

Approved March 12, 1992
Date

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT

The meeting was called to order by REPRESENTATIVE M. J. JOHNSON at
Chairperson

1:33 ~~am~~/p.m. on MARCH 3, 1992 in room 521-S of the Capitol.

All members were present except:

Representative Carl Holmes, excused
Representative Walker Hendrix, excused

Committee staff present:

Mike Heim, Legislative Research Dept.
Theresa Kiernan, Revisor of Statutes
Connie Smith, Committee Secretary

Conferees appearing before the committee:

Jerry Ricksecker, Attorney for Hutchinson Industrial District No. 1
Representative Alex Scott
Representative David Heinemann
Tracy D. Streeter, Resource Administrator with the State Conservation
Commission
Beverly Bradley, Kansas Association of Counties

The Chair called for hearings on HB 3149.

HB 3149 - Industrial district; additional tax levy for certain services.

The Chair recognized Jerry Ricksecker, Attorney for Hutchinson Industrial District No. 1, who testified in support of HB 3149. He gave background and intent of the bill. This bill would make an amendment of K.S.A. 19-308, to allow the District to levy sufficient taxes to make the contract payment to the City of Hutchinson for fire protection. He introduced John Baldwin, President of HID #1 and Tom Rouse, Secretary of HID #1, to answer questions. (Attachment 1)

Mr. Ricksecker responded to questions from the committee.

There were no opponents and the Chair closed the hearing on HB 3149.

HB 2297 - Concerning tax levies in excess of the aggregate tax levy limitation.

Representative Alex Scott, testified in support of HB 2297 and provided written testimony. (Attachment 2) He said the primary reason for the limited publication is that the publication often uses up a substantial amount of the budget, perhaps more than the actual money spent in running the township government.

Representative Scott responded to questions from the committee.

Representative Brown asked Representative Scott if he would object to an amendment that would limit it to a budget under \$500. He said he had no objections.

Staff said the bill as it applies to all taxing districts is covered by the tax base. Your amendment will limit it to apply to townships with budgets under \$500 and that will cover quite a few townships.

There were no opponents to HB 2297.

Chair closed the hearing on HB 2297.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT

room 521-S, Statehouse, at 1:33 ~~am.~~^{XX}p.m. on MARCH 3, 1992

HB 2869 - Audits of conservation districts

Representative Heinemann gave background and intent of HB 2869. It provides that any conservation district with annual gross receipts of over \$275,000 shall be examined and audited by a certified public accountant or accountants at least once each year. Current law requires an annual audit of all conservation districts, regardless of annual gross receipts. He said he had discussed the various amendments and agreed with Mr. Streeter.

Tracy D. Streeter, Resource Administrator, testified in support of HB 2869 with proposed amendments. (Attachment 3). He said it will have no fiscal impact on the agency. Mr. Streeter responded to questions from the committee.

The Chair closed the hearing on HB 2869.

Chair called for discussion on HB 2663 (KACIR).

Staff provided to committee a balloon amendment to HB 2663 and gave an indepth review of the amendment. (Attachment 4)

There was a question and answer period concerning the proposed amendment.

Beverly Bradley, KAC, said they strongly support this as long as it is supported by the administrative branch as well as the legislative branch and they are willing to fund a portion of it.

Representative Brown moved to pass HB 2663 as amended. It was seconded by Representative Macy. Discussion followed. The motion carried.

The meeting was adjourned at 2:30 p.m.

MARTINDELL, SWEARER & SHAFFER

ATTORNEYS AT LAW

ROBERT C. MARTINDELL
JOHN H. SHAFFER
WILLIAM B. SWEARER
ELWIN F. CABBAGE
JERRY L. RICKSECKER
GERALD E. HERTACH
CHARLES D. LEE
FRANCIS E. MEISENHEIMER
ANDREW L. OSWALD
JOHN B. SWEARER
CAROLYN H. PATTERSON
JESS W. ARBUCKLE

Of counsel:
J. RICHARDS HUNTER
HARRY H. DUNN

Retired:
BILL R. COLE

HUTCHINSON OFFICE
400 WILEY BLDG.
P.O. BOX 1907
HUTCHINSON, KANSAS
67504-1907
316/662-3331
FAX: 316/662-9978

KINGMAN OFFICE
120 EAST A AVENUE
P.O. BOX 415
KINGMAN, KANSAS 67068
316/532-5158

March 5, 1992

Rep. Mary Jane Johnson
Statehouse, 426 S.
Topeka, KS 66612

RE: House Bill 3149

Dear Rep. Johnson:

Due to the short notice given regarding the above hearing held before your committee on Tuesday, March 3, Hutchinson Industrial District No. 1, Reno County, Kansas, was unable to prepare advance written testimony, and your assistant suggested that we submit same after the fact. Accordingly, as attorney for the District, I have prepared and enclose such written testimony for the legislative record.

If you should have any questions or need further information, please feel free to contact me.

Sincerely yours,


Jerry Ricksecker

JLR/ch

Enc.

cc: Rep. O'Neal
Sen. Kerr
John L. Baldwin

JLH.
3-3-92
attach. 1

LOCAL GOVERNMENT COMMITTEE HEARING
House Bill No. 3149
March 3, 1992

Madam Chairman and Members of the Committee:

I am Jerry Ricksecker, the attorney representing the Hutchinson Industrial District No. 1 of Reno County, Kansas. With me are John Baldwin, President of the District, and Tom Rouse, its secretary. Our purpose here today is to address a problem involving the District's authority to levy sufficient taxes to provide fire protection for its members, and to request an amendment of K.S.A. 19-3808 to correct the situation.

