

MINUTES OF THE HOUSE ENVIRONMENT COMMITTEE

The meeting was called to order by Chairperson Joann Freeborn at 3:30 p.m. on February 24, 2004 in Room 231-N of the Capitol.

All members were present except:

Representative Dan Thimesch- excused

Committee staff present:

Raney Gilliland Legislative Research Department

Mary Torrence, Revisor of Statutes

Mary Ann Graham, Committee Secretary

Conferees appearing before the committee:

Others attending:

See Attached List.

Chairperson Joann Freeborn called the meeting to order. She announced that she does not plan to have the committee work **HB2607** - Concerning Solid Waste Management. **HB2620** - Concerning water; establishing a program to assist in converting from irrigated agricultural land use to non-irrigated land use, will not be worked this year. She will recommend it for a summer interim or a stake holders study group. The committee will not be meeting next Tuesday, March 2, the next meeting is scheduled for Thursday, March 4, and will be hearing **SB 463** - An act concerning appropriation of water for beneficial use; relating to perfection of water rights.

Chairperson Freeborn opened **Proposed Substitute for HB2583** for committee discussion.

Proposed Substitute for HB 2583: Recreational trails; noncompliance by responsible party; remedies.

The Chairperson recognized Rep. Tom Sloan, he reviewed a Subcommittee report on the bill. (See attachment 1) The subcommittee was chaired by Rep. Joann Freeborn; other members were, Rep. Tom Sloan; and Rep. Vaughn Flora.

Rep. Tom Sloan made a motion the balloon for Proposed Substitute for HB2583 be adopted. Rep. Vaughn Flora seconded the motion. Motion carried.

Rep. Tom Sloan made a motion to strike language on page 8, section 3, subsection (f), (3) and renumber remaining numbers accordingly. (See attachment 1) Rep. James Miller seconded the motion. Motion carried.

Rep. Vaughn Flora made a motion to add a new subsection to section 3: (g) The provisions of this section shall not apply to any recreational trail for which the responsible party is a governmental entity. (See attachment 2). Motion failed.

Rep. Tom Sloan made a motion Proposed Substitute for HB2583 be passed favorably as amended. Rep. Dan Johnson seconded the motion. Motion carried.

Chairperson Freeborn opened **HB2480** for committee discussion.

HB2480: Membership of the Kansas Water Authority.

Rep. Tom Sloan made a motion HB2480 be passed favorably. Rep. James Miller seconded the motion. Motion carried.

Chairperson Freeborn opened **HB2674** for committee discussion.

CONTINUATION SHEET

MINUTES OF THE HOUSE ENVIRONMENT COMMITTEE at 3:30 p.m. on February 24, 2004 in Room 231-N of the Capitol.

HB2674: Concerning watershed districts; establishing a program to provide loans and grants for payment of certain costs of rehabilitation of certain structures.

Mary Torrence, Revisor of Statutes, distributed a balloon to the bill. (See attachment 3)

Rep. Vaughn Flora made a motion to divide the ballooned amendments into two parts. Part 1 would be the amendments suggested by the Kansas Development Finance Authority, which include all except the language on page 4 "in amounts not exceeding \$250,000 in any one year and". That language would be part 2.

Rep. Vaughn Flora made a motion to adopt part 1 of the balloon. Rep. Joshua Svaty seconded the motion. Motion carried. Part 2 failed due to lack of a motion.

Rep. Larry Powell made a conceptionsal motion "Watershed districts would be included even if they don't qualify for federal funding". Motion withdrawn.

Rep. Tom Sloan made a motion to change all language that referenced "executive director" to "conservation commission". Rep. Sharon Schwartz seconded the motion. Motion carried.

Rep. Lee Tafaelli made a motion **HB2674** be passed favorably as amended. Rep Vaughn Flora seconded the motion. Motion carried.

