

Approved: 3-7-95
Date

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT.

The meeting was called to order by Chairperson Kent Glasscock at 1:30 p.m. on February 23, 1995 in Room 521-S of the Capitol.

All members were present except:

Committee staff present: Mike Heim, Legislative Research Department
Theresa Kiernan, Revisor of Statutes
Fulva Seufert, Committee Secretary

Conferees appearing before the committee: Elmer Ronnebaum, General Manager, Kansas Rural Water Association, Seneca, Kansas
John Hennessy, Chairman, Public Wholesale Water Supply District No. 13, Fulton, Kansas
Representative Ed McKechnie
Tracy Streeter, Resource Administrator for State Conservation Commission
Jerry Wendt, Tri-County Airport Authority (Written Only)
Barbara Matson, Mayor of Herington, Kansas
Dr. William Elliott, Tri-County Airport Authority, Herington
John Carder, City Manager, The City of Herington, Kansas
Timothy F. Rogers, A.A.E., Executive Director, Salina Airport Authority
Jan Matthew Oleen, Morris County Counselor
Jim Lee, Morris County Commissioner
Art Albrecht, Chairman, Morris County Commissioners

Others attending: See attached list

Chairman Glasscock opened the meeting at 1:30 p.m. The minutes of the February 20, 1995 meeting were distributed. Representative Sloan moved that the February 20, 1995 minutes be approved. Representative Grant seconded. Motion passed.

The Chairman announced the public hearing for **HB 2403**.

HB 2403: Water supply and distribution districts, adjacent states.

Chairman Glasscock introduced the first conferee, Elmer Ronnebaum, General Manager of the Kansas Rural Water Association, who urged support of **HB 2403**. He said they support the regionalization of public water systems in Kansas whenever such projects provide benefits that otherwise cannot be achieved when systems function independently. He said that **HB 2403** will provide that water utilities outside of the State of Kansas have similar status of Kansas water utilities which choose to be members of Public Wholesale Water Supply Districts. (Attachment 1).

Next, Mr. John Hennessy of the Public Wholesale Water Supply District No. 13, Fulton, Kansas, spoke in support of **HB 2403** because he said that it corrects the oversight which restricts non-Kansas entities from being voting members of Public Wholesale Water Supply District No. 13. (Attachment 2).

There being no additional conferees, Chairman Glasscock closed the public hearing on **HB 2403**.

Chairman Glasscock opened the public hearing for **HB 2281**.

HB 2281: An Act concerning watershed districts; relating to establishment of districts in certain counties; amending K.S.A. 24-1203 and 24-1214 and repealing the existing section.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT, Room 521-S Statehouse, at 1:30 p.m. on February 23, 1995.

The Chairman recognized Representative McKechnie who testified as a proponent for **HB 2281**. After presenting a brief history about how Crawford County, Kansas has experienced two major floods, he presented a compromise of language that allows for the Board of County Commissioners to place on a county-wide ballot the creation of a watershed district, only if the Governor has declared the area a disaster area due to flooding in the past 5 years. He said that there are safeguards built into **HB 2281** to protect land owners and to provide flood safety to residents while giving local officials another tool to solve a major problem. (Attachment 3).

The Chairman introduced Mr. Tracy Streeter, Resource Administrator for the State Conservation Commission, who spoke in favor of **HB 2281**. He did not have any written testimony, but said he could provide it if necessary. He said that he basically became involved in **HB 2281** when Representative McKechnie had contacted Kenneth Kerr, the Director, to go over the original draft. Then the recommended amendments were reviewed not only by the State Conservation Commission, but by the Department of Agriculture Division of Water Resources because they have a substantial amount of authority in regulating the election processes for the formation of water districts.

There being no other conferees, the Chairman announced that the public hearing for **HB 2281** was closed.

Chairman Glasscock requested that the Committee turn its attention to **HB 2484**.

HB 2484: Certain airport authorities; relating to tax exemptions.

The Chairman told the Committee that he had a fiscal note from the Director of the Budget, Gloria Timmer, which indicates that **HB 2484** would result in a reduction of property taxes to the state although an estimate of the fiscal effect is not yet available from revenue. He said that because of the school finance formula and the state-wide mill levy, some fiscal impact obviously would be felt.

Chairman Glasscock recognized Barbara Matson, Mayor of Herington, Kansas, who presented Jerry Wendt's written testimony as a proponent for **HB 2484**. The testimony basically gave a brief history of the Tri-County Airport in Herington, Kansas. She closed by saying that the airport has had a significant impact on the area and promises to continue to be vital to the future economic health of the tri-county area. She also said that they receive no tax money, local, state or federal, to operate this complex, and would appreciate support of this legislation. (Attachment 4).

The Chairman introduced Dr. William Elliott of the Tri-County Airport Authority, who spoke in favor of **HB 2484**. He said that he was particularly concerned about the inequity of the airport property taxes. (Attachment 5).

The Chairman recognized John Carder, City Manager of the City of Herington, Kansas, who appeared as a proponent for **HB 2484**. He summarized the following important points for granting of tax exempt status to the Tri-County Airport: 1) important part of the local economy with the potential to be as important in the future, 2) intent of the federal government that the airbase and the associated properties would be used to insure the continued existence of a general aviation facility to serve the area, 3) airport authority has limited resources to maintain and improve the airport, 4) with a budget of only \$47,000 per year and with a tax obligation of \$3,800 per year, airport is suffering, 5) fairness and equity. (Attachment 6).

The next testimony was presented by Timothy F. Rogers, Executive Director of the Salina Airport Authority, who spoke in support of **HB 2484**. He said that the change to K.S.A. 27-319 would be consistent with the Legislature's action in 1992 to adopt a more uniform policy regarding the tax exemption status of Kansas airport authorities. He also said that in 1992, the Legislature passed **SB 629** which added the exemption of airport properties from property taxation. **SB 629** set limits on airport authority property tax exemptions. He said that **HB 2484** would provide the Tri-County Public Airport Authority with the same clarification. (Attachment 7).

The Chairman introduced Jan Matthew Oleen, Morris County Counselor, who opposed **HB 2484** as it is written because he said that it circumvents established case law in this area of taxation and provides a statutory exemption that benefits a few at the expense of the many. He further stated that in the short time since **HB 2484** has been proposed, Morris County has been contacted by many county citizens who are in opposition to **HB 2484**. He said that they believe that the benefits provided by those entities receiving Tri-County tax dollars far outweigh any benefits that could feasibly be provided to the county by Tri-County if it were given a tax exemption. (Attachment 8).

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT, Room 521-S Statehouse, at 1:30 p.m. on February 23, 1995.

The next conferee was Jim Lee, Morris County Commissioner, who opposed the portion of **HB 2484** which relates to the exemption from the payment of ad valorem taxes by the Tri-County Public Airport Authority. (Attachment 9).

Chairman Glasscock recognized Art Albrecht, Chairman of the Morris County Commissioners, who testified as an opponent of **HB 2484**. He was concerned about the two school districts, #487 and #481. He said that the Herington School District #487 would lose \$2,600 annually. He also said that School District #481 which includes the two schools of Hope and White City, are upset because they thought the problem was resolved four years ago and that District #481 would lose \$900 per year. (Attachment 10).

There being no other conferees, Chairman Glasscock closed the public hearing on **HB 2484**.

Chairman Glasscock asked the Committee to turn its attention to **HB 2209**.

HB 2209: An Act concerning municipalities; relating to the issuance of certain bonds; amending K.S.. 25-620 and repealing the existing section.

Representative Mays moved that **HB 2209** be passed favorably. Representative Sloan seconded.