In 1988, the District entered into a contract with the City of Hutchinson which provides, among other things, for the City to provide fire protection for the members of the industrial district. In consideration thereof, the District makes an annual contract payment to the City, which amount fluctuates based upon various factors. At the time the contract was executed, the District was able to make the contract payment within the five mill levy limitation as set forth in KSA 19-3808(6).

However, the contract payment amount required has now increased beyond the five mill levy limit. Under the formula set forth in the contract, the amount received by the City of Hutchinson from Reno County, has decreased substantially and accordingly, the requisite contract payment amount from the District has correspondingly increased. In 1990, when it became apparent that the amount needed was going to exceed the five mill limit, the District sought advice from the Kansas Attorney General's office. From conversations with that office, it was thought that the Charter Resolution method was the proper approach to be utilized. The District thereupon proceeded to exempt itself from the levy limitation by utilizing a Charter Resolution according to statutory procedure, including publication of notice, and no opposition was registered by any parties or members of the District.

The District was recently notified, however, by the County Clerk of Reno County that he had received notification from the Director of Administration of the State of Kansas, advising that the five mill levy limit of K.S.A. 19-3808(6) cannot be increased by Charter Resolution. We then contacted the Department of Administration and they advised that the proper avenue would be to amend K.S.A. 19-3808 through the legislative process.

An alternative method of simply assessing each member for fire protection has been discounted as a solution for several

Local Government Committee Hearing
HB No. 3149
March 3, 1992

reasons. A tax based on assessed valuation is more fair and equitable because all members benefit from the fire protection, and should pay proratably. Taxation is a more uniform method than assessment, because the District would have not enforcement capabilities to require payment under the assessment approach. Accordingly, if not all members cooperated by voluntarily paying their assessment, other members would have to take up the slack, which would be unfair.

The District is therefore, upon the recommendation of the Department of Administration and the unanimous consent of all its board members, requesting an amendment of K.S.A. 19-3808, to allow the District to levy sufficient taxes to make the contract payment to the City of Hutchinson for fire protection.

In support of this amendment request, we are submitting a copy of the Special Minutes of the Board of Directors of Hutchinson Industrial District No. 1, Reno County, Kansas, held February 22, 1992, verifying that all board members approve and concur with the advisability of the amendment to K.S.A. 19-3808 for the levying of additional taxes within the District.

For your reference and information, we are also providing a copy of the 1991 roll call of District members, used in the 1991 biennial election. The asterisks supplied indicate those members of the District (companies or subsidiaries) which are represented on the Board of Directors and which comprise nearly 81% of the 1990 assessed valuation of the District.

Hutchinson Industrial District No. 1 is in favor of the passage of House Bill No. 3149.

Respectfully submitted,


Jerry Ricksecker

MINUTES OF SPECIAL MEETING
OF BOARD OF DIRECTORS
OF HUTCHINSON INDUSTRIAL DISTRICT NO. 1,
RENO COUNTY, KANSAS

The special meeting of the Board of Directors of Hutchinson Industrial District No. 1, Reno County, Kansas, was held in Hutchinson, Kansas, on the 22nd day of February, 1992.

The following persons, constituting the entire Board of Directors, were present in person or by proxy:

John L. Baldwin (Dillon Stores - Kansas Stores Div.)
Loren Alderson (Eaton Corporation)
Larry Sams (Collins Professional Cars)
Ed Sorenson (Union Equity Cooperative Exchange)
Doyle Ramsey (Republic Paperboard Co.)
Thomas J. Rouse (Superior Boiler Works, Inc.)

John L. Baldwin, President, presided at the meeting. Thereupon, a discussion was held regarding the problems associated with the funding of the contract with the City of Hutchinson, which, among other things, provides for fire protection for members of Hutchinson Industrial District No. 1. The District has been advised that the charter resolution approach is not available to avoid the five-mill levy limitation set forth in K.S.A. 19-3808(6). It appears that the proper and best way to proceed is by legislation to amend state law so that the District could levy sufficient taxes to make the contract payment. The District should therefore ask its local State representative to help with the passage of proper legislation to correct the problem with the contract.

Therefore, the following resolution was unanimously adopted:

RESOLUTION

WHEREAS, it is in the best interest of the Hutchinson Industrial District No. 1 that it be able to provide fire protection for the members of the said District; and

WHEREAS, fire protection is afforded by the City of Hutchinson by virtue of the contract by and between HID No. 1 and the City of Hutchinson; and


WHEREAS, because of the five-mill levy limitation set forth in K.S.A. 19-3808(6), HID No. 1 does not receive enough tax revenue to make contract payments to the City of Hutchinson due under the terms of the contract; and

Minutes of Special Meeting
HID No. 1
February 22, 1992

WHEREAS, the Board of Directors of HID No. 1 is unanimously in favor of legislation which would allow the District to levy such tax as is necessary to make the annual contract payments to the City of Hutchinson for fire protection and that such taxation should be in addition to the statutory five mill levy limitation above set forth;

BE IT RESOLVED, that the directors should be and hereby are authorized to engage the assistance of Michael R. O'Neal, Representative of the 104th District, in initiating legislation to amend K.S.A. 19-3808 and take any steps which may be necessary in connection with passage of such legislation.

There being no further business to come before the meeting, the meeting was adjourned.