Rep. Joann Freeborn will carry **HB2583** and **HB2674** on the House Floor. Rep. Tom Sloan will carry **HB2480** on the House Floor.

Chairperson Freeborn adjourned the meeting at 4:30 p.m. The next meeting is scheduled for Thursday, March 4, 2004.

HOUSE ENVIRONMENT COMMITTEE

DATE February 24, 2004

NAME	REPRESENTING
Hank [unclear]	KFB
Curt Anderson	MTB Access
Jay Barnes	Kansas Natural Resource Council.
Frank Meyer	Kanza Rail trails conservancy
Amy Thurston	KDWP
Lisa Postnes	Senator Barnett
Janey Jacquet	LKIM
Leta [unclear]	KOWP
Steve Adams	KDWP
Carol Barrett	Land owners
Jerry Dudley	Ks Dept of Commerce - ag mkt.
Megan Dunn	Hein Law Firm
Joe HARKIMS	KS. WATER OFFICE
Leslie Kaufman	Ks Co-op Council
Brad HARRELSON	KFB
Herb Graves Jr	SARW

PROPOSED Substitute for HOUSE BILL NO. 2583

By Committee on Environment

AN ACT concerning certain recreational trails; amending K.S.A. 2003 Supp. 58-3212, 58-3213 and 58-3215 and repealing the existing sections.

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

Section 1. K.S.A. 2003 Supp. 58-3212 is hereby amended to read as follows: 58-3212. (a)

The responsible party, at all times after transfer of the deed to the responsible party, shall:

(1) Perform the duties imposed by K.S.A. 2-1314 and amendments thereto along the recreational trail;

(2) provide for the safety, use and accessibility of existing easements, utility facilities and access licenses along the recreational trail;

(3) provide for trail-user education and signs regarding trespassing laws and safety along the recreational trail;

(4) provide for litter control and the enforcement of laws prohibiting littering along the recreational trail, including but not limited to trail-user education and signs about laws prohibiting littering and the provision of trash receptacles and the cleanup of trash and litter;

(5) develop and maintain the recreational trail in a condition that does not create a fire hazard;

(6) designate the recreational trail for nonmotorized vehicle use with exceptions only for motorized wheelchairs and maintenance, law enforcement and emergency vehicles;

(7) prohibit hunting or trapping on or from the recreational trail;

(8) provide for law enforcement along the recreational trail;

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(9) grant easements to adjacent property owners to permit such owners to cross the recreational trail in a reasonable manner consistent with the use of the adjacent property and with K.S.A. 66-301 through 66-303, and amendments thereto;

(10) (A) maintain any existing fencing between the trail and adjacent property; (B) maintain any future fencing installed between the trail and adjacent property; (C) install between the trail and adjacent property fencing corresponding in class to that maintained on the remaining sides of such adjacent property; and (D) on request of an adjacent property owner, pay one-half the cost of installing fencing between the trail and such property owner's adjacent property with a fence of the class requested by such property owner, if not all remaining sides of such property are fenced; and

(11) (A) maintain the trail; (B) maintain all bridges, culverts, roadway intersections and crossings on the trail, essential to the reasonable and prudent operation of the trail or needed for drainage, flood control or the use of easements for crossing the trail between adjacent properties, or cause maintenance thereof by other parties that have assumed contractual responsibility therefor; and (C) install and maintain any warranted traffic signs on the trail.

(b) If the responsible party is not a governmental entity, the responsible party shall file with the county clerk of each county where a portion of the recreational trail is or will be located a bond or proof of an escrow account in a Kansas financial institution, as defined by K.S.A. 16-117 and amendments thereto, payable to the county. The bond or proof of an escrow account shall be filed at the time of transfer of the deed to the responsible party and annually thereafter. The bond or escrow account shall be conditioned on the responsible party's performance, and shall be ~~in an~~ maintained at all times in the full amount agreed upon between the responsible party and the county commission as sufficient to fully cover the annual costs, of:

- (1) Weed control along the trail, as required by subsection (a)(1);
- (2) litter control along the trail, as required by subsection (a)(4);
- (3) maintenance of the trail in a condition that does not create a fire hazard, as required by subsection (a)(5);
- (4) installation and maintenance of fencing between the trail and adjacent property within the county, as required by subsection (a)(10); and
- (5) installation and maintenance of signs along the trail, as required by subsections (a)(3), (a)(4) and (a)(11)(C).

