

Approved 4-30-87
Date

MINUTES OF THE SENATE COMMITTEE ON LOCAL GOVERNMENT

The meeting was called to order by Senator Don Montgomery at
Chairperson

12:12 ~~xx~~/p.m. on April 3, 19 87 in room 531-N of the Capitol.

All members were present except:

Committee staff present: Jill Wolters, Mike Heim, Emalene Correll and Lila McClaflin

Conferees appearing before the committee:

The Chairman stated the purpose of the meeting was to consider action on bills that had previously been heard. He called attention to H.B. 2152, concerning county commissioners relating to powers and duties with respect to public improvements and bidding procedures.

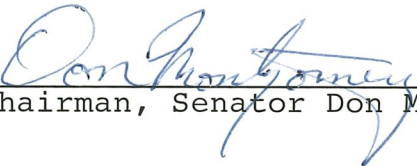
A motion was made by Senator Winter that H.B. 2152 be passed. The motion was seconded by Senator Bogina. The motion carried.

The Chairman then referred to H.B. 2480 and the Senate Substitute for H.B. 2480, that was adopted on April 2. Staff presented the bill as drafted. (ATTACHMENT I)

The Committee discussed the bill. Committee consensus was to have the bill referred to Ways and Means Committee and rereferred to Local Government Committee.

A motion was made by Senator Bogina to adopted the minutes of the March 31, 1987 meeting. The motion was seconded by Senator Ehrlich. The motion carried.

The meeting adjourned at 12:30 p.m., future meetings will be on call of the Chairman.


Chairman, Senator Don Montgomery

SENATE Substitute for HOUSE BILL NO. 2480

By Committee on Local Government

AN ACT concerning water districts; relating to lands annexed by cities; amending K.S.A. 1986 Supp. 12-527 and repealing the existing section.

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

Section 1. K.S.A. 1986 Supp. 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. 82a-612 et seq., and amendments thereto, the city shall negotiate with the district to acquire title to all facilities used for the transportation or utilization of water belonging to the water district. 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,--or--if--such--agreement--is--not--made,--then--as determined--by--the--city.--The--board--of--directors--of--any--such 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 by the district. The city may bring an action in the district court to determine the reasonableness of the value fixed and determined by any such city district.

~~(b)--Such--compensation--shall--include--an--amount--to--reimburse the--district--for--any--bonded--indebtedness--of--the--district--existing at--the--time--the--annexation--ordinance--took--effect--and--attributable to--the--annexed--area,--based--on--the--following--factors:~~

~~(1)--The--cost--of--the--construction--of--the--facilities--within the--annexed--area--in--proportion--to--the--construction--costs--for--the entire--district--at--the--time--of--annexation;~~

(2) ~~the number of benefit units connected to and served within the annexed area in proportion to the number of benefit units connected to and served by the entire district at the time of annexation; and~~

(3) ~~the current revenue received from benefit units within the annexed area in proportion to the current revenue received from all benefit units of the entire district at the time of annexation.~~

(b) The "reasonable value" of the property shall include, but not be limited to, the following factors:

(1) An amount to reimburse the district for any bonded indebtedness of the district existing at the time of payment by the city and attributable to the annexed area based upon the ratio of the benefit units in the annexed area compared with the total benefit units served by the district; and

(2) an amount to reimburse the district for all the facilities to be transferred to the city based upon the ratio of the benefit units in the annexed area compared with the total benefit units served by the district, applied to the original construction cost adjusted to the current construction value and depreciated at a straight line rate over a forty-year period. The depreciated reduction of value shall be applied for the actual number of years the system has been in service or 30 years whichever is the lessor of time expended; and

(3) an amount equal to the gross revenue loss for the immediate past one business year from those benefit units in the annexed area or the actual current benefit unit costs for those benefit units in the annexed area whichever is the greater.

(c) 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 60 days following the date ~~the city provides water to one or more benefit units who were supplied water by the district at the time of annexation~~ of the annexation ordinance, or at such later date

as may be mutually agreed upon by the city and the water district or as may be determined by the district court. ~~Payment of any such compensation shall be made on a basis which is in proportion to the number of benefit units within the annexed area which are connected to and served by the city and the total number of benefit units within the annexed area.~~ In no case shall the city provide water to one or more benefit units who were supplied water by the district until an agreement has been reached by the city and the district. The city, as part of its service extension plan required under the provisions of K.S.A. 12-520b and 12-521c, and amendments thereto, shall notify each affected rural water district of its future plans for the delivery of water in areas proposed for annexation currently being served by the district.

(d) The governing body of the city and board of directors of the district may provide, on such terms as may be agreed upon, that water transmission facilities owned by the district and located within the city may be retained by the district for the purpose of transporting water to benefit units outside the city.

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

Sec. 2. K.S.A. 1986 Supp. 12-527 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the Kansas register.