Thomas J. Rouse, Secretary

HUTCHINSON INDUSTRIAL DISTRICT NO. 1 of Reno County, Kansas

1991 ROLL CALL OF OWNERS AND LESSEES
 (All 1990 Assessed Values)
 (Personal Property and Real Estate)

<u>NAME AND ADDRESS</u>	<u>1990 ASSESSED VALUATION</u>	<u>ELIGIBLE VOTES</u>
(a) Atchison Topeka & Santa Fe Railway Company Howard Houghton, Division Freight Agent 3215 East Avenue B Hutchinson, KS 67501-1883		
Atchison Topeka & Santa Fe Railway Co. General Attorney 920 Jackson Street Topeka, KS 66601	47,673	5
(b) Jefferson Melland Brown c/o Frank Huntsman 5630 Bayers Hill Road Manhattan, KS 66502-8912	324	1
(c) Bunge Corporation Gano Grain Division P.O. Box 3900 300 Southwest Blvd. Kansas City, KS 66103	262,190	27
cc: District General Manager P.O. Box 799 Hutchinson, KS 67504-0799		
(d) Hutchinson Salt Co. Max Liby 3300 Carey Boulevard Hutchinson, KS 67501	569,129	57
(e) Collins Professional Cars Larry Sams P.O. Box 2799 Hutchinson, KS 67504-2799	152,529 *	16
(f) Eaton Employees Activity c/o Eaton Corporation P.O. Box 1028 Hutchinson, KS 67504-1028	150,364 *	16
(g) City Beverage Co. John Stephens, President 311 S. Kirby, Box 685 Hutchinson, KS 67504-0685	132,978	11

	1990 ASSESSED VALUATION	ELIGIBLE VOTES
(h) Secretary of Corrections Landon State Office Building 900 SW Jackson, Suite 400-N Topeka, KS 66612	EXEMPT -0-	-0-
(i) City of Hutchinson c/o Dillon Stores P.O. Box 1608 Hutchinson, KS 67504-1608	306,287 *	31
(j) Dillon Stores Kansas Stores Division John L. Baldwin 2700 East Fourth P.O. Box 1608 Hutchinson, KS 67504-1608	2,951,842 *	296
(k) Eaton Corporation Eaton Center 1111 Superior Ave. East Cleveland, OH 44114 cc: Loren Alderson P.O. Box 1028 Hutchinson, KS 67504-1028	3,495,780 *	350
(l) Far-Mar-Co, Inc. P.O. Box 7305 Kansas City, MO 64116	1,032	1
(m) Farmland Industries, Inc. Bob Greenburg 3315 N. Oak Trafficway Kansas City, MO 64116	307,757	31
(n) Hutchinson & North Railway Co. Larry A. Schulte 1800 Carey Boulevard Hutchinson, KS 67501	25,725	3
(o) Hutchinson Industrial Dist. No. 1 c/o Jerry Ricksecker P.O. Box 1907 Hutchinson, KS 67504-1907	5,058 *	1
(p) Jackson Ice Cream Co., Inc. Robert Thiessen 2600 East Fourth P.O. Box 1386 Hutchinson, KS 67504-1386	960,573 *	97

Hutchinson Industrial District No. 1
 1991 Roll Call - Page 3 of 4

	1990 ASSESSED VALUATION	ELIGIBLE VOTES
(q) KANEB Pipeline Co. Mac Brown, Vice President 100 North Broadway, Suite 550 Wichita, KS 67202	205,098	21
(r) Kansas Power & Light Company P.O. Box 889 Topeka, KS 66601-0889	722,703*	73
cc: Harold Winnie, District Manager 200 West Second P.O. Box 1587 Hutchinson, KS 67504-1587		
(s) Midwest Iron and Metal Co., Inc. Ronald Galler, President 700 S. Main Street; P.O. Box 70 Hutchinson, KS 67504-0070	57,675	6
(t) Richard & W.E. Mullins c/o MGM Mfg., Inc. P.O. Box 18358 Wichita, KS 67218	38,730	4
(u) City of Hutchinson c/o PMS Foods P.O. Box 1099 Hutchinson, KS 67504-1099	351,402	36
(v) City of Hutchinson c/o PMS Foods P.O. Box 1099 Hutchinson, KS 67504-1099	158,100	16
(w) Northern Natural Gas) Now combined Plateau Natural Gas) into:		
Peoples Natural Gas Davis Neighbors 3424 East "G" P.O. Box 859 Hutchinson, KS 67504-0859	143,864	15
(x) Republic Paperboard Company P.O. Box 750 Dallas, TX 75221	767,153 *	77
cc: Joe Entress, Mill Manager 100 South Halstead P.O. Box 1267 Hutchinson, KS 67504-1267		