If separate bonds are submitted to or escrow accounts established for the various counties through which the trail transverses, the annual costs listed above shall be only for that portion of the trail located within the particular county that is the holder of the bond or beneficiary of the escrow. A responsible party may submit a single bond or escrow account with multiple counties respectively as coobligees or cobeneficiaries, but in that event the annual costs used in computation of the bond amount shall be for the entire trail length.

(c) If the responsible party is not a governmental entity, the responsible party shall execute a quit claim deed conveying to the county the responsible party's interest in that portion of the recreational trail which is or will be located within the county. The deed shall be placed in escrow with an independent third party escrow agent agreed upon by the responsible party and the county commission. The responsible party shall not convey the responsible party's interest in the recreational trail to anyone other than the county. The quit claim deed shall be placed in escrow at the time of transfer of the deed to the responsible party or within 45 days after the effective date of this act, whichever is later.

(d) If the responsible party is not a governmental entity, the responsible party shall file with the county clerk of each county where a portion of the recreational trail is or will be located; proof of liability insurance in an amount agreed upon between the responsible party and the county commission as sufficient. Such proof shall be filed at the time of transfer of the deed to the responsible party and annually thereafter.

(e) If the responsible party is not a governmental entity, the responsible party shall file with the clerk of each county where any portion of the recreational trail is or will be located the name and address of the person to whom any notice required by this act shall be sent. Such name and address shall be filed at the time of transfer of the deed to the responsible party or within 45 days after the effective date of this act, whichever is later. Such name and address shall be filed with the county clerk also at any time when there is a change in the name or address, or both, of the person to whom such notice shall be sent. If notice pursuant to this act is sent by certified mail to the latest such name and address filed by the responsible party, such notice shall be deemed sufficient.

(d) (f) The provisions of this section shall apply to all recreational trails, regardless of when approval to enter into negotiations for interim trail use is or was received from the appropriate federal agency.

(e) (g) The provisions of this section may be modified or supplemented by any city governing body for recreational trails within the corporate limits of such city in the manner provided by K.S.A. 12-137 *et seq.* and amendments thereto. If a city governing body adopts requirements in addition to those provided by this section, the city shall pay all costs of compliance with such additional requirements.

Sec. 2. K.S.A. 2003 Supp. 58-3213 is hereby amended to read as follows: 58-3213. (a) Upon

receipt of permission from the appropriate federal agency to enter into negotiations for interim trail use, the responsible party shall give written notice to each adjacent property owner that the responsible party intends to build a recreational trail adjacent to the property owner's property. The responsible party may utilize the addresses to which real estate tax statements are sent, as maintained by county officials, for such notices. Such notice shall be given by first-class mail unless the notice is returned undelivered, in which case a further notice shall be given by certified mail. Further notice shall be published once each week for three consecutive weeks in the official newspaper of the county in which such trail is proposed to be located.

(b) Before commencing development or operation of a recreational trail, the responsible party shall:

(1) Prepare a project plan that includes: (A) The name and address of the responsible party, (B) an itemized estimate of the costs of the project and sources of funding for the project, and (C) maps of the recreational trail;

(2) submit by certified mail, not later than 180 days after receiving approval of interim trail use from the appropriate federal agency, the initial project plan to the county commission of each county where a portion of the trail is to be located outside of city limits and to the governing body of each city where a portion of the trail is to be located inside the city limits;

(3) submit the final project plan to the county commission of each county where a portion of the trail is to be located outside of city limits and make subsequent reports to such county commission as to the status of trail development or operation, or both, at intervals determined by the commission and consider all recommendations the commission has regarding the trail; and

(4) submit the final project plan to the governing body of each city where a portion of the

trail is to be located inside the city limits and make subsequent reports to such city governing body as to the status of trail development or operation, or both, at intervals determined by the governing body and consider all recommendations the governing body has regarding the trail.