Representative Mays said that he believed that some of the language needed to be cleaned up. Suggested that in line 19 to strike out everything before the period and insert interest to be paid over the life of bonds.

Representative Mays moved that **HB 2209** be amended to strike out everything before the period in line 29 and insert interest to be paid over the life of the bonds and in line 30, change the second amount to interest rate. Representative Sloan seconded. Motion passed.

Representative Mays moved that **HB 2209** be amended further in lines 33 through 35 to say the projected amount of expenses including but not limited to attorney's fees, underwriting fees, and cost of printing such bonds. Representative Sloan seconded. Motion passed.

Representative Mays moved that **HB 2209** be amended in line 38 to say the projected annual rate of taxation and source of taxation . Representative Toplikar seconded.

Representative Mays made a substitute motion to move that in line 38 of **HB 2209** to insert the annual rate of taxation and source of such taxation necessary to retire the bonds. Representative Toplikar seconded. Motion passed.

In amendment number 4, Representative Mays moved to eliminate on page 2, (b), lines 34, 35, 36, and 37 which makes it not necessary to be printed on the ballot, but it would still be public information . Welshimer seconded. Motion passed.

Representative Mays said that there is a bill floating around that he believes is in Federal and State Committee which would prohibit use of government funds to promote passage of a bond issue aside from what's requested by law, and he moved that this be included in **HB 2209**. Representative Toplikar seconded.

Discussion followed. The Chairman cautioned against amending parts of other bills by asking the Committee to be careful. Representative Mays withdrew his last amendment.

Representative Sloan moved to make a new section 2 by adding that nothing in this statute shall constitute grounds to challenge the validity of the election on or the issuance of such bonds if the governing body has made a good faith effort to make accurate projections based upon the information available to the governing body at the time of making such projections. Representative Grant seconded.

The Chairman asked Representative Graeber if he would like to address **HB 2209**. He thanked the Committee and said that he could live with the amendments. He also said that his purpose was nothing more than trying to bring a disclosure to the general public when the public is asked to vote and approve a bond issue. He said that he certainly had no secret agenda, and that it was simply an opportunity to bring to the people disclosure as to bond issues. He said that he thought Representative Sloan's amendment was an excellent one.

Representative Sloan's amendment to **HB 2209** passed.

Chairman Glasscock asked for a vote on Representative Mays' motion for **HB 2209** as amended. Motion passed. (Attachment 11)

The Chairman asked the Committee to turn its attention to **HB 2403**.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT, Room 521-S Statehouse, at 1:30 p.m. on February 23, 1995.

HB 2403: **Water supply and distribution districts, adjacent states.**

Representative moved that **HB 2403** be passed out favorably. Representative Sloan seconded. Motion passed.

The Committee next turned to **HB 2281**.

HB 2281: **An Act concerning watershed districts.**

Representative Sloan moved that **HB 2281** be passed out as amended. Representative Toelkes seconded. Motion passed.

The Committee turned its attention to **HB 2484**.

HB 2484: **Certain airport authorities; relating to tax exemptions.**

Representative Sloan moved that **HB 2484** be moved out favorable for passage. Representative Feuerborn seconded.

Representative Sloan moved that **HB 2484** be amended on page 2, line 20 to omit the sentence beginning with all property taxes. Representative Beggs seconded. Motion passed.

Representative Tomlinson as a point of personal privilege wanted to go on record as abstaining from all discussion and all action on **HB 2484**.

After some discussion, Representative Hayzlett moved in a substitute motion to table **HB 2484** for further study by an interim committee. Representative Luthi seconded. Motion passed.

The Chairman asked the Committee to turn its attention to **HB 2358**.

HB 2358: **An Act concerning recreation commissions; requiring the election of members.**

Representative Powers moved that **HB 2358** be reported out of committee adversely. Representative Beggs seconded.

Representative Mays said that he personally had an aversion to this method and wanted to offer a substitute motion.

Representative Mays moved in a substitute motion to table **HB 2358**, and Representative Tomlinson seconded. Motion passed.

The meeting was adjourned at 3:05 p.m.

The next meeting is scheduled for March 7, 1995.

LOCAL GOVERNMENT COMMITTEE GUEST LIST

DATE: THURSDAY, FEBRUARY 23, 1995

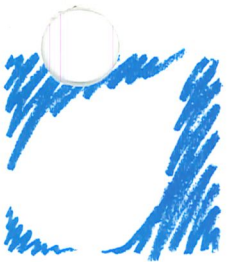
NAME	REPRESENTING
John J. Hennessy	PMM 13
Elmer Bonnerbaum	KS RURAL WATER Bd
Timothy F. Rogers	Caline Airport Authority
Michelle Garrett	MORRIS County
Jim Lee	MORRIS COUNTY
Art Albrecht	Morris County
Matt Olean	MORRIS COUNTY
John	ok Co.
Roy Miller	Bates County
Paul K. Fogle	Home mo.
Mike	The Henry Line
J. H. Edmonson	Des Moines Authority
Wm D. Zieroth	Newington KS
GEORGE AUSTIN	DIV OF WATER RES.
John Carder	City of Herington
Kathy Strick	State Cons Comm
Dave Waldo	KDHE
LAURA KELLY	KRPA
Gerry Ray	Johnson Co Comm & City of Overland

Harry Herington

Anne Spiess

League of KS municipalities

Ks. Assoc of Counties



KANSAS
RURAL
WATER
association

Quality water, quality life

P.O. Box 226 • Seneca, KS 66538 • 913/336-3760 • FAX 913/336-2751

COMMENTS ON
HOUSE BILL No. 2403
BEFORE THE HOUSE LOCAL GOVERNMENT COMMITTEE
February 23, 1995

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to present comments on House Bill No. 2403. I am Elmer Ronnebaum, General Manager for the Kansas Rural Water Association.

The Kansas Rural Water Association supports House Bill No. 2403. We support the regionalization of public water systems in Kansas whenever such projects provide benefits that otherwise cannot be achieved when systems function independently. HB 2403 will provide that water utilities outside of the State of Kansas have similar status of Kansas water utilities which choose to be members of Public Wholesale Water Supply Districts.

The Kansas Rural Water Association is aware of two Public Wholesale Water Districts which will potentially provide water to entities outside of Kansas; these are Public Wholesale Water Supply District No. 13 based in Linn County and another district in the very southeastern corner of Kansas which could possibly provide water to as many as five entities in Oklahoma.

We believe it is in the best interests of these newly developing systems to serve those entities which can be feasibly served. In at least two instances, we find that entities that wish to participate as members of Public Wholesale Water Supply Districts are located in adjoining states. HB 2403 ensures that out-of-state water utilities such as cities or rural water districts, will be allowed representation on the governing bodies of Public Wholesale Water Supply Districts based in Kansas. We believe it is essential that each participate have a voice in issues which directly affect the operation and management of the Public Wholesale Water Supply District.

The Kansas Rural Water Association encourages your favorable support for HB 2403.

Respectfully submitted,

Elmer Ronnebaum
General Manager

House Local Government
2-23-95
Attachment 1

PUBLIC WHOLESALE WATER SUPPLY DISTRICT NO. 13

% JOHN HENNESSY
RR #1, BOX 41A
FULTON, KANSAS 66738

COMMENTS ON
HOUSE BILL 2403
BEFORE THE HOUSE LOCAL GOVERNMENT COMMITTEE
FEBRUARY 23, 1995

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to present comments on House Bill 2403. I am John Hennessy, Chairman of Public Wholesale Water Supply District #13, proposing to serve water to eleven entities, of which two are in Missouri.


