

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Pete Brungardt at 10:40 a.m. on Wednesday, March 9, 2005, in Room 231-N of the Capitol.

All members were present.

Committee staff present:

Athena Andaya, Kansas Legislative Research Department
Dennis Hodgins, Kansas Legislative Research Department
Mary Ann Torrence, Revisor of Statutes Office
Dee Woodson, Committee Secretary

Conferees appearing before the committee:

Phil Bradley, Kansas Licensed Beverage Association
Chuck Magerl, Owner of Free State Brewery and Wheatfields Bakery, Lawrence
Tuck Duncan, Kansas Wine & Spirits Wholesales Association
David Ross, Kelly Mill Plaza, Inc., Hutchinson
Norm Jennings, Smokey Hill Vineyards & Winery and Kansas Grape Growers & Winemakers Association (written)
Janna Dunbar, Kansas Department of Commerce (written)
Gary Winget, Kansans for Addiction Prevention
Tom Groneman, Director of Alcoholic Beverage Control, Kansas Revenue Department
Ernest Mosher, Topeka resident

Others attending:

See attached list.

Chairman Brungardt called for consideration and approval of minutes for the February 17, 22 and 24 meetings. Senator Reitz made a motion to approve the minutes as written, seconded by Senator Vratil, and the motion carried.

SB 274 - Microbreweries; packaging and warehousing license, Sunday hours; sales of Kansas wine by the drink at the state fair

Chairman Brungardt opened the hearing on **SB 274**. Philip Bradley, Kansas Licensed Beverage Association, testified in support of **SB 274**. He stated that the bill allows for a second non-sale site for microbreweries for storage and packaging. Many of Kansas' microbreweries have located in historic districts and/or in previously developed areas in an attempt to assist in the revitalization of the state's towns. The microbreweries are faced with being unable to expand due to the unique areas in which they have located and expended their resources. He said the current statute only allows one site, and this blocks a separate facility for storage and packaging so it limits the possibility of production expansion.

Mr. Bradley explained that there was another provision allowing for the State Fair to enter into an agreement with parties to obtain a temporary permit to offer for on-premise sale of Kansas wine and microbrew products during the Kansas State Fair. He said in the process of presenting this bill, it was discovered that there were additional issues involving temporary permits. In an effort to save committee time, he suggested this provision be deleted out of **SB 274** and drafted as a separate bill. The agreed to amendment would remove from **SB 274**, page 4, line 36, Section 3, all the text through the end of the bill, page 8, line 26. He stated that he had talked with all the parties involved, and a meeting had been set up for the following Friday to start the process of drafting a separate consensus bill covering the temporary permit issues. (Attachment 1)

Senator Vratil asked permission of the Chairman to offer a motion at that time to make the requested amendment, and Chairman Brungardt stated he was agreeable to that request.

Senator Vratil made a motion to amend **SB 274** by deleting Section 3, beginning on page 4, line 36, through page 8, line 22, deleting the references to K.S.A. 2004 Supp. 41-719 in line 23, and K.S.A. 41-

CONTINUATION SHEET

MINUTES OF THE Senate Federal and State Affairs Committee at 10:40 a.m. on Wednesday, March 9, 2005, in Room 231-N of the Capitol.

2645 on line 24, and for the deletion of those same references appearing in the title paragraph on page 1. Senator Reitz seconded the motion, and the motion carried.

Chuck Magerl, Free State Brewing Company in Lawrence, testified in favor of **SB 274**. He said sixteen years ago he had the great pleasure of opening the first brewery in Kansas in over 100 years. He explained that current statutes allow only one location for a business licensed as a microbrewery in Kansas, and the restriction poses a difficulty for the development and expansion of a quality product. The restriction is not common in many other states, and with the limited facility it leaves very few options for continued business growth. Mr. Magerl stated his plan was to invest in a small warehouse facility that would offer the opportunity to establish a bottling operation away from the retail district in Lawrence. He included with his written testimony letters of support from brewers in Leavenworth and Topeka who were unable to attend today's hearing. (Attachment 2)

Senator Vratil asked what was meant by "beer enthusiasts" as noted on page 2, line 20, of the bill. Mr. Magerl responded that when the bill was being drafted, it was similar language that the farm wineries used and also possibly related to home breweries wording. Senator Vratil inquired if it was defined anywhere in the bill, and Mr. Magerl said he did not think it was defined in the bill. After brief discussion, Mr. Magerl stated that he would be agreeable to having that specific language removed from the bill.

Senator Brownlee referred to the wording used on page 2, starting on line 21, which says, "bona fide educational and scientific tasting programs....", and she asked how it became educational and scientific tasting. Mr. Bradley explained the language was taken directly from the next section that allows the farm wineries to do the exact same thing in the same language. He added that both those phrases were already in current statute law, and the intent was to duplicate the wording the committee used previously in drafting the bill that became law.

Tuck Duncan, Kansas' Wine & Spirits Wholesalers, testified in favor of **SB 274**. He suggested that possibly the use of "brewers" or "brew masters" instead of "beer enthusiasts." He explained that this was the concept which allows for the competitions of the products that are made in Kansas, using Kansas agricultural products in order to compare them against each other. On occasion certain products are brought in from out of state to be judged against these items, and the judging of wines, and in this case, microbrews produced in this state, is indeed an educational and scientific activity because of the whole brewing and blending process involves a great deal of chemical understanding. He stated that the Wholesalers support this bill, including the provisions relating to the bottling, and provisions that would allow for Kansas brewed products to be judged in competitions.

Mr. Duncan explained why the temporary permit was included in this bill as current law allows for cereal malt licenses to be issued, and there are beer gardens at the State Fair during the fair days. Current law allows for the State Fair Board to provide for consumption of beverage alcohol at certain events for certain numbers of people outside of fair days. He talked about why it was suggested that the last section be taken out because various interested parties would like to see an opportunity for Kansas wine products to be sampled and tasted at the fair by Kansans who are attending the fair. He said there were over 40,000 people last year who visited the vineyards and wineries, and this was a growing tourist type of attraction and popularity. He had no objection to deleting the temporary permit language out of the bill, provided that there be a separate bill reintroducing the same identical language, subject to some of the amendments coming before the committee. He stressed that there were only three weeks remaining in the session, and if the bill doesn't get introduced, doesn't get a number assigned or is not printed, the bill will be lost for the year. (Attachment 3)

David Ross, Kelly Mill Plaza, Inc., stated his testimony was totally related to the part that was deleted, and he would plan to return at a later date when the new bill is scheduled for a hearing. (Attachment 4)

Norm Jennings, Smokey Hill Vineyards & Winery and the Kansas Grape Growers & Wine makers Association, submitted written testimony in support of **SB 274**. (Attachment 5)

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Janna Dunbar, Kansas Department of Commerce, submitted written testimony in support of **SB 274**. She said she did want to correct Mr. Duncan's earlier testimony, in that last year, Kansas had over 150,000 visitors to the farm wineries, which were almost half and half between in-state and out-of-state visitors. (Attachment 6)

Senator Vratil inquired of Mr. Bradley regarding page 3, line 30, of **SB 274**, how the amount of \$50 was arrived at for the annual fee for microbrewery packaging and warehouse license. Mr. Bradley responded that it is the exact same fee that additional farm winery retail outlets pay, plus this fee is on top of all the other fees a brewery is required to pay to be in business.

Gary Winget, Kansans for Addiction Prevention, testified in opposition to **SB 274**. He called the committee's attention to page 3, line 19, referring to the production of 500 or more barrels daily capacity. He said he thought microbreweries were suppose to be a small operation, but 500 barrels seemed very big to him, and there needed to be some limits including deleting "micro." He stated the changes in existing law that expands hours, expands sites, or introduces new products are designed to market more alcohol which will increase the harm done in Kansas. He wanted to delete the expanded hours on Sunday as noted on line 14, page 2, of the bill. Mr. Winget pointed out that the provision for issuing a license or a fee for \$50 with less than that amount in administrative costs. He stated he felt that two zeros should be added to every fee and license in **SB 274**. He emphasized this industry needed to pay for their growth. (Attachment 7)

Tom Groneman, Director of Alcoholic Beverage Control (ABC), Department of Revenue, testified as neutral conferee on **SB 274**. He explained the bill would allow the Director of ABC to issue one microbrewery packaging and warehousing license to a microbrewery licensee. This would allow the microbrewery to transfer beer manufactured by the licensee to and from the licensed premises as well as allow deliveries from the warehouse to beer distributors. He said the bill would allow the Director to issue to the Kansas State Fair or any bona fide group of brewers or beer enthusiasts a permit to import into this state small quantities of beer for educational and scientific tasting programs. This would be in line with what is currently allowed for farm wineries. Mr. Groneman stated that the fiscal impact of this bill would be negligible. (Attachment 8)

Senator Vratil inquired of Mr. Groneman what the administrative cost of processing a license for \$50 would be. Mr. Groneman responded that the fees had not been looked at for several years, but would check on it and get the information back to the committee as soon as possible. Senator Vratil asked what the reason was for expanding the hours on Sunday for which a microbrewery could sell beer. Mr. Groneman said that was a legislative decision, and the ABC would be monitoring whatever the set hours are in the passed law. He said that industry would probably say that it was more in line with what the Sunday Sales for the cities that opted out of the Liquor Control Act.

Mr. Duncan said Mr. Groneman was correct that the change in the hours was for uniformity in Sunday sales for all packaged liquor.