(c) The county commission or governing body of a city shall have 60 days after submission of the final project plan to make recommendations regarding the trail.

(d) The responsible party shall complete development of a recreational trail within a period of time equal to two years times the number of counties in which the recreational trail is located. A county commission may extend the required time for completion of that portion of a trail which lies within the county by not more than two one-year extensions. Such period of time shall begin only when the appeal period pursuant to subsection (d) of 16 U.S.C. 1247 (1983) has expired. Any time during which there is pending any court action challenging the development or use of the trail shall not be computed as part of the time limitation imposed by this subsection.

~~(d)~~ (e) The provisions of this section shall apply to only recreational trails for which approval to enter into negotiations for interim trail use is received from the appropriate federal agency on or after the effective date of this act July 1, 1996.

Sec. 3. K.S.A. 2003 Supp. 58-3215 is hereby amended to read as follows: 58-3215. ~~A city or county may institute procedures for recourse against the responsible party pursuant to 16 U.S.C. 1247 (1983) and 49 C.F.R. 1152.29 (1986) upon the failure of the responsible party to comply with the provisions of this act.~~

(a) The county commission of a county where a recreational trail is located may appoint an advisory board to carry out the duties of the county commission to inspect such trail and hear complaints filed by adjacent property owners, the responsible party or others regarding the condition

of such trail.

(b) The county commission or advisory board shall inspect the recreational trail at least annually to determine compliance with the provisions of this act and shall prepare a report of the inspection. If, based on the inspection report, the county commission determines that the responsible party is not maintaining the trail as required by K.S.A. 2003 Supp. 58-3212, and amendments thereto, or has not completed development of the trail as required by K.S.A. 2003 Supp. 58-3213, and amendments thereto, the county commission shall notify the responsible party of the determination and the reasons for the determination. If the responsible party, within 14 days after notice of the determination, requests a hearing on the issue, a hearing shall be held as provided by subsection (c). If the responsible party does not request a hearing, the county commission either shall provide for the county to perform the required maintenance or shall authorize adjacent property owners to perform such maintenance. The documented costs of such maintenance shall be paid to the county from the bond or escrow account maintained by the responsible party. If the county commission has authorized adjacent property owners to perform the maintenance, the county commission shall pay to such property owners any portion of the amount recovered from the bond or escrow account which is attributable to such property owners' documented costs.

(c) At any time upon inspection of a recreational trail within the county, upon request of a responsible party pursuant to subsection (b) or upon the filing of a complaint by an adjacent property owner regarding a recreational trail located within the county, the county commission or the advisory board shall conduct a public hearing on the matter within 30 days after completion of the inspection report or receipt of the request or complaint. The county commission shall cause notice of the time, place and purpose of such hearing to be given to the responsible party as provided by K.S.A. 2003

Supp. 58-3212, and amendments thereto, and to the public by publication in the official county newspaper not less than seven days before the hearing. If upon the hearing, the county commission or advisory board determines that the responsible party is not maintaining the trail as required by K.S.A. 2003 Supp. 58-3212, and amendments thereto, or has not completed development of the trail as required by K.S.A. 2003 Supp. 58-3213, and amendments thereto, the county commission may take any of the following actions:

(1) The county commission may provide for the county to perform the required maintenance or may authorize adjacent property owners to perform such maintenance. The documented costs of such maintenance shall be paid to the county from the bond or escrow account maintained by the responsible party. If the county commission has authorized adjacent property owners to perform the maintenance, county commission shall pay to such property owners any portion of the amount recovered from the bond or escrow account which is attributable to such property owners' documented costs.