Public Wholesale Water Supply District #13 is a legal entity, made up of RWD's and small cities, banded together to solve a common water problem, in a cost effective manner. Each entity has equal representation and an equal vote on all matters, especially establishing water rates charged. The PWWSD does not control or interfere with the individual RWD or City governmental structure. Each entity is represented by a designated individual from their City or RWD.. This representative is their only connection to the PWWSD board.

The two Missouri entities, under present law, are not allowed to be voting members. Under the Public Wholesale concept, all members should have equal vote and responsibility. Out-of-state members cannot hold office, cannot control rates, etc. They can only purchase water. PWWSD #13 was not aware of this restriction when they organized, and have always intended to treat all members equal. This restriction weakens the viability of this PWWSD, and its service to Kansas residents.

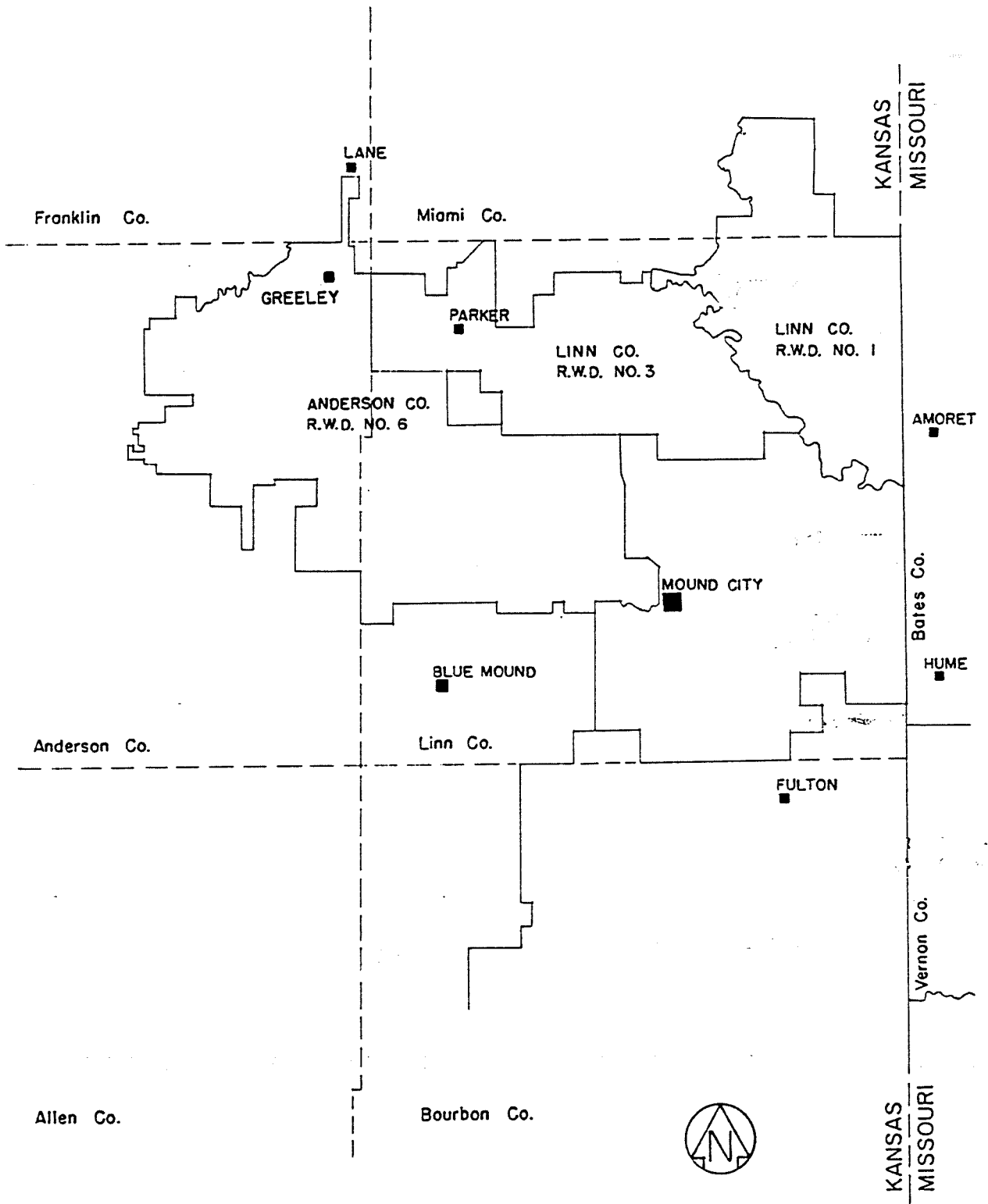
House Bill 2403 corrects the oversight which restricts non-Kansas entities from being voting members of PWWSD ##13.

PWWSD #13 encourages favorable support for House Bill 2403.

Respectfully,


John Hennessy, Chairman

House Local Government
2-23-95
Attachment 2



Marais des Cygnes Basin PWWSD No. 13
Service Area

Figure 1



TOPEKA

 HOUSE OF
 REPRESENTATIVES

ED McKECHNIE
 REPRESENTATIVE, THIRD DISTRICT
 224 W. JEFFERSON
 PITTSBURG, KANSAS 66762
 (316) 231-1669

OFFICE
 JAN.—APRIL
 ROOM 302-S
 STATEHOUSE
 TOPEKA, KS 66612
 (913) 296-7699

DEMOCRATIC WHIP
 COMMITTEE ASSIGNMENTS
 RANKING DEMOCRAT: SELECT COMMITTEE ON
 DEVELOPMENTAL
 DISABILITIES
 MEMBER: JOINT COMMITTEE ON STATE
 BUILDING CONSTRUCTION
 JOINT COMMITTEE ON LEGISLATIVE
 POST AUDIT
 CALENDAR AND PRINTING
 VICE CHAIR: NATIONAL CONFERENCE OF
 STATE LEGISLATURES TASK
 FORCE ON DEVELOPMENTAL
 DISABILITIES

Thank you Chairman Glasscock and members of the House Local Government Committee for the opportunity to testify in support of HB 2281. After discussions with the Conservation Commission, I am offering compromise of language that I have attached for your consideration.

Why do we need this bill?

During the past year Crawford County, KS experienced two major floods coming from two significant rainfall events. The first was an 18-inch rain in a 24-hour period, which left many areas outside of the 100-year flood plan under 5-feet of water.

The second event was 6 inches of rain in a 24-hour period, which again left many portions of Crawford County - areas outside the 100-year flood plan - covered with several feet of water.

Two 100-plus year floods in six months were devastating both economically and emotionally for citizens in this area.

The ability to create a county-wide watershed in which all county residents would participate is a needed tool as this area continues watershed planning. The 1994 Legislature appropriated \$30,000 to fund a portion of a flood loss/reduction study. This report will soon be presented to the Board of County Commissioners and the City Commission.

There is no doubt that improved planning and some water control projects will be recommended by the study. Projects a watershed will need to address.

HB 2281 allows for the Board of County Commissioners to place on a county-wide ballot the creation of a watershed district, only if the Governor has declared the area a disaster area due to flooding in the past five (5) years. There are safeguards built into this bill to protect land owners and provide flood safety to residents while giving local officials another tool to solve a major problem.

I urge you to adopt the amendments and recommend favorably for passage.