Senator Brownlee commented regarding that fees are usually set by the Rules and Regulations Committee, and why these fees were set in statute instead of Rules and Regulations. Mr. Groneman replied that it was the way it has always been.

Senator O'Connor asked the Chairman if he would entertain a motion to introduce the bill to mirror what was earlier deleted out. The Chairman said that would be agreeable, but that there was nothing drafted to look at.

Senator O'Connor made a motion to request a conceptual bill be introduced regarding the temporary permit language, seconded by Senator Hensley, and the motion carried.

Chairman Brungardt closed the hearing on **SB 274**.

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MINUTES OF THE Senate Federal and State Affairs Committee at 10:40 a.m. on Wednesday, March 9, 2005, in Room 231-N of the Capitol.

SB 68 - Elections; establishing requirements for daily reporting of campaign contributions

Chairman Brungardt called for discussion on **SB 68**, and asked the Revisor to review the Substitute Bill for **SB 68**. She explained that the first section contained what was in **SB 68** with the changes the committee had requested. There were changes made in order to conform to another campaign finance bill that was already passed out to the Senate floor. In subsection (b) the \$50 was changed to \$300 as the threshold for reporting independent expenditures, and there were also added provisions that the report would name the candidate whose nomination, election or defeat is expressly advocated by the independent expenditure. Subsection (c) was revised to allow the Commission flexibility to determine what methods of filing could be acceptable. Section 2 of the bill was what was in **SB 64** that deals with communications by radio, television, newspaper, mail, and other means of distribution. It requires any person who spends or contracts to spend \$300 or more per calendar year for any electioneering communication shall submit a report and is detailed on page 2 of the drafted Substitute Bill. Electioneering communication is defined on page 3, under (c) and refers to any clearly identified candidate and is broadcast for the purpose of effecting an election. The Revisor said the last section of the bill contains what was in **SB 66**, which did not come through this committee. It deals with reports filed by treasurers of candidates. Changes over on page 6 require the reporting of name and address of each candidate for an in-kind contribution that has been made in an aggregate value of \$300 or more, and sets out that it has to be contained in that report. (Attachment 9)

Senator O'Connor stated that she served on both the Elections and Local Government Committee that heard testimony on **SB 64** and **SB 66**, and on this committee which heard **SB 68**, and was trying to keep the various provisions straight and in which committee she heard the testimony on those provisions. She said that in Elections and Local Government there was testimony given that the \$300 amount should be raised to \$500 and up, and that testimony was not heard in this committee. It was recommended that the amount be kept the same in order to lesson the confusion on the campaign requirements. She added that another provision testified on in Elections and Local Government was that the reporting requirement on the date of the election would not be needed because by then nobody would be interested as the people would be voting on that day. If there was a 24-hour required reporting period, Senator O'Connor recalled that by the time it was reported, the election would be over. She stated that this was the reason she was strongly protesting that the two bills that this committee is attempting to put into this committee's **SB 68**, should stay in the original committee since this committee did not hear the testimony or discussion on those bills. She said she was going to oppose this amended form of **SB 68** because of the procedure that is being attempted to amend the bill, and there is a lack of continuity which is not the way legislation should be done.

Chairman Brungardt asked the Committee Secretary if she had received copies of all the testimony on the two bills in question from the Elections and Local Government Committee and had distributed those copies to the committee members. The Committee Secretary confirmed that all the testimony had been hand-carried to committee members the same day the request was made.

Carol Williams, Kansas Governmental Ethics Commission, explained that this committee did change the provision regarding the day before the election in original **SB 68**. She said that the issue advocacy provision in Section 2 was within 24 hours. Chairman Brungardt stated that there was also a change regarding the means of filing that was requested by the Secretary of State's Office.

Senator Brownlee noted that on pages 2, 5, 6 and 7 the "in excess of \$50" amounts remained, and she recalled that it was to be changed to \$300. The Revisor explained that it had been requested in what was **SB 68** that originally had \$50 in it, that it be increased to \$300. The other \$50 amounts is contained in current law, and was actual contributions to the candidates. Carol Williams briefly explained the difference.

Chairman Brungardt announced that the discussion on **SB 68** would be continued at the next meeting, and possible action considered.

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MINUTES OF THE Senate Federal and State Affairs Committee at 10:40 a.m. on Wednesday, March 9, 2005, in Room 231-N of the Capitol.

SB 262 - City and county consolidation

HB 2083 - Consolidation of Topeka and Shawnee County

Chairman Brungardt called for discussion on **SB 262** and **HB 2083**. He explained that his announced goal was to try and get something that would enable the citizens in this area to move forward on their idea of trying to investigate the consolidation of government as was voted on last fall to pursue that study. He stated that he still thought that was a worthy goal, but realized the odds of actually achieving consolidation are odds against. He said he would like to figure out some way of consolidating services or sharing services, and maybe working still with the open ended idea of consolidation of governmental units. He said he had asked Ernie Mosher to come back to the committee and talk about his concept of compromise in order to find some common ground with the various interested groups.

Ernie Mosher presented to the committee a Substitute Bill in balloon form combining the provisions of **HB 2083** and **SB 262**, with amendments. He provided an outline of his suggested amendments lettered (A) through (P) with an explanation of each amendment by original bill parts, and page referencing to the numbers in the upper right corner of the balloon amendment. He explained the reasoning behind the suggested amendments for each of the bills as outlined in his written outline. (Attachment 10)

Committee questions and discussion followed Mr. Mosher's presentation.

The meeting adjourned at 11:47 a.m. The next meeting is scheduled for March 10, 2005.

SENATE FEDERAL & STATE AFFAIRS COMMITTEE GUEST LIST

DATE Wed., March 8, 2005

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Rebecca Hester	
Deborah Fraser	
<u>TERRY HOWREN</u>	KANSAS FARM BUREAU
Mary Miller	
Terry Guy	
Ed Hines	
Hannah Johnson	
Kim Seiber	Heinlaw Firm
Lucas Bell	Kearney and Associates, Inc.
Judith Moler	KAC
DAVID LAKE	KBEMS
Janna Dunbar	Commerce
Diane Jennings	
Swan Adams	
Craig Kahlenie	
Melissa Wangermann	Sec of State
Jesse Boyer	Secretary of State
David Ross	KSGWA / Kelly, Mill Plaza
LARRY R BAER	LKM
Col Miller	Gov Ethics
Karina Kemp	Gov. Ethics
Neal Whitaker	KBWA
Rebecca	KS Beer Wholesalers Assn
Phil Bradley	KS Licensed Beverage Assn.
Chuck Mayer	Free State Brewery



*Kansas
Licensed
Beverage
Association*

*President
Tom Intfen*

*Secretary/Treasurer
Tammy Davis*

*Vice Presidents
Robert Farha
Glenda Dewey
Jim Hendricks
James Fager
Curt Melzer
Richard Markle
Paul Boone
Billy Long
Leigh Watkins*

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*Testimony on SB-274, March 9, 2005
Senate Federal and State Affairs Committee*

Mr. Chairman, and Senators of the Committee,

I am Philip Bradley representing the Kansas Licensed Beverage Assn., the men and women, in the hospitality industry, who own and manage bars, clubs, caterers, restaurants, breweries and hotels where beverage alcohol are served. Thank you for the opportunity to speak today.

We support SB-274.

This bill is very simple. First it allows for a second non-sale site for microbreweries for storage and packaging. Many of our states microbreweries have locaed in historic districts and/or in previously developed areas in attempt to assist in the revitalization of our states towns. They are face with being unable to expand due to the unique areas in which they have located and expended there resources. The current ststute only allows one site and this stops a separate facility for storage and packaging. This is not a request to expand sales areas or locations. This is not a request to expand on or off-premise retail sites. This only allows the above mentioned facility, permitted and regulated.

The farm wineries and microbreweries procedures were created to help foster starting opportunities and businesses. Most microbreweries are now operating restaurants in addition to producing beer. They do this with the current license structure and within the current laws and regulations and have been for years. This continues those practices.

Second this would allow for the State fair to enter into an agreement with parties who obtain a temporary permit from the ABC to offer for on-premise sale KS wine and microbrew at the Kansas State Fair. In the process of presenting this bill we discovered that there arer additional issues involving temporary permits. There are problems that the ABC would like to solve and issues that others have and would like to have resolved. In an effort to save you time and try to accomodate all of these interests we suggest splitting this bill into two separate vehicles. This would allow us to meet with those parties mentioned, and any others interested, soon and return to you a consensus bill on this specific area. Therefore we ask for the following amendment and then urge you pass SB-274.

Agreed to amendment;
Remove from SB-274, page 4, line 36-Section 3 and all text through the end of the bill, page 8, line 26 and introduce this as a separate bill. This would take the temporary permit language out of the current bill and allow the ABC, DOR, industry, and interested public to work on these corrections and bring them back to you ASAP in a consensus bill.

As always we are available for questions. Thank you for your time.

Dr. Philip B. Bradley
Executive Director

Senate Federal & State Affairs

Committee

3-09-05

Attachment 1

**Free State Brewing Company
636 Massachusetts St
Lawrence, Kansas 66044**

March 9, 2005
Senate Federal and State Affairs
Regarding SB 274

Thank you for the opportunity to voice my support for Senate Bill 274. My name is Chuck Magerl. I'm the owner of the Free State Brewing Company in Lawrence, Kansas. Sixteen years ago I had the great pleasure of opening the first brewery in Kansas in over 100 years. The effort that went into developing this business, seeking enabling legislation, convincing wary lenders and surprising a skeptical public has been very rewarding.