(2) The county may seek to have the quit claim deed released to the county. If the deed is released to the county, the county may convey the county's interest to another responsible party, may retain the county's interest and develop and maintain the recreational trail or may institute abandonment procedures pursuant to 16 U.S.C. 1247 (1983) and 49 C.F.R. 1152.29 (1986).

(d) At any time upon the filing of a complaint by a responsible party that any adjacent property owner is interfering with development, maintenance or use of a recreational trail located within the county, the county commission or the advisory board shall conduct a public hearing on the matter within 30 days after receipt of the complaint. The county commission shall cause notice of the time, place and purpose of such hearing to be given to the responsible party as provided by

K.S.A. 2003 Supp. 58-3212, and amendments thereto, and to the public by publication in the official county newspaper not less than seven days before the hearing. If upon the hearing, the county commission or advisory board determines that an adjacent property owner is interfering with development, maintenance or use of the trail, the county commission may refer the matter to the sheriff or the county or district attorney.

(e) The county commission or advisory board may consolidate hearings pursuant to subsections (c) and (d).

(f) Any person aggrieved by the action of the county commission pursuant to subsection (c) or (d) may appeal such action in accordance with K.S.A. 60-2101, and amendments thereto. Upon appeal, the district court may enter such orders as just, including, but not limited to:

(1) An order requiring the responsible party to comply with the provisions of this act;

(2) an order requiring the responsible party to pay a civil penalty to the aggrieved party in an amount not exceeding \$100 for each day of noncompliance;

(3) an order vacating, annulling or suspending the responsible party's corporate charter, if a corporation created by or under the laws of this state, or revoking or suspending the certificate of authority to do business in this state, if a foreign corporation;

(4) an order requiring any adjacent property owner to pay a civil penalty to the responsible party in an amount not exceeding \$100 for each day of interference in the development, maintenance or use of the trail;

(5) an order enjoining any adjacent property owner from interfering with development, maintenance or use of the trail; or

(6) an order requiring any party to the action to pay reasonable attorney fees and costs of the

aggrieved party.

Sec. 4. K.S.A. 2003 Supp. 58-3212, 58-3213 and 58-3215 are hereby repealed.

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

Add a new subsection to section 3:

(g) The provisions of this section shall not apply to any recreational trail for which the responsible party is a governmental entity.

HOUSE BILL No. 2674

By Committee on Environment

1-30

AN ACT concerning watershed districts; establishing a program to provide loans and grants for payment of certain costs of rehabilitation of certain structures; authorizing issuance of bonds to fund such program.

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

Section 1. As used in this act, unless the context otherwise requires:

(a) "Covered water resource project," "rehabilitation" and "structural measure" have the meanings provided in the federal act.

(b) "Executive director" means the administrative officer of the state conservation commission.

(c) "Federal act" means 16 U.S.C. 1012, as in effect on the effective date of this act.

(d) "Fund" means the watershed structure rehabilitation fund established by section 2, and amendments thereto.

(e) "Project" means rehabilitation of a structural measure constructed as a part of a covered water resource project.

(f) "Project costs" means all costs or expenses which are necessary or incident to a project and which are directly attributable thereto.

(g) "Watershed district" means any district organized under the provisions of the watershed district act.

Sec. 2. (a) There is hereby established in the state treasury the watershed structure rehabilitation fund.

(b) Moneys from the following sources shall be credited to the watershed structure rehabilitation fund:

(1) Amounts received by the state from the federal government for the purposes of the fund;

(2) amounts appropriated or otherwise made available by the legislature for the purposes of the fund;

(3) proceeds derived from the sale of bonds issued under this act;

(4) amounts of repayments of loans made under this act, together with payments of interest thereon, in accordance with agreements entered into by the borrower and the executive director;

(5) interest attributable to investment of moneys in the fund; and

(6) amounts received from any public or private entity for the purposes of the fund.