House Local Government
 2-23-95
 Attachment 3

HOUSE BILL No. 2281

By Representative McKechnie

2-2

9 AN ACT concerning watershed districts; relating to establishment of dis- procedures for
10 tricts in certain counties; amending K.S.A. 24-1203 and 24-1214 and , 24-1206, 24-1207, 24-1208
11 repealing the existing sections.
12

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

14 New Section 1. (a) In lieu of the procedures ~~for organization of a~~ provided by K.S.A. 24-1203, 24-1204 and 24-1205
15 ~~watershed district under K.S.A. 24-1203 through 24-1208, and amend-~~
16 ~~ments thereto, and dissolution of a watershed district under K.S.A. 24-~~ proposing the establishment of
17 ~~1208 through 24-1230,~~ and amendments thereto, the board of county
18 commissioners of any county may adopt a resolution ~~establishing~~ one or
19 more watershed districts within the county and ~~dissolving those portions~~
20 ~~of any existing watershed districts that lie within the district or districts~~
21 ~~established~~ if: appointing the steering committee of each proposed district

22 (1) The lands within each proposed district comprise substantially a
23 watershed or two or more adjoining watersheds, as determined by the
24 chief engineer; and

25 (2) in the preceding five-year period, the governor has issued a proc-
26 lamation declaring a state of disaster emergency in the county due to
27 flooding.

28 Upon adoption of such resolution, the county commission shall trans-
29 mit a copy of the resolution to the secretary of state. Upon receipt of the
30 resolution, the secretary of state shall issue to the board of directors a
31 certificate of incorporation for the district or districts, which shall be filed
32 of record in the office of the register of deeds of the county. Upon re-
33 cordation of the certificate of incorporation, the district or districts shall
34 be authorized to function in accordance with the provisions of the wa-
35 tershed district act and district's or districts' certificate of incorporation.

36 (b) The board of county commissioners shall appoint the members
37 of the board of directors of a watershed district established under this
38 section, to serve until the first board of directors is elected.

39 (c) All costs of projects and works of a watershed district established
40 under this section shall be paid by a general levy against all taxable tan-
41 gible property located within the district.

42 (d) This section shall be part of and supplemental to the watershed
43 district act.

(b) The resolution shall contain the information required for a petition under K.S.A. 24-1204 and amendments thereto and shall have appended and incorporated by reference a map showing the lands to be included in each proposed district and the subwatersheds therein, prepared in consultation with the chief engineer.

certified

chief engineer

1 Sec. 2. K.S.A. 24-1203 is hereby amended to read as follows: 24-
 2 1203. *Except as otherwise provided by section 1*, before any watershed
 3 district shall be organized, a petition shall be filed in the office of the
 4 secretary of state, signed by not less than ~~twenty percent (20%)~~ 20% of
 5 the landowners and representing ~~twenty-five percent (25%)~~ 25% of the
 6 acreage within said proposed district as shown by a verified enumeration
 7 of said landowners taken by a landowner of said proposed district to be
 8 selected by the first ~~ten (10)~~ 10 signers of the petition. A verified copy of
 9 ~~said such~~ enumeration shall be attached to and filed with the petition in
 10 the office of the secretary of state: ~~Provided, That~~ For purposes of de-
 11 termining ownership, the county clerk of the county in which any part of
 12 the watershed is described shall, upon demand, furnish the record of the
 13 ownership of the lands within the county from the tax rolls of ~~said the~~
 14 county, and ~~said such~~ record of ownership shall be satisfactory evidence
 15 of title.

Insert sections 3-5, attached

16 Sec. 3. K.S.A. 24-1214 is hereby amended to read as follows: 24-
 17 1214. *Subject to the provisions of subsection (c) of section 1*, when the
 18 general plan is approved by the chief engineer the board ~~shall then~~ by
 19 resolution *shall* propose that the cost to the district of all works contem-
 20 plated in the plan be paid either by a general levy against all of the taxable
 21 tangible property located within the district or, that such cost be paid by
 22 special assessment against lands within the district to be specially bene-
 23 fitted by any of the proposed projects or that such cost be paid by both
 24 such general levy and special assessment, stating the portion proposed to
 25 be paid by each method. The board shall also set forth in ~~said the~~ reso-
 26 lution any proposal to issue improvement bonds of the district to provide
 27 for the payment of all or any part of the cost to the district of proposed
 28 projects by installments instead of levying the entire tax or special as-
 29 sessment at one time.

6

(b)

30 The board shall thereupon fix a time and place either within or con-
 31 veniently near the district for a public hearing upon the general plan and
 32 the resolution proposing a method of financing costs of the works con-
 33 templated in the plan. A notice of such hearing shall be given by one
 34 publication at least ~~twenty (20)~~ 20 days prior to the date fixed for ~~said the~~
 35 hearing, setting forth the time and place of hearing upon ~~said the~~ plan
 36 and resolution, that a copy of ~~said the~~ plan and resolution is available for
 37 public inspection in the office of the secretary of the district and that any
 38 electors or landowners desiring to be heard in the matter must file, in
 39 duplicate, with the secretary of the board at ~~his the secretary's~~ office, at
 40 least five (5) days before the date of ~~said the~~ hearing, a written statement
 41 of their intent to appear at the hearing and the substance of the views
 42 they wish to express. Upon receipt of any such statements the secretary
 43 of the board shall immediately transmit one copy of ~~said the~~ statements

1 to the chief engineer. The chief engineer or ~~his~~ *the chief engineer's* duly
 2 appointed representative may attend ~~said~~ *the* hearing. At the hearing any
 3 elector or landowner who has duly filed ~~his~~ *a* written statement shall be
 4 heard and may present information in support of ~~his~~ *the elector's or lan-*
 5 *downer's* position in the matter. After hearing all such statements the
 6 board ~~shall~~, by resolution, *shall* adopt as official or reject the general plan
 7 and adopt as official or reject the proposed method of financing costs of
 8 the works contemplated in the plan or determine that the general plan
 9 or the proposed method of financing or both should be modified and
 10 notify the chief engineer of ~~their~~ *the board's* action. If it is determined
 11 that the general plan should be modified, any proposed changes approved
 12 by the board shall be incorporated in a modified general plan which shall
 13 be submitted to the chief engineer for further consideration.

14 The chief engineer shall review the modified plan and shall transmit a
 15 supplemental written report of the results of ~~his~~ *the chief engineer's* study
 16 and investigation to the board, including ~~his~~ *the chief engineer's* written
 17 approval or disapproval of the modified general plan. If the modified
 18 general plan is approved by the chief engineer, the board ~~shall~~, by reso-
 19 lution, *shall* adopt ~~it~~ *the modified plan* as the official general plan of the
 20 district and notify the chief engineer of ~~their~~ *the board's* action. If it is
 21 determined that the proposed method of financing should be modified,
 22 the board shall give consideration to the ~~same~~, ~~and~~ *the modified method*
 23 *of financing and*, following adoption of the general plan or an approved
 24 modification thereof, the board ~~shall~~, by further resolution, setting forth
 25 such modified method of financing, *shall* adopt it as the official method
 26 of the district for financing costs of the works contemplated in the official
 27 general plan: ~~Provided, however, That~~ If a board is unable to carry out
 28 a general plan because of disapproval of a bond issue at an election or
 29 because insufficient funds have been provided, they may reconsider the
 30 general plan ~~and/or the resolution or the method of financing, or both,~~
 31 and by following the procedure hereinbefore set forth, resubmit a general
 32 plan ~~and/or resolution or method of financing, or both.~~

33 Sec. ~~4~~ ⁴ K.S.A. 24-1203 and 24-1214 are hereby repealed, 24-1206, 24-1207, 24-1208

34 Sec. ~~5~~ ⁵ This act shall take effect and be in force from and after its
 35 publication in the statute book.

7

8

Sec. 3. K.S.A. 24-1206 is hereby amended to read as follows:
24-1206. (a) If the secretary of state finds the petition to be sufficient as to form and the number and qualifications of the petitioners, he the secretary of state shall prepare a certified copy of the petition and transmit ~~the--same~~ it to the chief engineer within five ~~(5)-days-from-the-date-of-his~~ days after the secretary of state's determination of sufficiency.