We have produced award winning beers at our brewery, and our restaurant has received praises and recognition from customers and critics alike. In the course of these years, several similar brewing businesses have taken root across the State, from popular locations in Wichita, Manhattan, Topeka and Johnson County, to small specialty businesses in Lincoln and Beaver. What we all share is the desire to provide a flavorful, quality beverage, and to enhance the realm of hospitality in Kansas.

The bill that is before you today will be a step in continuing that effort to share our pride in Kansas products with customers in Kansas and around the region.

Current statutes allow only one location for a business licensed as a microbrewery in Kansas. This is a restriction that is not common in many other states, and it poses a difficulty for the development and expansion of a quality business like mine. At this time, most of our beer is sold on tap at our restaurant in downtown Lawrence. A smaller portion is sold to customers in half gallon containers for carry out from our location, and some is sold in kegs to a wholesale distributor for resale to other licensed drinking establishments in Kansas. This limited facility gives us few options to continue to grow our business.

Our plan is to invest in a small warehouse facility that would offer us the opportunity to establish a bottling operation away from the retail district in Lawrence. With adequate space at a reasonable cost, we would be capable of increasing our production of beverages and gathering a greater distribution of our product.

Senate Federal & State Affairs
Committee
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Attachment 2

The packaging and warehousing provision in this bill would permit just such an expansion of businesses like mine. The other restrictions on a license holder under current law, such as Kansas residency and prohibition of multiple businesses, would remain intact.

The assurance of proper tax determination and recordkeeping compliance at a warehousing and packaging site is something that I am sure we would be able to work on with ABC, to satisfy any concerns they may have.

Additional provisions in this bill would allow the State Fair to become a site to showcase Kansas beers. Brewers from around the State would be able to work with the ABC and the Fair Director to select a time to gather the best beers in the State, and provide the Fair-going public with another reason to enjoy the great fall festival that is the State Fair. Mr. Denny Stoecklein, the Fair General Manager has expressed his interest in having a Kansas breweries promotion added to the State Fair lineup.

I have included letters of support from brewers in Leavenworth and Topeka who were not able to appear before you today. They enthusiastically support the changes in microbrewery legislation that SB 274 offers.

Those of us who developed these Kansas brewing businesses understood that this wasn't a get rich quick scheme. It's fraught with all the pit falls of a small business in a highly competitive environment. None the less, through attention to detail, and very hard work, we have been able to establish successful businesses. We believe in the quality and integrity of our product, and we look forward to the steady growth of our businesses and the customer appreciation that comes with an enhanced market for our great products.

I hope you will take action to approve SB 274 as one small step to continue the progress of the beverage and hospitality industry in Kansas. Thank you for your time. I will be happy to yield to questions.

Chuck Magerl
(785)843-4555
cm@freestatebrewing.com

GREAT AMERICAN BEER FESTIVAL AWARDS
Free State Brewing Co (Lawrence)
Bronze Medal Wheat State Golden
Bronze Medal Ad Astra Ale
Bronze Medal Old Backus Barleywine

Blind Tiger Brewery (Topeka)
Gold Medal Raw Wheat
Gold Medal Cup of Mud Java Porter
Silver Medal Tailwind Rye
Silver Medal Smokey the Beer

High Noon Saloon (Leavenworth)
Gold Medal Oregon Trail Raspberry Wheat



417 SW 37TH - Topeka, KS 66611 - 785-267 BREW

To: sb@freestatebrewing.com
Subject: SB274

The Blind Tiger Brewery & Restaurant, 417 S.W. 37th St. Topeka, Kansas fully supports Senate Bill 274. We believe that a packaging and warehousing facility is a crucial element in the survival of our young industry.

We are also of the opinion that the Sunday sales between 11 a.m. and 7 p.m. will help correct the economical damage suffered there.

On the matter of the Kansas state fair, we think it's a great opportunity to celebrate our states rich brewing history and show the quality of our product. Craft-brewing is still in the grassroots of a fledging industry and this kind of exposure is very necessary for our growth. We are proud to use Kansas grown wheat in our beer and think the fairgrounds is a great place to bring this to the people.

Sincerely,
John Dean
Brewmaster

A handwritten signature in cursive script that reads "John Dean".

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February 23, 2005

Kansas Senate
State Capitol Building
Topeka, Kansas

Subject: SB 274

Our business enthusiastically supports new legislation, SB 274. Allowing additional offsite locations for microbrewery bottling operations, extending Sunday brewpub beer sales hours, and allowing the sale of Kansas microbrewed beers at the Kansas State Fair are all initiatives that promote good business, increase employment, and result in business expansion. That equates to more taxable dollars available for the State of Kansas. We look forward to more pro-business initiatives from our legislators. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to be "R.D. Johnson", written over a horizontal line.

R.D. Johnson
Owner

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Kansas Wine & Spirits
Wholesalers Association

To: Senate Committee on Federal and State Affairs
From: R.E. "Tuck" Duncan
RE: SB 274

Kansas' Wine & Spirits Wholesalers support SB274.

We have no objection that if upon application and payment of the fee prescribed by K.S.A. 41-310, and amendments thereto, by a microbrewery licensee, the director issues not to exceed one microbrewery packaging and warehousing license to the microbrewery licensee. That microbrewery packaging and warehousing facility license should allow: (1) The transfer, from the licensed premises of the microbrewery to the licensed premises of the microbrewery packaging and warehousing facility, of beer manufactured by the licensee, for the purpose of packaging or storage, or both; and (2) the transfer, from the licensed premises of the microbrewery packaging and warehousing facility to the licensed premises of the microbrewery, of beer manufactured by the licensee; or (3) the removal from the licensed premises of the microbrewery packaging and warehousing facility of beer manufactured by the licensee for the purpose of delivery to a licensed beer wholesaler.

We have no objection if the director issues to the Kansas state fair or any bona fide group of brewers or beer enthusiasts a permit to import into this state small quantities of beer. Such beer shall be used only for bona fide educational and scientific tasting programs and shall not be resold. Such beer shall not be subject to the tax imposed by K.S.A. 41-501, and amendments thereto. The permit shall identify specifically the brand and type of beer to be imported, the quantity to be imported, the tasting programs for which the beer is to be used and the times and locations of such programs. The secretary shall adopt rules and regulations governing the importation of beer pursuant to this subsection and the conduct of tasting programs for which such beer is imported.



Hello from the State Fair 2004

Further we have no objection to the director issuing a temporary permit, valid for the entire period of time of the Kansas state fair, which authorizes the sale and serving by the drink of only wine manufactured by farm winery licensees or beer manufactured by microbrewery licensees, or both, on the premises specified in the temporary permit, by a person who has entered into an agreement with the state fair board for that purpose.

Thank you for your attention to and consideration of these matters.

Senate Federal & State Affairs

Committee

3-09-05

Attachment 3



Kelly Mill Plaza, Inc.
P.O. Box 1881, Hutchinson, KS 67504-1881
620.728.0955
david@rosswm.com

March 9, 2005
Senate Federal & State Affairs Committee
On behalf of: Kelly Mill Plaza, Inc., a real estate development company

RE: Senate Bill 274

We wish to thank the members of the committee for the opportunity to offer this testimony. Our company is working to a revitalization and development project on economically depressed property in Hutchinson. The vision of this project will reclaim a dilapidated property and expand the Hutchinson Antique District area with a agri-tourist destination plaza featuring Kansas wine and other agricultural production . We support SB274 as its provisions will assist in developing a stronger Kansas grape and wine industry.

An integral part of this development is a commercial winery. A winery is the significant attraction around which this project can flourish. We project that the tourists coming to a thriving winery will make this redevelopment project successful. This plaza will become another destination to build on the extensive tourist traffic that currently comes to Hutchinson's existing attractions, including the Kansas State Fair, the Kansas Cosmosphere and the Underground Salt Mine Museum that will open soon.

The progress of this project, and similar projects throughout the state of Kansas, depends upon our state providing a legal environment that will allow a Kansas wineries to grow and flourish with its sales to Kansas residents, tourists and to visitors from outside the state or from foreign countries.

- We believe that utilizing the Kansas State Fair for wine tasting and wine sales is an important component in marketing and growing this industry. Missouri and Oklahoma each allow their wineries to sample and sell and taste wine at their respective state fairs and other festivals. The state of Ohio sells several million dollars of wine at their 10 day fair each year. This has created great interest bringing people that would not otherwise come to their fair, as well as substantial revenue for the Ohio wine industry and for their state in taxes collected.
- Greater exposure at the Kansas State Fair will provide an opportunity to inspire other individuals that wish to enter the wine and/or vineyard/fruit growing industry. Over the last 10 years the Kansas Grape Growers and Winemakers have had wine displays and public wine judgments that have always been very popular. Many people interested in the Kansas wine and vineyard industry first learned about it at the state fair.
- Providing exposure at the state fair and other festivals for the Kansas wine and grape/fruit growing industries will attract those in our state already interested in wine to discover how good our Kansas wine is. This will help to convert them from always buying wine from other states and countries while building jobs and revenues for our in-state industry and associated taxes.
- At the Kansas State Fair many people will find wine a wonderful addition to what is available at the fair. This may make the difference on whether they will even make the effort to come to the fair. From a personal perspective, having spent many days in the state fair beer garden when I was younger, I find that I am more interested being able to enjoy well crafted Kansas wine. I do not think I am the only one.