Hutchinson Industrial District No. 1
 1991 Roll Call - Page 4 of 4

	1990 ASSESSED VALUATION	ELIGIBLE VOTES
(y) Thomas D. Schuler 10033 Mountain Road Chipita Park, CO 80811	324	1
(z) Southwestern Bell Telephone Richard Shank Room 615 - First National Center Hutchinson, KS 67501	25,238	3
(aa) Superior Boiler Works, Inc. Tom Rouse, Vice President 3524 East Fourth P.O. Box 1527 Hutchinson, KS 67504-1527	211,523*	22
(bb) TECH, Inc. Maurice Cummings, President P.O. Box 399 Hutchinson, KS 67504-0399	EXEMPT -0-	-0-
(cc) Underground Vaults & Storage, Inc. President P.O. Box 1723 Hutchinson, KS 67504-1723	219,660	22
(dd) Union Equity Co-op Exchange P.O. Box 3408 Enid, OK 73702	991,551*	100
cc: Ed Sorenson P.O. Box 2859 Hutchinson, KS 67501		
(ee) Hutchinson Salt Co. c/o Underground Vaults & Storage, Inc. P.O. Box 1723 Hutchinson, KS 67504-1723	6,783	1
(ff) Williams Natural Gas Company John W. Lehmann, Region Manager 210 East 30th P.O. Box 2917 Hutchinson, KS 67504-2917	3,200	1
(gg) George A. Yocham Box 53 Burrton, KS 67020	372	1

TESTIMONY PRESENTED TO
HOUSE LOCAL GOVERNMENT COMMITTEE

HB 2297

March 3, 1992

Representative Alex Scott

Thank you Madam Chairperson for the opportunity to testify on HB 2297.

This bill was requested by several township officers in rural, lightly populated townships where they often have a budget of less than \$500 and their primary function was to maintain one or more cemeteries in a presentable manner and perhaps provide a place to hold their meetings. The substantive change in the bill, as it modifies current law, is to state on page 2, line 7 that publication should be "at least once in the official newspaper of the taxing subdivision or, if none, in a newspaper of general circulation in such subdivision".

Perhaps townships are anachronisms, however, they do exist and surprisingly exist in some very populous areas, even though county and city governments may totally embrace the township boundaries. As a consequence, publication of "at least once" might not fit that type township. The primary reason for the limited publication is that the publication often uses up a substantial amount of the budget, perhaps more than the actual money spent in running the township government.

I thank you for your attention. I stand for questions.

AS
3-3-92
Attach. 2



State Conservation Commission

109 S.W. 9TH STREET, SUITE 500

TELEPHONE (913) 296-3600

TOPEKA, KANSAS 66612-1299

HOUSE COMMITTEE ON LOCAL GOVERNMENT
HOUSE BILL 2869
MARCH 3, 1992

TESTIMONY BY:
TRACY D. STREETER
RESOURCE ADMINISTRATOR

The State Conservation Commission, in accordance with K.S.A. 2-1901 et seq., provides state administrative oversight and financial assistance to the one hundred-five (105) county conservation districts.

Conservation districts receive funds from county commissions ranging from \$4,200 in Edwards County to \$79,876 in Sedgwick County (Based upon 1991 Budgets). The county funds are matched by the State of Kansas up to \$7,500 annually. Conservation districts also earn income from equipment and building rents and the sale of seeds, trees and irrigation equipment.

Currently, each conservation district must provide for an annual audit of its accounts. The State Conservation Commission requires the audit to be conducted by a Certified Public Accountant or Licensed Municipal Public Accountant. The average cost per conservation district audit is approximately \$500. The State Conservation Commission requires the receipt of a satisfactory audit report as a prerequisite for a conservation district to receive future matching funds.

According to K.S.A. 75-1117, conservation districts are defined as a municipality. K.S.A. 75-1122 requires that all municipalities having aggregate annual gross receipts in excess of \$275,000 to have its accounts examined by a licensed municipal public accountant/s/ or certified public accountant/s/ at least once each year.

Based upon 1990 gross annual receipts, HB 2869, as written (and K.S.A. 75-1122), would require two (2) conservation districts (Ellis and Ness County) to have its accounts audited. The remaining 103 districts would not be required to provide for an audit of any kind and thus would enable those districts to utilize the approximately \$53,000 annually budgeted for an audit, for other budgeted activities.

The State Conservation Commission will be affected by the passage of HB 2869, as written. Satisfactory audit reports (Except for those districts exceeding \$275,000 in gross receipts) could no longer be utilized as a prerequisite for a conservation district to receive state matching funds. In addition, the Commission would be unable to monitor conservation district audit reports for the purposes of providing administrative assistance and being officially notified of violations to statutory provisions.

The State Conservation Commission recommends that HB 2869 be amended to include the changes as listed on the following page. The Commission believes the proposed amendments will provide a mechanism to ensure proper accountability of public moneys while continuing to meet the intent of the legislation as it is initially proposed.

LL
3-3-92
Attach .3

Proposed Amendment to HB 2869 (See Attachment 1)

- 1) Page 1 - Delete lines 12 - 16. Language appears to already exist in K.S.A. 75-1117 & 75-1122 (See Attachment 2). NOTE: The State Conservation Commission does not object to the language recommended for deletion. It is merely indicated that the language appears to be a duplication of existing statutes and deletion may be appropriate.
- 2) Page 2 - Delete lines 30 - 32.
- 3) Page 2 - Insert lines 30 - 32 as follows: "orders issued or adopted; and shall provide for a financial-compliance review of the accounts and receipts and disbursements as determined by the state conservation commission."

If HB 2869 were amended to include the recommended language, the State Conservation Commission, in cooperation with the Municipal Accounting Section of the Kansas Department of Administration, would develop procedures whereby conservation district accounts would be reviewed at least every three (3) years.

The State Conservation Commission, utilizing the established procedures, would be responsible for procuring a review of the conservation district accounts. The Commission would also be responsible for determining which districts to be reviewed annually and whom would conduct the reviews. It is envisioned that the financial-compliance reviews could be conducted in-house by the State Conservation Commission in conjunction with existing administrative visits to one-third of the districts annually. Additionally, contracting with Certified Public Accounting firms for multiple county reviews is considered as a viable alternative.