(b) Upon receipt of ~~such-certified-copy~~ a certified copy of a petition transmitted pursuant to subsection (a) or a certified copy of a resolution transmitted pursuant to section 1, the chief engineer shall institute an investigation of the each proposed district, its territory and purposes, ~~and-shall-within-ninety~~ ~~(90)~~ and, within 90 days after receipt of ~~said--copy~~ such copy shall transmit a written report of ~~his~~ the chief engineer's findings on the petition or resolution, together with ~~his~~ the chief engineer's written approval or disapproval of the petition or resolution, to the secretary of state and the acting chairman chairperson of the steering committee named in the petition or resolution.

(c) The chief engineer shall approve ~~such-petition-if-he~~ the petition or resolution if the chief engineer finds and discloses by his-report the chief engineer's report that:

(1) ~~That~~ The lands proposed to be included in the each district comprise substantially a watershed or two or more adjoining watersheds;

(2) ~~that--the~~ each proposed district would not include lands in any existing watershed district;

(3) ~~that~~ the statement of purposes contained in the petition or resolution conforms with the intents and purposes of this act;

(4) ~~that~~ the lands within the each proposed district or a part thereof, are subject to erosion, floodwater or sediment damage or would be benefited by the construction of works for the conservation, development, utilization or disposal of water; i

(5) ~~that~~ the boundary of any each proposed district is defined, as far as practicable, so as to include all

quarter-quarter sections of which more than one-half of each is within the watershed;

(6) that the downstream limit of any each proposed district is established with due regard to the location of highways and railroads and the location and character of existing works of improvement, the boundaries of any organized levee, drainage, irrigation and watershed districts, and the physical characteristics of and the probable relative effect of the operation of the proposed district upon any flood plane area common to both the stream or watercourse and any other stream or watercourse; and

(7) that the map attached to the petition or resolution and the description of lands proposed to be included in the each district are adequate and correct: ~~Provided, That,~~ except the chief engineer, in his the chief engineer's report, may make any minor corrections with respect to the map or the description of lands proposed to be included in the district to make such map and description of lands conform to the map previously prepared in consultation with the chief engineer, and such corrections shall thereupon become a part of the petition or resolution and be deemed effective without a recirculation of the corrected petition among the landowners or amendment of the resolution.

(d) If the chief engineer ~~shall approve such petition, he approves the petition or resolution,~~ the chief engineer shall transmit a certified copy of his the chief engineer's report to the secretary of state and to the chairman chairperson of the steering committee of the district.

Sec. 4. K.S.A. 24-1207 is hereby amended to read as follows: 24-1207. (a) Within ~~ten-(10)~~ 10 days after receipt of a certified copy of the chief engineer's report approving the petition or resolution, or the petition ~~as amended~~ or resolution as amended or revised by the chief engineer, the ~~chairman~~ chairperson of the steering committee of the proposed district shall call a meeting of the committee by mailing a written notice fixing the time and place of such meeting to each member of the committee at least

five (5) days in advance of the time so fixed, unless such notice is duly waived. The committee shall meet at the time and place fixed in said the notice for the purpose of electing from their number a board of directors consistent with the number set out in the petition, and this board of directors, after being duly elected, shall elect from their number a president, a vice-president, a secretary, and a treasurer:--Provided,--That, except that in a district having only three (3) directors, the board shall elect one person to hold the offices of secretary and treasurer. The board ~~shall~~, by resolution, shall provide for the calling of an election of the qualified voters of the district for the purpose of submitting the question of whether the district should be organized and created in accordance with the petition or resolution, or the petition or resolution as amended or revised by the chief engineer.

(b) The board shall designate one or more centrally located voting places with within the proposed district, but if the territory of such the proposed district lies in more than one county, ~~then~~ at least one voting place shall be designated within each county of said the proposed district, and shall name and appoint three (3) judges and two (2) clerks for each voting place designated, which judges and clerks shall take an oath to faithfully perform their duties as judges and clerks, respectively, and shall each receive compensation of ~~eight dollars--(\$8)~~ \$8 per day for their services, ~~and~~. The board shall cause a notice of said the special election to be published for three (3) consecutive weeks in ~~some~~ a newspaper of general circulation within the proposed district, the first publication to be not less than ~~twenty-one--(21)~~ 21 days prior to such election. If the proposed district lies in more than one county, ~~then~~ a similar notice shall be published in a newspaper of general circulation in each of the counties in which a part of said the proposed district is located. ~~Such~~ The notice shall set forth the time and place or places of holding the election, and the proposition to be voted on, shall contain a copy of the

petition or resolution, or the amended or revised petition or resolution (omitting the map attached thereto as an exhibit) and shall be signed by the president and attested by the secretary of the board. Any qualified voter shall be entitled to vote at such election. The vote at such election shall be by ballot, and such ballot shall comply with the usual requirements for an official ballot for public office insofar as such requirements are applicable thereto. Upon such ballot shall be printed the proposition submitted, preceded by the words, "Shall the following be adopted?" and followed by the words "To vote in favor of the proposition make a cross mark in the square after the word 'Yes'" "To vote against the proposition make a cross mark in the square after the word 'No.'"

(c) Returns from such the election shall be made to the board of directors who shall canvass the votes cast at such the election on the second Friday following the date of said election,--and--said the election. The board shall immediately certify the results of said the election to the secretary of state. If a majority of those voting on the proposition voted in favor of the organization and creation of the district upon the petition or resolution, or amended petition or revised petition or resolution, the secretary of state shall thereupon issue to the board of directors a certificate of incorporation for said the district, which shall be filed of record in the office of the register of deeds of each county in which all or a portion of the district lies. Upon such recordation of the certificate of incorporation the district shall be authorized to function in accordance with the provision of this act and its certificate of incorporation. If a majority of those voting on the proposition voted against the organization and creation of the district, the secretary of state shall endorse that fact on the face of the petition or resolution and the proceedings shall be closed. No action attacking the legal incorporation of any watershed district organized under this section shall be maintained unless filed within ninety--(90) 90 days after the issuance of the

certificate of incorporation for such district by the secretary of state, nor shall the alleged illegality of the incorporation of any such watershed district be interposed as a defense to any action brought after such time.

Sec. 5. K.S.A. 24-1208 is hereby amended to read as follows: 24-1208. If the organization of the proposed district is defeated at the special election or if the petition or resolution is disapproved by the chief engineer, the board of directors or steering committee named in the petition or resolution shall continue to function in a limited capacity for the purposes hereinafter set forth in this action. Said Such board or steering committee shall determine the amount of money necessary to pay all of the costs and expenses incurred in the preparation and filing of the petition or resolution and in the conduct of the special election and shall certify a statement of such amount to the county clerk of each county in which the proposed district was to be located. Said Such county clerks shall thereupon ascertain the total assessed valuation of all taxable tangible property in their respective counties within the proposed district and certify same such valuation to the county clerk of the county in which the acting chairman chairperson of the board or steering committee of the proposed district resides.

Said Such county clerk shall determine the levy necessary to be spread against the taxable tangible property in the entire proposed district in order to raise funds sufficient to pay the amount set forth in said the statement and shall certify said such levy to the county clerk of the other counties in which a portion of said the proposed district is located. Each of the county clerks shall then cause said such levy to be extended against the taxable tangible property lying within the boundaries of said the proposed district and within his the clerk's county. The county treasurers of the respective counties involved shall remit the funds raised by such levy in their counties to the county treasurer of the county in which the acting chairman chairperson of the board or steering committee resides who. Such

treasurer shall hold said such funds and shall honor warrants drawn upon said such funds by the acting chairman chairperson of the board or steering committee and countersigned by the acting secretary of the board or steering committee in payment of the costs and expenses incurred in the proposed organization of the district and shown on the aforementioned statement of expenses.