Thank You for your interest and support of SB 274.

David Ross
President
Kelly Mill Plaza, Inc.

Senate Federal & State Affairs
Committee
3-09-05
Attachment 4

Kansas Grape Growers & Wine Makers Association

March 9, 2005

To: Senate Federal & State Affairs Committee
From: Norman M. Jennings
On behalf of: Smoky Hill Vineyards & Winery (Co-owner)
Kansas Grape Growers & Wine Makers Association (Legislative Chair)

RE: SB274

Mr. Chairman and members of the committee, thank you for the opportunity to offer this testimony. The Kansas Grape Grower & Wine Maker Association (KGGWA) is a state association established by the growers and wineries of Kansas, with the mission statement of furthering the growth and development of both of these industries, and therefore the economic impact in Kansas. The KGGWA represents commercial growers and wineries responsible for approximately 80% of the Kansas wines produced. The grape and wine industry in Kansas is one that has the potential to be a major contributor to the state agritourism and value-added agricultural industries, as well as state alcohol tax revenue sources.

The Kansas Grape Grower & Wine Makers Association supports SB274 as a mechanism for furthering both the Kansas grape and wine industries. The ability to hold wine judging's, sample and sell Kansas wines at the state fair is greatly desired. The activities allow for the exposure of Kansas wines to many people in a venue that promotes the agriculture products and activities of Kansas. For many states the wine activities at their state fairs are a big highlight and draw for tourists.

Passing SB274 would further the growth and development of Kansas grape/wine fruit growing and the Kansas wine industry. We thank you for your time and the opportunity to appear before this committee and ask for your support on SB274.

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**Testimony in Support of SB 274
To
The Senate Federal and State Affairs Committee**

**By Janna Dunbar
Agriculture Marketing Division
Kansas Department of Commerce
March 9, 2005**

Good morning, Chairman Brungardt and members of the Committee. I am Janna Dunbar, Foods & Feeds Program Manager of the Ag Marketing Division of the Kansas Department of Commerce, and I want to thank you for this opportunity to offer our support for SB 274.

Our Division has a statutory obligation to assist with the domestic and international marketing of Kansas agricultural commodities and processed food products. One of the ways we have been able to assist the vineyards and wine makers in the state is through the Kansas State Fair. This past September we held the first annual grape stomp & wine judging. The grape stomp garnered substantial media attention to this once vibrant industry.

However our Kansas farm wineries are unable to market their products at the fair due to prohibitions in current law. SB 274 would allow these farm wineries to sell their products to a large audience. The State Fair is a celebration of Kansas and its products. It would only seem logical to support Kansas grape, fruit and wine producers.

Our Division is working closely with existing Kansas vineyards and wineries to expand their markets, expand the industry, and garner tourism dollars to our state and we know we can enhance the marketing effort at the State Fair should SB 274 be passed. Therefore, we ask this Committee to consider SB 274 and pass the bill out favorably. Thank you.

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Attachment 6

KANSANS FOR ADDICTION PREVENTION (KAP)
Garry Winget, President, P.O. Box 16774, Wichita, KS 676211

Senate Federal and State Affairs Committee: Testimony on Senate Bills 274 & 267
March 9, 2005

Changes in existing law that expands hours, expands sites, or introduce new products are designed to market more alcohol. Marketing more alcohol will increase the harm done in Kansas. Claims that are made about improving health or positive economic impact are completely bogus. 14,000 U.S. College students between 18 and 24 years of age die each year from unintentional injuries related to alcohol. The economic loss in Kansas this year will be in excess of \$1.7 billion dollars. The promoters of this dangerous drug will work with smoke and mirrors to convince you that there is some positive light that can be shed. KAP will only offer you scientific data from independent or government research organizations.

In the September 2003 issue of *Epidemiology* Bobak reports on a study done in an European country. "Mortality was elevated in both men and women who drank alcohol at least once a month. These statistics are often not appreciated, especially when alcohol's effect on one entity such as myocardial infarction is focused on, to the neglect of an appreciation of the overall picture."

Allan Handysides in his report on binge drinking says, "While alcohol in middle-aged persons (that is those whose blood vessels are atheromatous) when consumed at one drink per day may act like an anticoagulant, or 'blood thinner,' there is no evidence of benefit for this effect in healthy people. In fact, this one effect among the many that alcohol induces is insufficient for writers of the papers dealing with the effect to recommend that people start drinking for health reasons. Not one editorial on the subject has ever suggested this, contrary to the impression fostered by the liquor industry.

An easy grasp of the situation is that is illustrated in the use of low-dose aspirin for cardio protection. Aspirin, which may cause gastric irritation or hypersensitivity reaction in the rare individual, had to undergo massive scrutiny before it could be recommended in middle-aged, at risk individuals for cardio protection. Alcohol would never pass FDA approval as a medication, if it were to be so required. Its adverse effects would have secured its swift disposal in the pharmacology 'trash can.' Rather than being beneficial to society, its side effects are measured in billions of dollars of health costs, property damage, human misery, and premature mortality."

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Testimony on Senate Bill No. 274

Concerning alcoholic liquor;

To
The Senate Federal and State Affairs Committee
By
Tom Groneman, Director
Alcoholic Beverage Control Division

March 9, 2005

Mr. Chairman, members of the committee, thank you for allowing me to appear before you today regarding Senate Bill 274.

Senate Bill 274, as written, makes the following changes to the Liquor Control Act. It would allow the Director of Alcoholic Beverage Control to issue one microbrewery packaging and warehousing license to a microbrewery licensee. This would allow the microbrewery to transfer beer manufactured by the licensee to and from the licensed premises as well as allow deliveries from the warehouse to beer distributors.

It would allow the Director to issue to the Kansas state fair or any bona fide group of brewers or beer enthusiasts a permit to import into this state small quantities of beer for educational and scientific tasting programs. This would be in line with what is currently allowed for farm wineries.

The bill also would allow the director to issue one temporary permit for the duration of the Kansas state fair. The temporary permit would authorize a person who has entered into an agreement with the state fair board to sell and serve by the drink wine manufactured by farm winery licensees or beer manufactured by microbrewery licensees, or both.

The fiscal impact of this bill would be negligible. If all nine of the microbreweries in the state were to apply for the new license there would be an increase of license fees collected of \$450.00.

I would be glad to answer any questions.

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Attachment 8

PROPOSED Substitute for SENATE BILL NO. 68

By Committee on Federal and State Affairs

AN ACT concerning campaign finance; relating to independent expenditures; relating to electioneering communications; relating to certain reports; amending K.S.A. 25-4148 and repealing the existing section.

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

New Section 1. (a) Every treasurer for a party committee or political committee shall file reports of independent expenditures as prescribed by this act. Reports shall be filed with the secretary of state. Reports required by this section shall be in additions to any other reports required by law.

(b) The report shall contain the name and address of each party committee or political committee which has made or contracted to be made independent expenditures in an aggregate amount or value in excess of \$300 or more during the period commencing 11 days before a primary or general election at which a state or local officer is to be elected and ending upon the day before such election. Such report shall contain the amount, date and purpose of each such independent expenditure, as well as the name of the candidate whose nomination, election or defeat is expressly advocated. When an independent expenditure is made by payment to an advertising agency, public relations firm or political consultant for disbursement to vendors, the report of such independent expenditure shall show in detail the name of each such vendor and the amount, date and purpose of the payments to each, as well as the name of the candidate whose nomination, election or defeat is expressly advocated. The report shall be made on or before the close of the second business day following the day in which any independent expenditure is made.

(c) Reports required by this section shall be filed by hand delivery, express delivery service, facsimile transmission or any electronic method authorized by the commission.

(d) (1) "Expenditure" shall have the meaning ascribed to it in K.S.A. 25-4143 and amendments thereto.

(2) "Independent expenditure" means an expenditure that is not controlled by or coordinated with any candidate or agent of

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such candidate.

(3) "Party committee" shall have the meaning ascribed to it in K.S.A. 25-4143 and amendments thereto.

(4) "Political committee" shall have the meaning ascribed to it in K.S.A. 25-4143 and amendments thereto.

(e) The provisions of this section shall be part of and supplemental to the campaign finance act.

New Sec. 2. (a) Any person who spends or contracts to spend \$300 or more per calendar year for any electioneering communication shall submit as required by subsection (b). For each electioneering communication, the report shall include:

(1) The name of the clearly identified candidate mentioned in the electioneering communication.

(2) The name, street address, city, state and zipcode of each individual or other entity that contributes \$50 or more per year to such person for an electioneering communication.

(3) The name, street address, city, state and zipcode of the vendor to whom the expenditure for such electioneering communication is made or contracted to be made.

(4) The amount spent or contracted to be spent on such electioneering communication. If the person making the electioneering communication is an individual, such reports shall also include the occupation and employer of such individual. Reports required by this section shall be in addition to any other reports required by law.

(b) (1) (A) For an electioneering communication concerning a candidate for state office, other than an officer elected on a state-wide basis, the report required by subsection (a) shall be filed in both the office of the secretary of state and in the office of the county election officer of the county in which the candidate is a resident.

(B) For an electioneering communication concerning a candidate for state-wide office, the report required by subsection (a) shall be filed only with the secretary of state.

(C) For an electioneering communication concerning a

candidate for local office, the report required by subsection (a) shall be filed in the office of the county election officer of the county in which the name of the candidate is on the ballot.