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1 (c) Subject to the conditions and in accordance with requirements of
2 this act, the watershed structure rehabilitation fund may be used only:

3 (1) To make loans and grants to watershed districts for all or a part
4 of project costs not covered by financial assistance provided to the district
5 under the federal act;

6 (2) as a source of revenue or security for the payment of principal pursuant to the Kansas development finance authority act
7 and interest on bonds issued under this act, and to the extent that, the
8 proceeds of the sale of such bonds are deposited in the fund;

9 (3) to earn interest on moneys in the fund; and

10 (4) for the reasonable costs, as determined by the executive director,
11 of administering the fund and conducting activities under this act. Such
12 costs shall be identified annually in development of the intended use plan
13 as described in section 3, and amendments thereto.

14 (d) On or before the 10th of each month, the director of accounts
15 and reports shall transfer from the state general fund to the watershed
16 structure rehabilitation fund interest earnings based on:

17 (1) The average daily balance of moneys in the watershed structure
18 rehabilitation fund for the preceding month; and

19 (2) the net earnings rate of the pooled money investment portfolio
20 for the preceding month.

21 (e) All payments and disbursements from the fund shall be made
22 upon warrants of the director of accounts and reports issued pursuant to
23 vouchers approved by the executive director or by a person or persons
24 designated by the executive director. All payments and disbursements
25 from the fund, and beginning and ending balances thereof, shall be sub-
26 ject each year to post audit in accordance with article 11 of chapter 46 of
27 the Kansas Statutes Annotated.

28 Sec. 3. (a) The executive director shall administer the provisions of
29 this act and shall be responsible for administration and management of
30 the watershed structure rehabilitation fund. The executive director is
31 hereby authorized to:

32 (1) Enter into binding commitments for the provision of loans and
33 grants in accordance with the requirements of this act;

34 (2) review applications of watershed districts for loans and grants and
35 select the projects for which loans and grants will be made available each
36 year;

37 (3) provide the governor and the legislature with the annual report
38 prepared in accordance with subsection (d) and with copies of the audit
39 required under section 2, and amendments thereto; and

40 (4) adopt rules and regulations necessary to administer and imple-
41 ment the provisions of this act.

42 (b) The executive director shall develop a priority system for projects,
43 establish ranking criteria therefor, review applications of watershed dis-

1 tricts for loans and grants and prepare an annual project priority list. The
2 project priority list shall include a description of each project; the pur-
3 pose, cost and construction schedule therefor; and the watershed district
4 to be served or benefited thereby. After preparation of the project priority
5 list, the executive director shall select from such list the projects for which
6 loans and grants will be made available.

7 (c) After providing for public comment and review each year, the
8 executive director shall prepare a plan identifying the intended uses of
9 the moneys available in the watershed structure rehabilitation fund. The
10 intended use plan shall include, but not be limited to:

11 (1) The project priority list;

12 (2) a description of the short- and long-term goals and objectives of
13 the fund;

14 (3) information on the projects and activities to be supported, in-
15 cluding a description thereof, terms of loans and grants to be provided,
16 and watershed districts receiving the loans and grants; and

17 (4) the criteria and method established for the provision of loans and
18 grants to be made from the fund.

19 (d) The executive director shall prepare an annual report describing
20 how the state has met the goals and objectives for the previous year as
21 identified in the intended use plan.

22 Sec. 4. (a) Watershed districts wishing to obtain a loan or grant, or
23 both, under this act shall submit an application therefor to the executive
24 director. Applications shall be in such form and shall include such infor-
25 mation as the executive director shall require and shall be submitted in
26 a manner and at a time to be determined by the executive director.

27 (b) (1) The executive director may enter into agreements with any
28 watershed district for the provision of a loan or grant, or both, to the
29 district to pay all or a part of those project costs not covered by financial
30 assistance provided to the district under the federal act. Any watershed
31 district may enter into such an agreement and may accept such loan or
32 grant, or both, when authorized by the board of directors of the watershed
33 district.

