expended by the commission, in the*  
31 *form of donations, contributions and grants or other financial support for,*  
32 *or in aid of, cultural organizations, facilities and activities within the*  
33 *district shall be expended within each party state.*

34 (2) *The provisions of this subsection shall not apply to the expenditure*  
35 *of nonpublic moneys derived from gifts, donations, bequests or other con-*  
36 *tributions which require a specific use as a condition of the receipt thereof.*

37 Article VII.—Finance

38 (a) The moneys necessary to finance the operation of the metropol-  
39 itan culture district and the execution of the powers, duties and respon-  
40 sibilities of the commission shall be appropriated to the commission by  
41 the counties comprising the district. The moneys to be appropriated to  
42 the commission shall be raised by the governing bodies of the respective  
43 counties by the levy of taxes as authorized by the legislatures of the re-



1 spective party states.

2 (b) The commission shall not incur any indebtedness or obligation of  
3 any kind; nor shall the commission pledge the credit of either or any of  
4 the counties comprising the district or either of the states party to this  
5 compact, except as authorized by article VI. The budget of the district  
6 shall be prepared, adopted and published as provided by law for other  
7 political subdivisions of the party states. No budget shall be adopted by  
8 the commission until it has been submitted to and reviewed by the gov-  
9 erning bodies of the counties comprising the district and the governing  
10 body of each city represented on the commission.

11 (c) The commission shall keep accurate accounts of all receipts and  
12 disbursements. The receipts and disbursements of the commission shall  
13 be audited yearly by a certified or licensed public accountant and the  
14 report of the audit shall be included in and become part of the annual  
15 report of the commission.

16 (d) The accounts of the commission shall be open at any reasonable  
17 time for inspection by duly authorized representatives of the compacting  
18 states, the counties comprising the district, the cities that appoint a com-  
19 missioner, and other persons authorized by the commission.

20 Article VIII.—Entry into Force

21 (a) This compact shall enter into force and become effective and  
22 binding upon the states of Kansas and Missouri when it has been enacted  
23 into law by the legislatures of the respective states.

24 (b) Amendments to the compact shall become effective upon enact-  
25 ment by the legislatures of the respective states.

26 Article IX.—Termination

27 This compact shall continue in force and remain binding upon a party  
28 state until its legislature shall have enacted a statute repealing the same  
29 and providing for the sending of formal written notice of enactment of  
30 such statute to the legislature of the other party state. Upon enactment  
31 of such a statute by the legislature of either party state, the sending of  
32 notice thereof to the other party state, and payment of any obligations  
33 which the metropolitan culture district commission may have incurred  
34 prior to the effective date of such statute, including, but not limited to,  
35 the retirement of any outstanding bonded indebtedness of the district,  
36 the agreement of the party states embodied in the compact shall be  
37 deemed fully executed, the compact shall be null and void and of no  
38 further force or effect, the metropolitan culture district shall be dissolved,  
39 and the metropolitan culture district commission shall be abolished.

40 Article X.—Construction and Severability

41 The provisions of this compact shall be liberally construed and shall be  
42 severable. If any phrase, clause, sentence or provision of this compact is  
43 declared to be contrary to the constitution of either of the party states or

1 of the United States or the applicability thereof to any government,  
2 agency, person or circumstance is held invalid, the validity of the remain-  
3 der of this compact and the applicability thereof to any government,  
4 agency, person or circumstance shall not be affected thereby. If this com-  
5 pact shall be held contrary to the constitution of either of the states party  
6 thereto, the compact shall thereby be nullified and voided and of no  
7 further force or effect.

8 Sec. 2. K.S.A. 12-2536 is hereby repealed.

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