(2) Except as required by paragraph (3), each report required by subsection (a) shall be filed in time to be received in the offices required in accordance with the times set forth in K.S.A. 25-4148 and amendments thereto.

(3) For any electioneering communication occurring during the 11 days preceding the election, the report required by subsection (a) shall be filed within 24 hours of spending or contracting to spend funds for such electioneering communication.

(c) For the purposes of this section:

(1) "Electioneering communication" means any communication broadcast by television or radio, printed in a newspaper or on a billboard, directly mailed or delivered by hand to personal residences or otherwise distributed that:

(A) Unambiguously refers to any clearly identified candidate;

(B) is broadcast, printed, mailed, delivered or distributed within 30 days before a primary election or 60 days before a general election;

(C) is broadcast to, printed in a newspaper distributed to, mailed to, delivered by hand to, or otherwise distributed to an audience that includes members of the electorate for such public office.

(2) "Electioneering communication" does not include:

(A) Any news articles, editorial endorsements, opinion or commentary writings, or letters to the editor printed in a newspaper, magazine or other periodical not owned or controlled by a candidate or political party;

(B) any editorial endorsements or opinions aired by a broadcast facility not owned or controlled by a candidate or political party;

(C) any communication by persons made in the regular course and scope of their business or any communication made by a

membership organization solely to members of such organization and their families;

(D) any communication that refers to any candidate only as part of the popular name of a bill or statute;

(E) any communication made solely to promote a candidate debate or forum that is made by or on behalf of the person sponsoring such debate or forum; or

(F) any communication made as part of a nonpartisan activity designed to encourage individuals to vote or register to vote.

(d) The provisions of this section shall be part of and supplemental to the campaign finance act.

Sec. 3. K.S.A. 25-4148 is hereby amended to read as follows: 25-4148. (a) (1) Every treasurer shall file a report prescribed by this section. Reports filed by treasurers for candidates for state office, other than officers elected on a state-wide basis, shall be filed in both the office of the secretary of state and in the office of the county election officer of the county in which the candidate is a resident. Reports filed by treasurers for candidates for state-wide office shall be filed only with the secretary of state. Reports filed by treasurers for candidates for local office shall be filed in the office of the county election officer of the county in which the name of the candidate is on the ballot.

(2) Except as otherwise provided by subsection (h), all such reports shall be filed in time to be received in the offices required on or before each of the following days:

~~(1)~~ (A) The eighth day preceding the primary election, ~~which.~~ Such report shall be for the period beginning on January 1 of the election year for the office the candidate is seeking and ending 12 days before the primary election, inclusive.

~~(2)~~ (B) The eighth day preceding a general election, ~~which.~~ Such report shall be for the period beginning 11 days before the primary election and ending 12 days before the general election, inclusive.

~~(3)~~ (C) January 10 of the year after an election year

which. Such report shall be for the period beginning 11 days before the general election and ending on December 31, inclusive.

(4) (D) For any calendar year when no election is held, a report shall be filed on the next January 10 for the preceding calendar year.

(5) --. A treasurer shall file only the annual report required by ~~subsection-(4)~~ this subparagraph only for those years when the candidate is not participating in a primary or general election.

(b) Each report required by this section shall state:

(1) Cash on hand on the first day of the reporting period.

(2) Except as provided in subsection (c), the name and address of each person who has made one or more contributions in an aggregate amount or value in excess of \$50 during the election period together with the amount and date of such contributions, including the name and address of every lender, guarantor and endorser when a contribution is in the form of an advance or loan.

(3) The aggregate amount of all proceeds from bona fide sales of political materials such as, but not limited to, political campaign pins, buttons, badges, flags, emblems, hats, banners and literature.

(4) The aggregate amount of contributions for which the name and address of the contributor is not known.

(5) Each contribution, rebate, refund or other receipt not otherwise listed.

(6) The total of all receipts.

(7) The name and address of each person to whom expenditures have been made in an aggregate amount or value in excess of \$50, with the amount, date, and purpose of each; the names and addresses of all persons to whom any loan or advance has been made; when an expenditure is made by payment to an advertising agency, public relations firm or political consultants for disbursement to vendors, the report of such expenditure shall show in detail the name of each such vendor and the amount, date

and purpose of the payments to each.

(8) The name and address of each person from whom an in-kind contribution was received or who has paid for personal services provided without charge to or for any candidate, candidate committee, party committee or political committee, if the contribution is in excess of \$50 and is not otherwise reported under ~~subsection-(b)(7)~~ paragraph (7) of subsection (b), and the amount, date and purpose of the contribution.

(9) (A) The name and address of each candidate for state or local office for whom an expenditure in the form of an in-kind contribution has been made in an aggregate amount or having a fair market value in excess of \$300, with the amount, date and purpose of each. The report shall show in detail the specific service or product provided; and

(B) the name and address of each candidate for state or local office who is the subject of an expenditure which:

(i) Is made without the cooperation or consent of a candidate or candidate committee;

(ii) expressly advocates the nomination, election or defeat of such candidate; and

(iii) is an aggregate amount or having a fair market value in excess of \$300.

The report shall state the amount, date and purpose of each. The report shall show in detail the specific service or product provided. The reporting requirements imposed by this paragraph shall be in addition to all other requirements required by this section. The provisions of this paragraph shall apply only to political committees and party committees.

~~(9)~~ (10) The aggregate of all expenditures not otherwise reported under this section ~~and~~.

~~(10)~~ (11) The total of expenditures.

(c) Treasurers of candidates and of candidate committees shall ~~be required to itemize, as provided in--subsection--(b)(2),~~ only itemize the purchase of tickets or admissions to testimonial events by a person who purchases such tickets or admissions in an

aggregate amount or value in excess of \$50 per event, or who purchases such a ticket or admission at a cost exceeding \$25 per ticket or admission. All other purchases of tickets or admissions to testimonial events shall be reported in an aggregate amount and shall not be subject to the limitations specified in K.S.A. 25-4154, and amendments thereto.

(d) If a contribution or other receipt from a political committee is required to be reported under subsection (b), the report shall include the full name of the organization with which the political committee is connected or affiliated or, ~~name-or a~~ description sufficiently-describing-the-affiliation-or, if of the connection to or affiliation with such organization. If the committee is not connected or affiliated with any one organization, the report shall state the trade, profession or primary interest of the political committee as reflected by the statement of purpose of such organization.

(e) The commission may require any treasurer to file an amended report for any period for which the original report filed by such treasurer contains material errors or omissions, ~~and.~~ The notice of the errors or omissions shall be part of the public record. The amended report shall be filed within 30 days after notice by the commission.

(f) The commission may require any treasurer to file a report for any period for which the required report is not on file, ~~and.~~ The notice of the failure to file shall be part of the public record. Such report shall be filed within five days after notice by the commission.

(g) For the purpose of any report required to be filed pursuant to subsection (a) by the treasurer of any candidate seeking nomination by convention or caucus or by the treasurer of the candidate's committee or by the treasurer of any party committee or political committee, the date of the convention or caucus shall be considered the date of the primary election.

(h) If a report is sent by certified or registered mail on or before the day it is due, the mailing shall constitute receipt

by that office.

Sec. 4. K.S.A. 25-4148 is hereby repealed.

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

Ernest Mosher
3-9-05

Amendments to Substitute Bill, HB 2083 and SB 262
Local Government Consolidation and Reorganization
Revised March 7, 2005

The attached substitute bill combines the provisions of HB 2083 and SB 262, with amendments. Each of the amendments are lettered, (A) through (P). Following is an explanation of each amendment, by original bill parts. Page references below refer to the numbers in the upper right corner.

Part 1. Amendments to Existing HB 2083

(A), Page 1. To separate the definitions used differently in the two bill parts.

(B-1), Page 3. Both bills now authorize the commission to propose **either** (1) a consolidated city-county consolidation **or** (2) a functional consolidation (including "officers, functions, services and operations" and the "governance" and "general administration" of the county under amendments **(B-3)**). In the functional approach, the cities and townships governments would continue to exist as governmental units.

The changes in **(B-1)** provide that **if** the final plan proposes a single city-county consolidated government, there would be a "dual vote" referendum, requiring majority approval within the city and a majority approval in the balance of the county. However, if the final plan does **not** provide for a city-county consolidation, then a majority of all county voters would be required.

(Note: In this Substitute draft, the countywide voting requirement in SB 262 is not changed.)

(B-2), Page 3. To clearly provide that the provisions of Section 4(b) will permit the study commission to propose changes relating to governance and administration **if** it submits a plan relating to, and as a condition of, a proposed "consolidation of certain city and county offices, functions, services and operations".

(C), Page 3. To provide that the study commission has an option of proposing that some or all the city-county governing body members be nominated by district voters but elected at-large, such as used in many school districts.

(D), Page 4. (Relates only to a plan proposing a city-county consolidation.) To extend the application of the provision relating to the transfer or other disposition of property and assets, now limited to the "county and city", to any other political subdivisions directly affected by the consolidation. For example, in a full governmental consolidation, the highway machinery and equipment of townships, as well as those of the city and county, would be subject to transfer or other disposition.

(E), Page 4. To clarify that this section applies only to general obligation bonds. As worded, it could be construed to mean, for example, that the principal and interest on revenue bonds issued by a city to finance interceptor sewers outside the city, would be an obligation only on property within the city.