TRI-COUNTY AIRPORT AUTHORITY

P.O. Box 345

Herington, KS 67449

(913)258-3822 or (913)258-3403

February 23, 1995

I would like to thank the committee for giving me this opportunity to speak.

The present airport and Industrial park has an interesting history. During the early 1940's, a complete U.S. Army Airbase was constructed on the site to serve as a processing base for the Second Air Force.

This Herington facility, one of two processing bases in the United States at that time, had a capacity for 4,500 military personnel. It first served as a B-24 base for those aircraft and crews serving in Africa and Europe. When the B-29's became operational, Herington's airborne began processing the new superfortress and crews to the Pacific totaling 3,000 aircraft.

The airbase was closed in November, 1945 after the war ended in August of that year. It was deeded to the City of Herington in September of 1948.

During the early 1950's Beech Aircraft moved part of its operations to the airbase using the hangars and all remaining buildings. They were a large employer for both Herington and Council Grove. They employed between 300-800 people. Beech closed its Herington operation in 1960.

In 1961, a cattle feed lot was built on the site using one runway and part of another. Today this operation has a total capacity of 15,000 head. The present operator is Black Diamond Feeders with 15 employees.

In 1975, Pyrodex, a black powder substitute manufacturing company built a factory on a 60 acre site. They make a product used all over the world. They have 16 employees.

In 1978, the City of Herington established the Tri-County Public Airport Authority to operate and oversee the airport and Industrial park. This authority has been instrumental in getting a natural gas line into the airbase to serve the industries. Kansas Power and Light has continued to upgrade its service both to the feed lot and Industrial park. The airport authority has continued to upgrade the airport with a 4,200 foot runway with lights and 6,750 foot runway for daylight operations.

We also have a Non-directional Beacon Instrument Approach with a new system called G.P.S. Global Positions System, making it possible to make a landing during

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instrument conditions at our airport.

On top of our 130 feet water tower we have an airport rotating beacon to help our night Y.F.R. pilots. The water supply comes from large wells on the base feeding a 130 foot water tower with a reserve capacity of 100 thousand gallons thence into the water mains and fire plugs and services to the industries located in the Industrial park.

The Sanitary sewer system and all it's equipment are still being used. In 1980, Insul-Foam moved it's operation to our industrial complex. They are in the large hanger at the north end of the Industrial area. They are a large roofing contractor doing work for Boeing in Wichita, TWA in Kansas City, McDonald Douglas in St. Louis and also doing roof's for companies in old Mexico. they employ 6 people on site with 25 to 30 persons in and out of our industrial park.

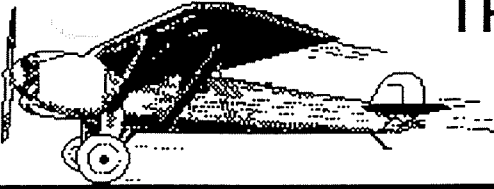
The complex consists of 1704 acres of which the agriculture ground is leased out to area farmers to grow crops and hay and pasture for cattle. This is where the airport receives it's money to operate the airport and industrial park.

We receive no tax money, local, state or federal, to operate this complex.

As you can see, the airport has had a significant impact on the area and promises to continue to be vital to the future economic health of the tri-county area. We would appreciate your support of this legislation.

Sincerely,

Jerry Wendt



TRI-COUNTY AIRPORT AUTHORITY

P.O. Box 345

Herington, KS 67449

(913)258-3822 or (913)258-3403

February 23, 1995

Tri-County Public Airport is so named because of its geographical location which makes it readily accessible to the residents of the three or four area counties. It is the only airport in Morris County. TCPAA is a very safe airport with its 6,000 feet unobstructed runway which is 150 feet wide. Runway lights are in operation from dusk to dawn. A rotating beacon is on top of the 120 foot high water tower and can be seen at night from 50 to 60 miles in any direction. A non directional beacon operates 24 hours a day and can be picked up by incoming planes from at least 100 miles in any direction.

The installation is routinely inspected by the FAA and Kansas Department of Transportation, Aviation Division with generally favorable results.

TCPAA receives no tax monies. It is supported entirely by money derived from leases and rents from tenants.

The tenants are as follows:

1. Pyrodex - A black powder substitute manufacturing company, one of only two such companies in the United States and employs 15 people.
2. Insulfoam - a company that manufactures a large amount of high quality roofing material and employs 8 to 15 people.
3. Black Diamond Cattle Company which operates a 15,000 head cattle feed lot and employs 8 to 15 people.

The broke farm ground is rented by three different individuals.

The pasture is rented for grazing by members of one family.

The income during 1994 was \$47,000.00 and the expenses totaled \$43,000. Any net is placed in reserve for improvements or emergencies.

Very little money is spent for wages or services as the members of the board are capable and volunteer their time and services. Many volunteer man hours are spent at the base doing maintenance.

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Our equipment is old and requires careful servicing. Several members of the board are mechanically inclined and do the repair and maintenance.

We are continually looking for new industry. It is important that we maintain our water and sewer systems and other facilities in good condition.

There is a real possibility that we will have a recycling plant in the near future which will hire 15 or 20 employees and possibly more.

Thanks for your attention and time. We appreciate your support of this legislation. If you have any questions we will be willing to answer them.

Sincerely,

William Elliott



THE CITY OF HERINGTON, KANSAS

P.O. Box 31 • 17 North Broadway • Herington, KS 67449

Telephone: (913) 258-2271 FAX: (913) 258-3552

February 23, 1995

Local Government Committee
Kansas Legislature

First of all I want to thank you for allowing the City of Herington and the Tri-County Public Airport Authority to give testimony to your committee. We are certainly aware of the many important items being considered by your committee and the limited time available to you.

I therefore would like to summarize the important points made in our testimony for granting of tax exempt status to the Tri-County Airport. The history of the former airbase clearly demonstrates that it has been an important part of the local economy and has the potential to be as important in the future. This airbase is much like many other aspects of rural Kansas. With the changing economy it is extremely important that this vital part of the infrastructure of the tri-county area not be lost.

It was the express intent of the federal government that the airbase and the associated properties would be used to insure the continued existence of a general aviation facility to serve the area. In order to accomplish this goal the gift was for a total of 1,704 acres which included the runways as well as the surrounding farmland. Income from lease of the properties was intended to be used to maintain and improve the airport. It must be noted that the airport authority has used these revenues only and does not rely on a general fund levy.

In the background information already presented you it should be evident that the airport authority has limited resources to maintain and improve the airport. It should also be evident that with a budget of only \$47,000 per year and with a tax obligation of \$3,800 per year, the airport has suffered. Future industrial development may rely on the continued existence of the infrastructure such as water, sewer and fire protection. More comprehensive maintenance on the runways will be an absolute must in the near future as well.

Currently, the airport has been exempted from taxes on only 320

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acres. It is therefore necessary to share the revenue from the lease agreements with the other taxing entities. We believe that these monies should remain with the airport authority as originally intended to assist in the difficult job of maintaining the facility. We also believe that if we are not allowed to reinvest in the facility to the maximum amount possible then we are at risk of losing the airport. If the infrastructure deteriorates beyond a certain point it will be lost forever.

There are some indicators that there may be a resurgence of the the airport as an economic focus for the future. The recent decision to expand by Cessna would indicate that general aviation may be on the upswing.