34 (2) The purposes of any loan, the loan amount and interest rate
35 thereon and the repayment terms and conditions of the loan, all of which
36 may vary among watershed districts, shall be included in the loan agree-
37 ment. Loans shall be provided at or below market interest rates. All loan
38 agreements shall require that watershed districts establish a dedicated
39 source of revenue for repayment of the loans as provided in section 5,
40 and amendments thereto. Loan agreements shall further provide that
41 repayment of any loan received shall begin not later than one year after
42 completion of the project and that such loan shall be repaid in full no
43 later than 20 years thereafter.

3-4

1 (3) The purposes of any grant, the grant amount and any conditions
2 of the grant, all of which may vary among watershed districts, shall be
3 included in the grant agreement.

4 (c) Loans and grants under this act shall be made only for projects
5 for which financial assistance is being provided under the federal act.

6 (d) If a watershed district to which a loan or grant is made available
7 under this act fails to enter into an agreement with the executive director
8 for the provision of such loan or grant in accordance with the require-
9 ments of this act, the executive director may make the amount of the loan
10 or grant available for one or more other projects on the project priority
11 list.

12 (e) The executive director shall provide any watershed district, upon
13 its request, with technical advice and assistance regarding a project or an
14 application for a loan or grant for the payment of all or a part of project
15 costs.

16 (f) Watershed districts which are provided with loans or grants under
17 this act shall maintain project accounts in accordance with generally ac-
18 cepted government accounting standards.

19 Sec. 5. (a) The dedicated source of revenue for repayment of a loan
20 under this act may include tax levies, special assessments, grants or any
21 other source of revenue lawfully available to the watershed district for
22 such purpose.

23 (b) Upon the failure of a watershed district to meet the repayment
24 terms and conditions of the loan agreement, the executive director may
25 order the treasurer of the county in which the watershed district is located
26 to pay to the executive director such portion of the watershed district's
27 share of the local ad valorem tax reduction fund as may be necessary to
28 meet the terms of the agreement, notwithstanding the provisions of
29 K.S.A. 79-2960 and 79-2961, and amendments thereto. Upon the issu-
30 ance of such an order, the watershed district shall not be required to
31 make the tax levy reductions otherwise required by K.S.A. 79-2960 and
32 79-2961, and amendments thereto.

33 (c) Any loans received by a watershed district under the provisions
34 of this act shall be construed to be bonds for the purposes of K.S.A. 10-
35 1116 and 79-5028, and amendments thereto, and the amount of such
36 loans shall not be included within any limitation on the bonded indebt-
37 edness of the watershed district.

38 Sec. 6. For the purpose of making loans and grants under this act,
39 the executive director may enter into agreements with the Kansas devel-
40 opment finance authority to issue revenue bonds. The activities of the
41 executive director in administering and performing the powers, duties
42 and functions prescribed by the provisions of this act from the proceeds
43 of bonds issued for such purpose by the Kansas development finance

pursuant to the Kansas development finance authority act in amounts not exceeding \$250,000 in any one year and to provide for payment of the bonds. The authority may pledge the agreement or agreements authorized in this section for the payment or redemption of the bonds

3-5

1 authority are hereby approved for the purposes of subsection (b) of K.S.A.
2 74-8905, and amendments thereto, and the authorization of the issuance
3 of such bonds by the Kansas development finance authority in accordance
4 with that statute. The provisions of subsection (a) of K.S.A. 74-8905, and
5 amendments thereto, shall not prohibit the issuance of bonds for such
6 purposes when so authorized and any such issuance of bonds is exempt
7 from the provisions of subsection (a) of K.S.A. 74-8905, and amendments
8 thereto.

9 Sec. 7. This act shall take effect and be in force from and after its
10 publication in the statute book.

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