(F), Page 5. To authorize the study commission for Shawnee County to propose a single, countywide law enforcement agency, with civilian control vested in the new city-county elected governing body, that would be financed countywide. While the voters of the third class cities of Auburn, Rossville, Silver Lake and Willard would vote on the adoption of the plan, and would vote for the city-county governing body, property in these cities would not be subject to taxation to finance a countywide system, absent this amendment. (Note: This amendment is not included in SB 262 part.)

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(G), Page 6. Subsection 6(m), in lines 6-8 on page (6) now provides: "(m) The governing body of the consolidated city-county may create special service districts within the city-county and may levy taxes for services provided in such districts" This would permit, for example, levying higher property taxes in an urbanized area benefiting from a higher level of certain public services than is provided in agricultural areas.

As a general rule, governmental regulations must be uniform in their application throughout their jurisdiction. The new city-county should have some flexibility in applying various regulations applicable to persons and property needed in urbanized areas that may not be needed in truly rural areas. (A very simple example: cities often prohibit animals from running at large within their limits.) The amendment would permit varying such regulations by designated areas to encourage the preservation of land devoted to agricultural uses.

(H), Page 6. Existing Sections 10 and 11 of HB 2083 has been shifted to Sections 18 and 20 of the Substitute bill.

Part II. Amendments to Existing SB 262.

(I), Page 7. (Same as (A)). To separate the definitions and application of the two bill parts.

(J), Page 10.) Same as (B-2). To clearly provide that the provisions of new Section 14(b) will permit the study commission to propose changes relating to governance and administration of the county if it submits a plan relating to, and as a condition of, a proposed "consolidation of certain city and county offices, functions, services and operations".

(K), Page 10. Same as (B-2). To provide that the study commission has the option of proposing that some or all the city-county governing body members be nominated by district voters but elected at-large, such as used in many school districts.

(L), Page, 11. (Same as (D)). To extend the application of the provision relating to the transfer or disposition of property and assets, now limited to the "county and city", to any other political subdivisions directly affected by the consolidation. For example, in governmental consolidation, the highway machinery and equipment of townships, as well as those of the city and county, would be subject to transfer or other disposition.

(M), Page. 11. (Same as (E)). To clarify that this section applies only to general obligation bonds, not revenue bonds

(N), Page. 13. (Same as (G)). Renumbered subsection 15(m), in lines 6-8 on page 13 now provides: "(m) The governing body of the consolidated city-county may create special service districts within the city-county and may levy taxes for services provided in such districts" This would permit, for example, levying higher property taxes in an urbanized area benefiting from a higher level of certain public services than is provided in agricultural areas.

As a general rule, governmental regulations must be uniform in their application throughout their jurisdiction. The new city-county should have some flexibility in applying various regulations applicable to persons and property needed in urbanized areas that may not be needed in truly rural areas. The amendment would permit varying such regulations to encourage the preservation of land devoted to agricultural uses.

(O), Page 13. Transferred from Section 10 of HB 2083.

(P), Page 13. Transferred from Section 11 of HB 2083.

(1) 10-3

Proposed Draft

SENATE SUBSTITUTE FOR HOUSE BILL No. 2083

By Committee on Federal and State Affairs

AN ACT relating to local government and providing for consolidation and reorganization; amending K.S.A. 2004 Supp. 19-205 and repealing the existing section.

~~As Amended by House Committee~~

~~Session of 2005~~

~~HOUSE BILL No. 2083~~

~~By Representatives Lane, Burgess, Flora, Gordon, Hutchins, Kirk, Kuether, Mah and Mays~~

~~1-19~~

~~11 AN ACT relating to the consolidation of cities and counties.~~

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

Section 1. ~~As used in sections 2 through 8, and amendments thereto:~~

(a) "Commission" means the consolidation commission of Topeka, Kansas, and Shawnee county.

(b) "City" means Topeka, Kansas.

(c) "County" means Shawnee county.

Sec. 2. (a) Within 10 days of the effective date of this act, a consolidation commission shall be appointed. Each of the following officers shall appoint a member to the commission: The governor, the president and minority leader of the senate and the speaker and minority leader of the house of representatives. The person appointed by the governor shall serve as the chairperson of the commission. No more than three members of the commission shall be from the same political party. Members of the commission shall include, but not be limited to, persons with experience in accounting, business management, municipal finance, law, education, political science or public administration. No elected or appointive official of the cities of Auburn, Rossville, Silver Lake, Topeka or Willard or Shawnee county, nor any person appointed to fill a vacancy in an elected office of such cities or county, shall serve on the commission. No paid employee of the cities of Auburn, Rossville, Silver Lake, Topeka or Willard or Shawnee county shall serve on the commission. Members of the commission shall be residents of Shawnee county.

(b) Members of the commission shall be paid compensation, subsistence allowances, mileage and other expenses as provided by K.S.A. 75-3223, and amendments thereto.

(c) The members of the consolidation commission shall appoint an executive director of the commission. The executive director shall receive compensation established by the commission. The executive director shall employ other staff and may contract with consultants, as the executive director deems necessary to carry out the functions of the commission. Staff employed by the executive director shall receive compensation es-

(A)
As used in sections 2 through 8 of this act, and amendments thereto:

established by the executive director.

(d) Within 30 days following the appointment of all members of the commission, the commission shall meet and organize by the election of a vice-chairperson and other officers deemed necessary. The commission may adopt rules governing the conduct of its meetings.

Sec. 3. (a) The commission shall prepare and adopt a plan addressing the consolidation of the city and county or certain city and county offices, functions, services and operations. The commission shall conduct such studies and investigations as it deems appropriate to complete its work. Such studies and investigations shall include, but not be limited to, studies of the costs and benefits of consolidating the city and county or certain city and county offices, functions, services and operations.

(b) The commission shall hold public hearings for the purpose of receiving information and materials which will aid in the drafting of the plan.

(c) Within 60 days following the appointment of all members of the commission, the commission shall prepare and adopt a preliminary plan addressing the consolidation of the city and county or certain city and county offices, functions, services and operations it deems advisable. Copies of the preliminary plan shall be filed with the county election officer, city clerk, each public library within the county and any other place designated by the commission. Copies of such plan shall be available to members of the public for inspection upon request. The commission shall hold at least ~~one public hearing~~ **two public hearings** to obtain citizen views concerning the preliminary plan. Notice of such ~~hearing or~~ hearings shall be published at least ~~once~~ **twice** in a newspaper of general circulation within the county. Following the public hearings on the preliminary plan, the commission may adopt, or modify and adopt, the preliminary plan as the final plan.

(d) Within 30 days of the last public hearing held on the preliminary plan, the commission shall adopt its final plan. The final plan shall include the full text and an explanation of the proposed plan, and comments deemed desirable by the commission, a written opinion by an attorney admitted to practice law in the state of Kansas and retained by the executive director for such purpose that the proposed plan is not in conflict with the constitution or the laws of the state, and any minority reports. Copies of the final plan shall be filed with the county election officer, city clerk, each public library within the county and any other place designated by the commission. Copies of such plan shall be available to members of the public for inspection upon request. The commission shall continue in existence at least 90 days following the submission of the final plan pursuant to this subsection.

(e) The final plan shall be submitted to the qualified electors of the

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county at an election called and held thereon. Such election shall be called and held by the county election officer in the manner provided by the general bond law. Such election shall be conducted by mail ballot. A summary of the final plan shall be prepared by the commission and shall be published once each week for two consecutive weeks in a newspaper of general circulation within the county. If a majority of the qualified electors voting on the plan who reside within the corporate limits of the city and a majority of the qualified electors voting on the plan who reside outside of the corporate limits of the city vote in favor thereof, the consolidation plan shall be implemented in the manner provided by the plan. If a majority of the electors who reside within the corporate limits of the city or a majority of the qualified electors who reside outside of the corporate limits of the city vote against such plan, the proposed consolidation plan shall not be implemented.

If the commission submits a final plan which does not recommend the consolidation of the city and county or certain city and county offices, functions, services and operations, the provisions of this subsection shall not apply.

Sec. 4. (a) Any plan submitted by the commission shall provide for the exercise of powers of local legislation and administration not inconsistent with the constitution or other laws of this state.

(b) If the commission submits a plan providing for the consolidation of certain city and county offices, functions, services and operations, the plan shall:

- (1) Include a description of the form, structure, functions, powers and officers and the duties of such officers recommended in the plan.
- (2) Provide for the method of amendment of the plan.
- (3) Authorize the appointment of, or elimination of elected officials and offices.
- (4) Specify the effective date of the consolidation plan.
- (5) Include other provisions determined necessary by the commission.

(c) If the plan provides for the consolidation of the city and county, in addition to the requirements of subsection (b) the plan shall:

- (1) Fix the boundaries of the governing body's election districts, provide a method for changing the boundaries from time-to-time, any at-large positions on the governing body, fix the number, term and initial compensation of the governing body of the consolidated city-county and the method of election.
- (2) Determine whether elections of the governing body of the consolidated city-county shall be partisan or nonpartisan elections and the time at which such elections shall be held.
- (3) Determine the distribution of legislative and administrative duties

(B-1)

(e) If the final consolidation plan proposes the consolidation of the city and the county in accordance with the provisions of subsection (c) of section 4 of this act, and

city-county

city-county

(f) If the final plan proposes the consolidation of certain city or county offices, functions, services and operations in accordance with the provisions of subsection (b) of section 4 of this act, and a majority of the qualified voters of the county vote in favor thereof, the plan shall implemented in the manner provided by the plan.