Now I would like to get to the central issue. This issue is the question of fairness and equity. The other surplus airbases in the state have already been given tax exempt status. In fact, K.S.A. 27-319 in it's current form exempts the Pratt and the Salina facilities. For some reason there appears to be an exclusion of only the Tri-County Airport. This can only be interpreted as discriminatory.

It is a basic premise of the Kansas Constitution that taxes should be uniform and equal. In fact, Article 11 of the Kansas Constitution specifically states that the legislature shall provide for a uniform and equal rate of assessment and taxation.

The opponents of this bill will try to say that the City of Herington has not always managed and maintained the airport as they think proper. They may even mention that the feedlot which lies on this property is unpopular and contributes to pollution. They may suggest that the airport authority does not get enough income from the properties under lease. However, we contend that these arguments are not relevant to the decision before you today. If in fact the question is simply a matter of fairness and equity, then the management of the facility is not at issue. The basic question is that if Pratt and Salina enjoy tax exempt status then so should Herington.

We do understand that every taxing district is hard pressed to maintain basic services. We also understand that these taxing districts are very protective of their sources of revenue. However, we believe that this committee is not deciding who should be given this revenue. This committee and the legislature have the opportunity to clear up this assessment of taxes which is

clearly not being administered in a uniform and equal manner.

We view this question as very straight forward and we are looking forward to your support on this legislation.

Sincerely,

A handwritten signature in cursive script, appearing to read "John Carder".

John Carder
City Manager



Salina Airport Authority

Salina Municipal Airport / Industrial Center

Chairman
BOB E. OTT

Vice-Chairman
DOROTHY W. LYNCH

Secretary
RICHARD A. RENFRO

Treasurer
CHARLES STEVENS, JR.

Assistant Secretary / Treasurer
JOSEPH M. RITTER

Executive Director: TIMOTHY F. ROGERS, A.A.E. Operations Director: DONALD C. KNEUBUHL Board Attorney: L.O. BENGTON

February 23, 1995

Representative Kent Glasscock, Chairperson
House Committee on Local Government
State Capital
Topeka, KS 66612


Dear Chairperson Glasscock and Members of the Committee:

The Salina Airport Authority supports the Tri-County Public Airport Authority's request to amend KSA 27-319 to provide clarification of the airport authority's exemption from the payment of valorem taxes.

The change to KSA 27-319 would be consistent with the Legislature's action in 1992 to adopt a more uniform policy regarding the tax exemption status of Kansas airport authorities. In 1992, the Legislature passed Senate Bill 629 which addend the exemption of airport properties from property taxation. Senate Bill 629 set limits on airport authority property tax exemptions. H.B. 2484 would provide the Tri-County Public Airport Authority with the same clarification.

The policy previously adopted by the Legislature has been helpful for the Salina Airport Authority, City of Salina and Saline County. I am confident that your passage of H.B. 2484 will be equally helpful for the Tri-County communities.

Respectfully submitted,
Salina Airport Authority


Timothy F. Rogers, A.A.E.
Executive Director

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Attachment 7

HOUSE COMMITTEE ON LOCAL GOVERNMENT
FEBRUARY 23, 1995

TESTIMONY ON HOUSE BILL NO. 2484
PRESENTED BY JAN MATTHEW OLEEN, MORRIS COUNTY COUNSELOR

BACKGROUND

In 1948, the city of Herington, Kansas acquired what was then known as the Delevan Army Air Base located in Morris County. In 1978, Herington established the Tri-County Public Airport Authority (Tri-County) to maintain and operate the airport pursuant to K.S.A. 27-319.

In 1980, Tri-County filed an action in mandamus in Morris County District Court seeking a determination that the airport property was exempt from paying ad valorem taxes. The District Court held for Tri-County and declared the entire airport tax exempt. The Board of County Commissioners of Morris County (Morris County) appealed and the Kansas Supreme Court reversed the lower court's decision and directed it to dismiss the case. *Tri-County Airport Authority v. Board of Morris County Commissioners*, 233 Kan. 970(1983). Shortly afterward, Tri-County filed an application for relief with the State Board of Tax Appeals (BOTA) seeking an exemption from property taxes pursuant to K.S.A. 79-201aSecond.

The BOTA determined in 1987 that only that property "directly necessary to the operation of the airport" was exempt. This made approximately 358 out of 1,691 acres tax exempt. Tri-County filed a motion for re-hearing before the BOTA which was denied. Next, Tri-County filed a petition for review in Shawnee County District Court. That court affirmed the BOTA decision and Tri-County appealed to the Kansas Court of Appeals. The case was transferred from the Court of Appeals to the Kansas Supreme Court, and in 1989, the Supreme Court affirmed the previous holdings that only property directly related to the operation of the airport was tax exempt pursuant to K.S.A. 79-201aSecond. *Tri-County Public Airport Authority v. Board of Morris County Commissioners*, 245 Kan. 301(1989).

It should also be pointed out that in 1989, before the Supreme Court issued its decision, a bill similar to House Bill No. 2484 was proposed. Senate Bill No. 165 also would have provided a special exemption for Tri-County, but it was not passed.

AGREEMENT BETWEEN TRI-COUNTY AND MORRIS COUNTY:

Shortly before the Supreme Court decision was filed on July 16, 1989, Tri-County approached Morris County about the possibility of settling the case. Tri-County had not paid its property taxes since approximately 1980. When they contacted Morris County about settling the case they owed \$47,318.82 in delinquent taxes and \$35,428.85 in penalties and interest. On August 9, 1989, an agreement was reached whereby Tri-County would pay the principal of \$47,318.82, less the amount of tax owed on the 358 acres previously

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HOUSE COMMITTEE ON LOCAL GOVERNMENT
FEBRUARY 23, 1995
PAGE TWO

exempted, in ten equal annual installments. Additionally, Tri-County agreed to "take no action, legislative or otherwise, which would reduce or eliminate the principal tax accrued as of this date or as may exist after payment of annual installments." In return, Morris County agreed to waive the \$35,428.85 in penalties and interest. (See Attachment "A").

Morris County believes the introduction of House Bill No. 2484 is a direct breach of this agreement by Tri-County. Morris County also believes that enactment of this bill as currently written may constitute a violation of the state legislature's Constitutional duty not to pass any law impairing the obligation of contracts.

MORRIS COUNTY'S POSITION ON HOUSE BILL NO. 2484:

Morris County opposes House Bill No. 2484 as it is written because it circumvents established case law in this area of taxation and provides a statutory exemption that benefits a few at the expense of the many. In 1994, \$3,790.02 in taxes was received from Tri-County. (See Attachment "B"). In addition to Morris County, these tax dollars support two townships, two school districts, one fire district, one cemetery district, junior college programs, and the North Central Kansas Library Association. It is our contention that these dollars best serve the public interest when taxed and distributed in this manner than if exempted and used by Tri-County for the maintenance and operation of its airport.

In the past Tri-County has indicated that the money it would save if granted a tax exemption could be used by it for economic development purposes. Morris County believes that the money Tri-County would receive if granted tax exempt status would not be sufficient to make the improvements necessary for Tri-County to attract new business. Presently, Morris County is not aware of any economic development plans or activities by Tri-County and believes that before being granted tax exempt status Tri-County should show that they practice sound fiscal management.

In the short time since House Bill No. 2484 has been proposed, Morris County has been contacted by many county citizens who are in opposition to this bill. They believe that the benefits provided by those entities receiving Tri-County tax dollars far outweigh any benefits that could feasibly be provided to the county by Tri-County if it were given a tax exemption.

Morris County respectfully requests that the Committee vote against House Bill No. 2484 as it is written.