Thank you for the opportunity to explain the State Conservation Commission viewpoints on HB 2869. We urge your favorable consideration of the provisions of the bill as amended.

HOUSE BILL No. 2869

By Representative Heinemann

2-6

8 AN ACT concerning conservation districts; relating to audits thereof;
9 amending K.S.A. 2-1907 and repealing the existing section.

10
11 *Be it enacted by the Legislature of the State of Kansas:*

12 ~~New Section 1.--Any conservation district, established pursuant~~
13 ~~to K.S.A. 2-1901 et seq., and amendments thereto, having aggregate~~
14 ~~annual gross receipts in excess of \$275,000 shall have its accounts~~
15 ~~examined and audited by a certified public accountant or accountants~~
16 ~~at least once each year.~~

17 Sec. 2. K.S.A. 2-1907 is hereby amended to read as follows: 2-
18 1907. (a) The governing body of the district shall consist of five
19 supervisors all of whom are land occupiers who are qualified electors
20 residing within the district. The supervisors who are first elected
21 shall serve for terms of one, two and three years according to the
22 following plan: The two persons receiving the highest number of
23 votes in the election held under K.S.A. 2-1906, and amendments
24 thereto, shall hold office for three years; the two persons receiving
25 the next highest number of votes shall hold such office for a term
26 of two years and the remaining supervisor shall hold office for a
27 term of one year. In the event of a tie vote, such terms shall be
28 decided by lot. An annual meeting of all land occupiers who are
29 qualified electors shall be held in the month of January or February.
30 Notice of the time and place of such meeting shall be given by such
31 supervisors by publishing a notice in the official county paper once
32 each week for two consecutive weeks prior to the week in which
33 such meeting is to be held. At such meeting the supervisors shall
34 make full and due report of their activities and financial affairs since
35 the last annual meeting and shall conduct an election by secret ballot
36 of the land occupiers who are qualified electors there present for
37 the election of supervisors whose terms have expired. If no more
38 than one person is nominated for a position, the election may be
39 done by acclamation. ~~From and after July 1, 1989, directors Qual-~~
40 ~~ified electors~~ shall elect at the next annual meeting supervisors to
41 replace the supervisors whose terms shall expire that year. In the
42 event of a tie vote, such terms shall be decided by lot. Supervisors
43 shall serve for a term of three years. The selection of successors to

1 fill an unexpired term shall be by the remaining supervisors of the
 2 district. The supervisors shall designate a chairperson and may from
 3 time to time change such designation. A supervisor shall hold office
 4 until a successor has been elected or appointed and has qualified.
 5 A majority of the supervisors shall constitute a quorum and the
 6 concurrence of a majority of the supervisors in any matter within
 7 their duties shall be required for its determination.

8 (b) A supervisor shall receive no compensation for services, but
 9 may be entitled to expenses, including traveling expenses, necessarily
 10 incurred in the discharge of duties. The supervisors may employ a
 11 secretary, technical experts, and such other officers, agents, and
 12 employees, permanent and temporary, as they may require, and
 13 shall determine their qualifications, duties and compensation. The
 14 supervisors may call upon the county attorney of the county in which
 15 a major portion of the district lies, or the attorney general for such
 16 legal services as they may require. The supervisors may delegate to
 17 their chairperson, to one or more supervisors, or to one or more
 18 agents, or employees such powers and duties as they may deem
 19 proper.

20 (c) The supervisors shall furnish to the state conservation com-
 21 mission, upon request, copies of such rules, regulations, orders,
 22 contracts, forms, and other documents as they shall adopt or employ,
 23 and such other information concerning their activities as it may
 24 require in the performance of its duties under this act.

25 (d) The supervisors shall provide for the execution of surety
 26 bonds for all employees and officers who shall be entrusted with
 27 funds or property; shall provide for the keeping of a full and accurate
 28 record of all proceedings and of all resolutions, regulations, and
 29 ~~orders issued or adopted; and shall provide for an annual audit, if~~
 30 ~~required pursuant to section 1, of the accounts and receipts and~~
 31 ~~disbursements.~~

orders issued or adopted; and shall provide for a
 financial-compliance review of the accounts and
 receipts and disbursements as determined by the
 state conservation commission.

32 (e) Any supervisor may be removed by the state conservation
 33 commission upon notice and hearing in accordance with the provi-
 34 sions of the Kansas administrative procedure act, for neglect of duty
 35 or malfeasance in office, but for no other reason.

36 (f) The supervisors may invite the legislative body of any mu-
 37 nicipality or county located near the territory comprised within the
 38 district to designate a representative to advise and consult with the
 39 supervisors of the district on all questions of program and policy
 40 which may affect the property, water supply, or other interests of
 41 such municipality or county.

42 Sec. 3. K.S.A. 2-1907 is hereby repealed.
 43

346

- 1 Sec. 4. This act shall take effect and be in force from and after
- 2 its publication in the statute book.

3-5

75-1107 STATE DEPARTMENTS; PUBLIC OFFICERS AND EMPLOYEES**75-1107.**

History: L. 1917, ch. 309, § 9; R.S. 1923, 75-1107; Repealed, L. 1951, ch. 445, § 1; June 30.

75-1108.

History: L. 1917, ch. 309, § 10; R.S. 1923, 75-1108; Repealed, L. 1953, ch. 375, § 95; July 1.

Revisor's Note:

Later act, see 75-3904.