(B-2)

(4) If such plan includes changes to the governance of the county it shall fix the boundaries of any of the governing body's election districts, provide a method of changing such boundaries, set the number of members elected by district or at-large, or to be nominated by district and elected at-large, determine whether the elections of the governing body shall be partisan or non-partisan and the time at which such elections shall be held, and fix the term and initial compensation of the governing body members.

(5) If the plan includes changes in the general administration of the county, it shall determine the distribution of the legislative and administrative powers and duties and may authorize the appointment of a county administrator or county manager.

(C)

The plan may also provide for the nomination of some or all the members of the governing body from districts and their election at-large.

10-6

of the consolidated city-county officials, provide for consolidation or expansion of services as necessary, authorize the appointment of a consolidated city-county administrator or a city-county manager, if deemed advisable, and prescribe the general structure of the consolidated city-county government.

(4) Provide for the official name of the consolidated city-county.

(5) Provide for the transfer or other disposition of property and other rights, claims and assets of the county and city.

(D) and such other political subdivisions as are directly affected by the consolidation.

Sec. 5. Shawnee county is hereby designated an urban area, as authorized under the provisions of section 17 of article 2 of the constitution of the state of Kansas, for the purpose of granting to such county and urban area powers of local government and consolidation of local government.

Sec. 6. (a) If the voters approve a plan which provides for the consolidation of the city and county, such consolidated city-county shall be subject to the provisions of this section.

(b) The consolidated city-county shall be subject to the cash-basis and budget laws of the state of Kansas.

(c) Except as provided in subsection (e), and in any other statute which specifically exempts bonds from the statutory limitations on bonded indebtedness, the limitation on bonded indebtedness of a consolidated city-county under this act shall be 30% of the assessed value of all tangible taxable property within such county on the preceding August 25.

(d) The following shall not be included in computing the total bonded indebtedness of the consolidated city-county for the purposes of determining the limitations on bonded indebtedness:

(1) Bonds issued for the purpose of refunding outstanding debt, including outstanding bonds and matured coupons thereof, or judgments thereon.

(2) Bonds issued pursuant to the provisions of article 46 of chapter 19 of the Kansas Statutes Annotated, and amendments thereto.

(3) Bonds issued for the purpose of financing the construction or remodeling of a courthouse, jail or law enforcement center facility, which bonds are payable from the proceeds of a retailers' sales tax.

(4) Bonds issued for the purpose of acquiring, enlarging, extending or improving any storm or sanitary sewer system.

(5) Bonds issued for the purpose of acquiring, enlarging, extending or improving any municipal utility.

(6) Bonds issued to pay the cost of improvements to intersections of streets and alleys or that portion of any street immediately in front of city or school district property.

(e) Any bonded indebtedness and interest thereon incurred by the city or county prior to consolidation shall remain an obligation of the

(E) general obligation

(5) 10-7

property subject to taxation for the payment thereof prior to such consolidation.

(f) Upon the effective date of the consolidation of the city and county, any retailers' sales tax levied by the city or county in accordance with K.S.A. 12-187 et seq., and amendment thereto, prior to such date shall remain in full force and effect, except that part of the rate attributable to the former city shall not apply to retail sales in the cities of Auburn, Rossville, Silver Lake or Willard.

(g) Upon the effective date of the consolidation of the city and county, the territory of the consolidated city-county shall include:

(1) All of the territory of the county for purposes of exercising the powers, duties and functions of a county.

(2) All of the territory of the county, except the territory of the cities of Auburn, Rossville, Silver Lake or Willard and the unincorporated area of the county, for purposes of exercising the powers, duties and functions of a city.

(h) For the purposes of section 1 of article 5 of the constitution of the state of Kansas, the "voting area" for the governing body of the consolidated city-county shall include all the territory within Shawnee county.

(i) Except for the consolidated city-county and unless otherwise provided by law, other political subdivisions of the county shall not be affected by consolidation of the city and county. Such other political subdivisions shall continue in existence and operation.

(j) Unless otherwise provided by law, the consolidated city-county shall be eligible for the distribution of any funds from the state and federal government as if no consolidation had occurred. Except as provided in this subsection, the population and assessed valuation of the territory of the consolidated city-county shall be considered its population and assessed valuation for purposes of the distribution of moneys from the state or federal government.

(k) The consolidated city-county shall be a county. The governing body of the consolidated city-county shall be considered county commissioners for the purposes of section 2 of article 4 of the constitution of the state of Kansas and shall have all the powers, functions and duties of a county and may exercise home rule powers in the manner and subject to the limitations provided by K.S.A. 19-101a, and amendments thereto, and other laws of this state.

The governing body of the consolidated city-county shall be responsible for any duties or functions imposed by the constitution of the state of Kansas and other laws of this state upon any county office abolished by the consolidation plan. Such duties may be delegated by the governing body or as provided in the consolidation plan.

(l) The consolidated city-county shall be a city of the first class. The

(F)
(g) If the plan approved by the voters includes provision for a single countywide law enforcement agency under the city-county governing body, property taxes levied to finance such agency shall include all tangible taxable property within the county.

(6) 8-01

1 governing body of the consolidated city-county shall have all the powers,
2 functions and duties of a city of the first class and may exercise home rule
3 powers in the manner and subject to the limitations provided by article
4 12 of section 5 of the constitution of the state of Kansas and other laws
5 of this state.

6 (m) The governing body of the consolidated city-county may create
7 special service districts within the city-county and may levy taxes for serv-
8 ices provided in such districts.

9 (n) Changes in the form of government approved by the voters in
10 accordance with the consolidation plan are hereby declared to be legis-
11 lative matters and subject to initiative and referendum in accordance with
12 K.S.A. 12-3013 et seq., and amendments thereto.

13 Sec. 7. (a) The governing body of a consolidated city-county may not
14 annex any land located outside the county.

15 (b) The governing body of a consolidated city-county may not initiate
16 annexation procedures of land located within the county, but may annex
17 land upon petition of the owners of any such land.

18 Sec. 8. All costs incurred or authorized by the consolidation com-
19 mission and all other costs incurred by the city and county pursuant to
20 this act shall be paid by the city and county.

21 Sec. 9. (a) Until a special election is held at which a final plan is
22 submitted for approval to the electors or until a final plan which does not
23 recommend consolidation of the city and county is adopted by a consol-
24 idation commission, the governing body of any city appointing members
25 of a consolidation commission to consider which is the subject of a
26 study considering the consolidation of such city with the county in which
27 such city is located may not initiate pursuant to K.S.A. 12-520, and
28 amendments thereto, annexation procedures of land located within the
29 county, but may annex land upon petition of the owners of any such land.

30 (b) As used in this section, "city" means any city located within
31 Kansas.

32 (c) The provisions of this section shall expire on June 30, 2006.

33 ~~Sec. 10. If any provision of this act is held to be invalid or~~
34 ~~unconstitutional, it shall be presumed conclusively that the legis-~~
35 ~~lature would have enacted the remainder of this act without such~~
36 ~~invalid or unconstitutional provision.~~

37 ~~Sec. 10 11. This act shall take effect and be in force from and after~~
38 ~~its publication in the Kansas register.~~

(G)
(n) The governing body of the consolidated city-county may create defined areas within the city-county for the purpose of applying regulations on persons and property that encourage the preservation of land devoted to agricultural use as defined in K.S.A. 12-519(f) and amendments thereto.

²⁰
(H) See Section 18 and 19 of this substitute bill.

(7)
10-9

Session of 2005

SENATE BILL No. 262

By Committee on Federal and State Affairs

2-14

9 AN ACT enacting the efficiency in local government act; amending
10 K.S.A. 2004 Supp. 19-205 and repealing the existing section.

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

12 ~~1. New Section 1. As used in this act.~~

(1)
As used in sections 10 through 19 of this act, and amendments thereto:

13 (a) "Board" means the board of county commissioners.

14 (b) "City" means any city.

15 (c) "Commission" means a reorganization study commission selected
16 pursuant to section 2, and amendments thereto.

17 (d) "County" means any county.

18
19 ~~2. New Sec. 2.~~ (a) The board of county commissioners of a county and
20 the governing body of any city or cities located within such county may
21 adopt a joint resolution providing for the establishment of a reorganiza-
22 tion study commission to prepare a plan for the reorganization of the
23 county and such city or cities located in such county. If the governing
24 body of a city within the county does not adopt such joint resolution, such
25 city shall not be included within nor subject to the provisions of any
26 reorganization plan in regard to the status of such city as a separate entity
27 from the county.

28 Such resolution shall not be effective until the question has been sub-
29 mitted to and approved by a majority of the qualified electors of the
30 county voting at an election thereon. Such election shall be called and
31 held in the manner provided by the general bond law.

32 (b) Any resolution adopted pursuant to subsection (a) shall provide
33 for the establishment of a reorganization study commission and shall pro-
34 vide either that the members be appointed or that the members be
35 elected by the qualified electors of the county on a nonpartisan basis. If
36 the commission is to be elected, the procedure for holding such election
37 shall be determined by such resolution. The laws applicable to the pro-
38 cedure, manner and method provided for the election of county officers
39 shall apply to the election of members of the commission except that such
40 election shall be called in the manner provided by the general bond law.

41 (c) If a majority of the qualified electors of the county voting on a
42 resolution submitted pursuant to subsection (a) vote in favor thereof, the
commission shall be elected or appointed as provided by the resolution.

(8) 10-10

1 The number of members on a reorganization study commission shall be
2 determined by the resolution. At least 1/3 of the membership of a reor-
3 ganization study commission shall be residents of the unincorporated area
4 of the county.