A G R E E M E N T

THIS AGREEMENT by and between the Board of County Commissioners of Morris County, Kansas, hereinafter referred to as "the County" and the Tri-County Public Airport Authority, hereinafter referred to as "TCPAA", is as follows:

WITNESSETH:

1.) The parties acknowledge and agree that the TCPAA currently owes the County property tax of Forty-seven Thousand Three Hundred Eighteen Dollars and Eighty-two Cents (\$47,318.82) less a small amount previously exempted by the State Board of Tax Appeals.

2.) TCPAA agrees to pay the principal tax due by ten equal annual installments with each installment equal to ten percent (10%) of the principal tax due and owing as of the date of this Agreement.

3.) The TCPAA's first annual installment shall be paid on or before the 1st day of September, 1990, and a like payment made on or before the 1st day of September of each year thereafter for nine consecutive years.

4.) The TCPAA will timely pay all future tax assessments as the same become due.

5.) The County will forego collection of all interest and penalty currently accrued on the delinquent TCPAA tax.

6.) The County shall maintain its tax lien on TCPAA property until the principal tax is paid in full but shall not foreclose on said lien so long as TCPAA makes all payments required hereunder and pays all current taxes as they become due.

7.) TCPAA acknowledges indebtedness to the County for the sum of Forty-seven Thousand Three Hundred Eighteen Dollars and Eighty-two Cents (\$47,318.82) less that amount previously exempted by the State Board of Tax Appeals for runways and essential airport property. The parties acknowledge that the purpose of this Agreement is to allow the Airport Authority to pay the principal tax in annual installments rather than in one lump sum so that they might continue to operate the airport for the

betterment of the citizens of Morris County and the surrounding area. TCPAA agrees to pay the accrued principal tax as stated and to take no action legislative or otherwise which would reduce or eliminate the principal tax accrued as of this date or as may exist after payment of annual installments.

8.) This Agreement shall be binding upon the parties hereto, their heirs, successors and assigns.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of this 9th day of August, 1989.

Board of County Commissioners
Morris County, Kansas

By: James Lee
James Lee, Chairman

Tri-County Public Airport
Authority

By: William D. Elliott
William D. Elliott, D.V.M.
Chairman



ATTEST:

Michelle Yadon
Michelle Yadon
County Clerk

TRI COUNTY AIRPORT FACT SHEET

TRI-COUNTY AIRPORT

Total Acres	1,691.5
Exempt Acres	<u>358.0</u>
Taxable Acres	1,333.5

Total 1994 Taxes Paid \$3,790.02

HIGHLAND TWP

Market Valuation	\$57,780
Taxable Valuation	\$17,334

916.9	Total acres
<u>168.0</u>	Exempt
748.9	Taxed

1994 Taxes \$1,791.74

State	\$ 26.00
County	855.51
Jr. College	22.65
Twncshp	8.51
USD 487	739.89
USD Bond	108.36
Cemetary District	15.03
North Central Kansas	15.79
Library Association	

TWP 7/USD 487

Market Valuation	\$28,620
Taxable Valuation	\$ 8,586

228.6	Total acres
<u>3.0</u>	Exempt
225.6	Taxed

1994 Taxes \$900.68

State	\$ 12.88
County	423.77
Jr. College	11.22
Twncshp	4.55
USD 487	366.48
USD Bond	53.67
Cemetary District	7.44
Fire District	12.85
North Central Kansas	7.82
Library Association	

TRI-COUNTY AIRPORT FACT SHEET
Page Two

TWP 7/USD 481

Market Valuation \$35,850
Taxable Valuation \$10,755

546 Total acres
187 Exempt
359 Taxed

1994 Taxes \$1,097.60

State	\$ 16.13
County	530.80
Jr. College	14.06
Twshp	5.70
USD 481	419.21
Cemetary District	9.32
Fire District	37.64
North Central Kansas	9.80
Library Association	
Landfill	55.00

NOTE: Pursuant to the Agreement reached between the parties on August 8, 1989, Tri-County has made 4 annual payments of \$4,083.08 for a total of \$16,332.32.

February 21, 1995

To Whom It May Concern:

Being President of Delavan Cemetery District and also a concerned citizen and taxpayer of Delavan Cemetery District in Morris County, I am concerned about the Herington Airport Authority asking to be excluded from paying taxes to Morris County and Delavan Cemetery District.

I think they should pay their share of taxes the same as other landowners.

Thank you.

Milan Harkness

A handwritten signature in cursive script that reads "Milan Harkness".

LOCAL GOVERNMENT COMMITTEE HEARING ON HOUSE BILL NO. 2484

February 23, 1995, 1:30 p.m.

Good afternoon, Committee Members. I am Jim Lee, a Morris County Commissioner. The Morris County Commissioners oppose the portion of House Bill No. 2484 which relates to the exemption from the payment of ad valorem taxes by the Tri-County Public Airport Authority.

The Tri-County Airport Authority has approximately 1,691 acres, all located in Morris County.

The Tri-County Airport Authority has tried to become tax exempt since 1980 when a case was filed in District Court. The case was subsequently taken to the Court of Appeals and the Supreme Court. In each instance the ruling was made in Morris County's favor.

The Airport Authority then asked the county commissioners if they would oppose an application to the State Board of Tax Appeals for tax exemption of the runways, an area of right-of-way on each side of the runways and the buildings owned by the Airport Authority. Morris County did not oppose the request and approximately 358 acres and the buildings were granted an exemption.

The attorney for the Airport Authority at that time said that if the commissioners complied with the request for partial exemption the Airport Authority would not try to get additional land off the tax rolls.

However, the Airport Authority was successful in getting Senate Bill No. 165 introduced in 1989 which contained provisions to exempt it. The bill was not passed.

Several people have expressed to me and other member of the Morris County Commission their opposition to this bill. They are concerned that this issue has come to light again.

We ask you not to vote in favor of House Bill No. 2484 as it is written.

Jim Lee
Morris County Commissioner

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2-23-95
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To the members of House Local Government Committee:

As chairman representing Morris County Commissioners;
I wish to shed some light on the issues that will be of intense interest to all citizens of the area involving Morris and Dickinson Counties.

My first concern is the two School Districts of 487 and 481. Having personal contacts during the past two days with Superintendent Tom Vernon and three board members; an extreme interest resulted when facts and figures were displayed.

The Herington School District 487 will lose on an annual basis of \$2600.00 tax dollars. The District is limited to growth because of other larger surrounding School Districts. The present mill levy of District 487 in the year of 1994 was 48.935. The other School District 481, which includes two schools of Hope and White City are very upset with this H B 2484. They thought the problem was all resolved four years ago. Why must we always irritate a sleeping dog?

This District will also lose \$900.00 per year. Other functions will be limited; such as Fire Districts, cemeteries, and JR. Colleges. Not only the school districts will lose tax dollars each year, but Morris County share of loss is \$4200.00.

So in behalf of Morris County Commissioners, citizens of the area and especially students of these two school districts; I feel that the panel will use their fullest and most reasonable knowledge concerning this issue.

Thank You,

Art Albrecht

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Proposed Amendments S.B. 2209

1. On page 1, in line 29, by striking all before the period and inserting "the projected amount of interest to be paid until the bonds are retired";

2. On page 2, by striking all in lines 3 to 38, inclusive;
By renumbering section 4 as section 2;
In the title, in line 15, by striking "; amending K.S.A. 25-620 and repealing the existing section";

3. On page 3, following the ____, by inserting a new section as follows:

"New Sec. . Nothing in this section shall be grounds to challenge the validity of the election on or the issuance of such bonds if the governing body has made a good faith effort to make accurate projections based upon the information available to the governing body at the time of making such projections."