75-1109.

History: L. 1905, ch. 490, § 11; R.S. 1923, 75-1109; Repealed, L. 1925, ch. 260, § 21; July 1.

75-1110.

History: L. 1905, ch. 490, § 12; R.S. 1923, 75-1110; Repealed, L. 1953, ch. 375, § 95; July 1.

75-1111.

History: L. 1935, ch. 275, § 1; L. 1937, ch. 329, § 16; L. 1943, ch. 274, § 3; L. 1945, ch. 319, § 2; Repealed, L. 1953, ch. 375, § 95; July 1.

75-1112.

History: L. 1935, ch. 275, § 2; Repealed, L. 1951, ch. 445, § 1; June 30.

75-1113.

History: L. 1935, ch. 275, § 3; L. 1943, ch. 277, § 10; L. 1945, ch. 319, § 3; Repealed, L. 1953, ch. 375, § 95; July 1.

75-1114, 75-1115.

History: L. 1935, ch. 275, §§ 4, 5; Repealed, L. 1953, ch. 375, § 95; July 1.

Revisor's Note:

Later act, see 75-3803.

75-1116.**Revisor's Note:**

Transferred to 75-3811.

75-1117. Municipality defined. As used in this act, unless the context otherwise requires, "municipality" means any county, township, city, municipal university, unified school district, library district, improvement district, drainage district, cemetery district, industrial district, irrigation district, park and recreation district, **conservation district**, extension council, airport or building authority, fire district, lighting district, park district, sewer district, watershed district, community junior college, groundwater management district, rural water district, zoning board, municipal en-

ergy agency or intergovernmental or joint agency, including all boards, commissions, committees, bureaus and departments of such municipalities charged with the management or administration of recreation activities, parks, hospitals, libraries, cemeteries, pensions, public improvements or any other public activities maintained or subsidized with public funds and any municipally owned or operated utility, firemen's relief association, or public or quasi-public corporation entitled to receive and hold public moneys pursuant to any provision of state law authorizing such public or quasi-public corporation to collect or receive such public moneys.

History: L. 1935, ch. 275, § 7; L. 1978, ch. 334, § 1; July 1.

Attorney General's Opinions:

Open public records; municipally owned utilities. 81-52.

Municipal accounting board; use of generally accepted accounting principles. 81-231.

75-1118.

History: L. 1935, ch. 275, § 8; L. 1953, ch. 375, § 87; L. 1967, ch. 441, § 1; L. 1974, ch. 364, § 17; L. 1975, ch. 433, § 1; L. 1978, ch. 335, § 1; L. 1982, ch. 349, § 1; Repealed, L. 1988, ch. 301, § 33; July 1.

75-1119. Municipal public accountants; licenses, renewal, revocation, issuance of original prohibited; board of accountancy, rules and regulations, powers; authority of director of accounts and reports. (a) The board of accountancy shall adopt rules and regulations governing the renewal and revocation of licenses of licensed municipal public accountants. Such licenses shall be renewed for a two-year period from July 1 of the year of renewal and may be renewed at the discretion and under the rules and regulations of the board of accountancy. The rules and regulations of the state municipal accounting board governing the renewal and revocation of licenses of licensed municipal public accountants in existence on the effective date of this act shall continue to be effective and shall be deemed to be the rules and regulations of the board of accountancy until revised, amended, repealed or nullified pursuant to law. All other rules and regulations of the state municipal accounting board shall continue in existence until revised, amended, repealed or nullified by the director of accounts and reports pursuant to law.

(b) The chairperson of the board of accountancy is hereby authorized to administer oaths, issue subpoenas and take testimony of

75-1121 STATE DEPARTMENTS; PUBLIC OFFICERS AND EMPLOYEES

budget laws of this state and are of no significant value to the governing body or members of the general public of the municipality. No governing body of a municipality shall request the waiver or adopt the resolution authorized under this subsection if the provisions of revenue bond ordinances or resolutions or other ordinances or resolutions of the municipality require financial statements and financial reports to be prepared in conformity with the requirements of subsection (a). The governing body of any municipality which is granted a waiver under this subsection shall cause financial statements and financial reports of the municipality to be prepared on the basis of cash receipts and disbursements as adjusted to show compliance with the cash basis and budget laws of this state.

(2) The provisions of this subsection do not apply to community colleges.

(d) The director of accounts and reports shall waive the requirements of law relating to the preparation and maintenance of fixed asset records upon request therefor by the board of trustees of any community college. The waiver shall be granted to the extent and for the period of time requested by the board of trustees. Nothing contained in this subsection shall be construed so as to exempt any community college from compliance with the provisions of K.S.A. 71-211 which requires the use by all community colleges of a standardized and uniform chart of accounts.

History: L. 1978, ch. 334, § 5; L. 1979, ch. 279, § 1; L. 1981, ch. 327, § 1; L. 1982, ch. 348, § 1; April 29.

Attorney General's Opinions:

Open public records; municipally owned utilities. 81-52.

Municipal accounting board; use of generally accepted accounting principles. 81-231.

75-1121. Duties of director of accounts and reports. The director of accounts and reports shall:

(a) Formulate, devise and prescribe a system of fiscal procedure, auditing, accounting and reporting for municipalities, applicable to those municipalities required by K.S.A. 75-1122, and amendments thereto, to have their accounts examined and audited at least once each year.

(b) Adopt rules and regulations to carry out the provisions of this act and, from time to time, to make, change, amend and enforce such system and forms of accounting and reporting and rules or regulations. All rules and

regulations of the auditor of state adopted under authority of this section that are in effect on the effective date of this act shall remain in full force and effect until amended or nullified by the director of accounts and reports as provided by law. No rules and regulations adopted pursuant to the provisions of this section shall prescribe any system of fiscal procedure or require the governing body of any municipality to have its accounts examined and audited unless such municipality is required to have its accounts examined and audited under the provisions of K.S.A. 75-1122, and amendments thereto.

(c) Conduct either in person or by representatives such investigation as the director may deem necessary to determine if this act and the regulations issued pursuant thereto are being fully complied with.

History: L. 1935, ch. 275, § 11; L. 1953, ch. 375, § 88; L. 1974, ch. 364, § 18; L. 1978, ch. 334, § 4; L. 1988, ch. 301, § 22; July 1.

Attorney General's Opinions:

Municipal accounting board; use of generally accepted accounting principles. 81-231.

75-1122. Annual audits of school districts and certain municipalities; township exemption; assistance from division of accounts and reports. (a) The governing body of every unified school district and the governing body of all other municipalities either having aggregate annual gross receipts in excess of \$275,000 or which has general obligation or revenue bonds outstanding in excess of \$275,000 shall have its accounts examined and audited by a licensed municipal public accountant or accountants or certified public accountant or accountants at least once each year. In the case of school districts, all tax and other funds such as activity funds and accounts shall also be examined and audited.

(b) Any municipality required to have an annual audit for the first time under this section shall be exempt from the requirement if the municipality sends to the division of accounts and reports a written request for assistance in complying with the required accounting procedures of K.S.A. 75-1121, and amendments thereto. The exemption shall continue until the assistance is rendered by the division of accounts and reports.

(c) The governing body of any city of the third class required to have its accounts examined and audited pursuant to the provisions of this section shall annually determine the to-

HOUSE BILL No. 2663

By Special Committee on Assessment and Taxation

Re Proposal No. 3

12-23

Handwritten:
3-3-92
Attach. 4

10 AN ACT establishing the Kansas advisory council on intergovern-
11 mental relations; prescribing the powers and duties thereof.

12
13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. (a) There is hereby created the Kansas advisory coun-
15 cil on intergovernmental relations. The council shall be composed
16 of 15 members of whom 11 shall be appointed by the governor as
17 follows: (1) Two members shall be elected county officials ~~of which,~~ ✓
18 ~~one~~ shall be a member of a board of county commissioners; (2) two ✓
19 members shall be elected city officials; (3) one member shall be an
20 elected township official; (4) one member shall be an elected school
21 board member; (5) two members shall be ~~executive branch~~ officials;
22 and (6) three members shall be private citizens. Two members of
23 the council shall be members of the Kansas senate and shall be
24 appointed by the president of the senate and two members of the
25 council shall be members of the Kansas house of representatives and
26 shall be appointed by the speaker of the house. City, county, town-
27 ship and school board members shall be appointed from lists of at
28 least five nominees submitted by their respective state organizations.
29 ~~Of each class of local government~~ members appointed by the gov-
30 ernor, not more than half shall be from any one political party. The
31 members appointed from the private sector shall be appointed with-
32 out regard to political affiliation. ~~Of each class of state members~~
33 appointed by the president of the senate and speaker of the house, ✓
34 ~~two shall be~~ from the minority party of their respective houses.

[] at least one

[] state

[] the county officer

[] Members

[] shall include one member from the majority party and one member

35 (b) Of the first members appointed by the governor after the
36 effective date of this act, one member of each elected position, one
37 executive branch member and one private citizen shall hold office
38 for terms of two years. Legislative members shall be appointed to
39 terms which correspond to their terms of office. The remaining
40 members, and members subsequently appointed, shall be appointed
41 for a period of four years. All members may be reappointed. Should
42 any member cease to be a member of the unit, body or agency such
43 person is appointed to represent, such person's membership on the

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1 council shall terminate immediately and a new member shall be
2 appointed in the same manner as the predecessor to fill the unexpired
3 term.

4 (c) The council shall elect one member as chairperson and one
5 member as vice-chairperson who shall serve one year and until their
6 successors have been elected. If both the chairperson and vice-
7 chairperson are absent from any meeting, the voting members pres-
8 ent shall elect a temporary chairperson by a majority vote.

9 Sec. 2. It is hereby declared that there is a need for a permanent
10 intergovernmental body which may:

11 (a) Serve as a forum for the discussion and study of intergov-
12 ernmental issues;

13 (b) encourage, ~~on its own initiative, ways and means of fostering~~
14 better relations among local governments and among local units of
15 government;

and foster

units of government and between the state
and

16 (c) to the extent not otherwise provided by law, evaluate on a
17 continuous basis the interrelationships among local, regional, state,
18 interstate and federal agencies in the provision of public services to
19 the citizens of Kansas and, as appropriate, prepare studies and rec-
20 ommendations to improve organizational structure, operational effi-
21 ciency, allocation of functional responsibilities, delivery of services
22 and related matters;

; (d)

23 ~~(d)~~ analyze the structure, functions, revenue requirements and
24 fiscal policies of Kansas and its political subdivisions; conduct studies
25 of economic, administrative, tax and revenue matters for all levels
26 of state government and make recommendations for improvement;

(e)

27 ~~(e)~~ examine proposed and existing federal and state programs,
28 assess their impact upon Kansas and its political subdivisions, and
29 provide assessments and recommendations, when appropriate, to the
30 legislature, the governor or any group, public or private, whose
31 activities affect intergovernmental relations;

(f)

and mandates

32 ~~(f)~~ encourage and, when appropriate, coordinate studies relating
33 to intergovernmental relations conducted by universities, state, local
34 and federal agencies and research and consulting organizations;

(g)

35 ~~(g)~~ review the recommendations of national commissions studying
36 federal, state and local governmental relations and problems and
37 assess their possible application to Kansas;

(h)

38 ~~(h)~~ draft and disseminate legislative bills, constitutional amend-
39 ments and model local ordinances necessary to implement recom-
40 mendations of the national advisory commission on intergovernmental

(i)

and mandates

41 relations and other national organizations. All recommendations re-
42 quiring statutory changes shall be in legislative bill form. Recom-
43 mendations requiring constitutional changes shall contain the

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1 language of the proposed amendments and laws to implement the
2 same. All proposed bills and constitutional amendments shall have
3 received approval as to form by the office of the revisor of statutes
4 prior to transmission thereof to the legislative coordinating council;

5 ~~(i) undertake special requests of review and study as recom-~~
6 ~~mended by the legislature; and~~

(j) review and study such matters as may be requested

7 ~~(j) make an annual report in writing to the governor and the~~
8 legislature. Such report shall be transmitted to the legislative co-
9 ordinating council on or before December 1, for inclusion, as the
10 coordinating council may determine, in its annual report.

(k)

11 Sec. 3. (a) The council shall hold meetings at least semiannually
12 and may meet at such other times as deemed necessary or upon the
13 call of the chairperson. The council may hold hearings from time to
14 time on matters within its purview that it deems to be in the public
15 interest. All meetings and hearings shall be open to the public.

16 (b) Each officer, board, commission or department of state gov-
17 ernment or of any local government shall make available to the
18 advisory council all facts, records, information and data requested
19 by the council and in all ways cooperate with the council in carrying
20 out its duties imposed by this act.

21 (c) The council may establish committees as deemed advisable
22 and feasible, the membership of which may or may not be made
23 up, in whole, from members of the council.

24 Sec. 4. (a) The legislature shall make annual appropriations to
25 finance the activities of the advisory council consistent with the
26 general welfare of the state.

from the state general fund

a portion of

27 (b) The advisory council is hereby authorized to engage an ex-
28 ecutive secretary, counsel, expert advisors and other employees as
29 may be necessary to carry out the duties of the commission. Such
30 persons shall be within the unclassified service of the Kansas civil
31 service act and their compensation shall be determined by the council
32 within the limits of appropriations made therefor.

33 (c) Upon request of the council, the director of architectural
34 services shall provide quarters for the advisory council and its staff.

35 (d) Members of the council attending regular or special meetings
36 thereof shall be paid compensation, subsistence allowances, mileage
37 and other expenses as provided in K.S.A. 75-3223, and amendments
38 thereto.

39 Sec. 5. The advisory council may adopt such rules and regula-
40 tions, consistent with this act, as may be necessary to carry out its
41 assigned functions.

42 Sec. 6. In 1998, and every five years thereafter, the legislature
43 shall review and evaluate the effectiveness and need of the Kansas

- 1 advisory council on intergovernmental relations.
- 2 Sec. ~~7~~. This act shall take effect and be in force from and after
- 3 its publication in the statute book.

See attached - Sec. 7.

9

44

Sec. 7. K.S. 1991 Supp. 79-2959 is hereby amended to read as follows: 79-2959. (a) There is hereby created the local ad valorem tax reduction fund. All moneys transferred or credited to such fund under the provisions of this act or any other law shall be apportioned and distributed in the manner provided herein.

(b) On January 15 and on July 15 of each year, the director of accounts and reports shall make transfers in equal amounts which in the aggregate equal 4.5% of the total retail sales and compensating taxes credited to the state general fund pursuant to articles 36 and 37 of chapter 79 of Kansas Statutes Annotated and acts amendatory thereof and supplemental thereto during the preceding calendar year from the state general fund to the local ad valorem tax reduction fund, except that such transfers are subject to reduction under K.S.A. 1991 Supp. 75-6704, and amendments thereto. All transfers made in accordance with the provisions of this section shall be considered to be demand transfers from the state general fund.

(c) Subject to the provisions of subsection (d), the state treasurer shall apportion and pay the amounts transferred under subsection (b) to the several county treasurers on January 15 and on July 15 in each year as follows: (1) Sixty-five percent of the amount to be distributed shall be apportioned on the basis of the population figures of the counties certified to the secretary of state pursuant to K.S.A. 11-201 and amendments thereto on July 1 of the preceding year; and (2) thirty-five percent of such amount shall be apportioned on the basis of the equalized assessed tangible valuations on the tax rolls of the counties on November 1 of the preceding year as certified by the director of property valuation.

(d) Prior to any distribution pursuant to subsection (c),
the state treasurer shall transfer an amount equal to 1/2 of the

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amount appropriated by the legislature from the state general fund to finance the Kansas advisory council on intergovernmental relations, as certified by the director of the budget, to the Kansas advisory council on intergovernmental relations. No moneys shall be transferred pursuant to this subsection if the

legislature fails to appropriate any state general fund money to
finance the Kansas advisory council on intergovernmental
relations.

Sec. 8. K.S.A. 1991 Supp. 79-2959 is hereby repealed.