5 ~~3~~ New Sec. ~~3~~ (a) Within 30 days following the certification of the re-
6 sults of the election or appointment of members of the reorganization
7 study commission, the chairperson of the board of county commissioners,
8 acting as the temporary chairperson of the commission, shall call and hold
9 an organizational meeting of the commission. The commission shall elect
10 a chairperson, vice-chairperson and other officers deemed necessary. The
11 commission may adopt rules governing the conduct of its meetings.

12 (b) The commission shall be subject to the open meetings law and
13 the open records law.

14 (c) Members of the commission shall be reimbursed for the actual
15 and necessary expenses incurred in the performance of their official
16 duties.

17 (d) The commission may appoint an executive director of the
18 commission.

19 (e) The commission shall prepare and adopt a budget for the oper-
20 ation and functions of the commission and commission activities.

21 ~~3~~ New Sec. ~~4~~ (a) The commission shall prepare and adopt a plan ad-
22 dressing the reorganization of the city or cities and county or certain city
23 and county offices, functions, services and operations. The commission
24 shall conduct such studies and investigations as it deems appropriate to
25 complete its work. Such studies and investigations shall include, but not
26 be limited to:

27 (1) Studies of the efficiency and effectiveness of the administrative
28 operations of the city or cities and county.

29 (2) Studies of the costs and benefits of reorganizing the city or cities
30 and county or certain city or cities and county offices, functions, services
31 and operations.

32 (b) The commission shall hold public hearings for the purpose of
33 receiving information and materials which will aid in the drafting of the
34 plan.

35 (c) For the purposes of performing its studies and investigations, the
36 commission or its executive director may administer oaths and affirma-
37 tions, subpoena witnesses, compel their attendance, take evidence, re-
38 quire the production of any books, papers, correspondence, memoranda,
39 agreements or other documents or records which the commission or ex-
40 ecutive director deems relevant or material to its studies and investigation.

41 (d) The commission shall prepare and adopt a preliminary plan ad-
42 dressing the reorganization of the city or cities and county or certain city
43 and county offices, functions, services and operations it deems advisable.

(9) 10-11

1 Copies of the preliminary plan shall be filed with the county election
2 officer, city clerk of each city to be reorganized and each public library
3 within the county and shall be available to members of the public for
4 inspection upon request. The commission shall hold at least two public
5 hearings to obtain citizen views concerning the preliminary plan. At least
6 seven days shall elapse between the holding of such hearings. Notice of
7 such hearings shall be published at least once in a newspaper of general
8 circulation within the county. Following the public hearings on the pre-
9 liminary plan, the commission may adopt, or modify and adopt, the pre-
10 liminary plan as the final plan.

11 (e) The final plan shall include the full text and an explanation of the
12 proposed plan, and comments deemed desirable by the commission, a
13 written opinion by an attorney admitted to practice law in the state of
14 Kansas and retained by the executive director for such purpose that the
15 proposed plan is not in conflict with the constitution or the laws of the
16 state, and any minority reports. Copies of the final plan shall be filed with
17 the county election officer, city clerk of each city to be reorganized and
18 each public library within the county and shall be available to members
19 of the public for inspection upon request. The commission shall continue
20 in existence at least 90 days following the submission of the final plan for
21 approval at an election as provided by subsection (f).

22 (f) The final plan shall be submitted to the qualified electors of the
23 county at the next general election of the county held at least 45 days
24 following the adoption of the final plan by the commission. Such election
25 shall be called and held by the county election officer in the manner
26 provided by the general election law. A summary of the final plan shall
27 be prepared by the commission and shall be published at least once each
28 week for two consecutive weeks in a newspaper of general circulation
29 within the county.

30 If a majority of the qualified electors of the county voting on the plan
31 vote in favor thereof, the reorganization plan shall be implemented in the
32 manner provided by the plan except that no city shall be reorganized with
33 the county and no offices, functions, services or operations of a city shall
34 be reorganized with the county unless such reorganization plan is ap-
35 proved by a majority of the qualified electors of such city voting at the
36 election held on such plan.

37 There shall be printed on the ballots at any election called to approve
38 the final plan the following statement:

39 "If the majority of the qualified electors of a county and the majority
40 of the qualified electors of a city voting at the election to approve the
41 final plan vote in favor of such plan, such city shall be included within
42 and subject to the provisions of such plan.

43 If the majority of the qualified electors of a city voting at the election

(10)
10-12

1 to approve the final plan, do not vote in favor of such plan, such city shall
2 not be included within nor subject to the provisions of such plan in regard
3 to the status of such city as a separate entity from the county."

4 If such a majority of the electors vote against such plan, the proposed
5 reorganization plan shall not be implemented.

6 If the commission submits a final plan which does not recommend the
7 reorganization of the city or cities and county or certain city and county
8 offices, functions, services and operations, the provisions of this subsec-
9 tion shall not apply.

10 / 4 New Sec. 5. (a) Any plan submitted by the commission shall provide
11 for the exercise of powers of local legislation and administration not in-
12 consistent with the constitution or other laws of this state.

13 (b) If the commission submits a plan providing for the reorganization
14 of certain city and county offices, functions, services and operations, the
15 plan shall:

16 (1) Include a description of the form, structure, functions, powers
17 and officers and the duties of such officers recommended in the plan.

18 (2) Provide for the method of amendment or abandonment of the
19 plan.

20 (3) Authorize the election or appointment of officers.

21 (4) Authorize the elimination of offices.

22 (5) Specify the effective date of the reorganization.

23 (6) In the case of multi-city reorganization with a county, the plan
24 shall include provisions addressing the situation if the plan is approved
25 by the electors of one, but not all cities to be reorganized under the plan.

26 (7) Include other provisions determined necessary by the
27 commission.

28 (c) If the plan provides for the reorganization of the city or cities and
29 county, in addition to the requirements of subsection (b) the plan shall:

30 (1) Fix the boundaries of the governing body's election districts, pro-
31 vide a method for changing the boundaries from time-to-time, any at-
32 large positions on the governing body, fix the number, term and initial
33 compensation of the governing body of the reorganized city-county and
34 the method of election.

35 (2) Determine whether elections of the governing body of the reor-
36 ganized city-county shall be partisan or nonpartisan elections and the time
37 at which such elections shall be held.

38 (3) Determine the distribution of legislative and administrative duties
39 of the reorganized city-county officials, provide for reorganization or ex-
40 pansion of services as necessary, authorize the appointment of a reorgan-
41 ized city-county administrator or a city-county manager, if deemed ad-
42 visable, and prescribe the general structure of the reorganized city-county
43 government.

(J)

(4) If such plan includes changes to the governance of the county it shall fix the boundaries of any of the governing body's election districts, provide a method of changing such boundaries, set the number of members elected by district or at-large, or to be nominated by district and elected at-large, determine whether the elections of the governing body shall be partisan or non-partisan and the time at which such elections shall be held, and fix the term and initial compensation of the governing body members.

(5) If the plan includes changes in the general administration of the county, it shall determine the distribution of the legislative and administrative powers and duties and may authorize the appointment of a county administrator or county manager.

(K)

The plan may provide for the nomination of some or all the members of the governing body from districts and their election at-large.

(11) 10-13

1 (4) Provide for the official name of the reorganized city-county.
 2 (5) Provide for the transfer or other disposition of property and other
 3 rights, claims and assets of the county and city.
 4 ~~15~~ New Sec. 6. (a) If the voters approve a plan which provides for the
 5 reorganization of the city or cities and county, such reorganized city-
 6 county shall be subject to the provisions of this section.
 7 (b) The reorganized city-county shall be subject to the cash-basis and
 8 budget laws of the state of Kansas.
 9 (c) Except as provided in subsection (d), and in any other statute
 10 which specifically exempts bonds from the statutory limitations on bonded
 11 indebtedness, the limitation on bonded indebtedness of a reorganized
 12 city-county under this act shall be determined by the commission in the
 13 plan, but shall not exceed 30% of the assessed value of all tangible taxable
 14 property within such county on the preceding August 25.
 15 (d) The following shall not be included in computing the total bonded
 16 indebtedness of the reorganized city-county for the purposes of deter-
 17 mining the limitations on bonded indebtedness:
 18 (1) Bonds issued for the purpose of refunding outstanding debt, in-
 19 cluding outstanding bonds and matured coupons thereof, or judgments
 20 thereon.
 21 (2) Bonds issued pursuant to the provisions of article 46 of chapter
 22 19 of the Kansas Statutes Annotated, and amendments thereto.
 23 (3) Bonds issued for the purpose of financing the construction or
 24 remodeling of a courthouse, jail or law enforcement center facility, which
 25 bonds are payable from the proceeds of a retailer's sales tax.
 26 (4) Bonds issued for the purpose of acquiring, enlarging, extending
 27 or improving any storm or sanitary sewer system.
 28 (5) Bonds issued for the purpose of acquiring, enlarging, extending
 29 or improving any municipal utility.
 30 (6) Bonds issued to pay the cost of improvements to intersections of
 31 streets and alleys or that portion of any street immediately in front of city
 32 or school district property.
 33 (e) Any bonded indebtedness and interest thereon incurred by the
 34 city or cities or county prior to reorganization or refunded thereafter shall
 35 remain an obligation of the property subject to taxation for the payment
 36 thereof prior to such reorganization.
 37 (f) Upon the effective date of the reorganization of the city or cities
 38 and county, any retailers' sales tax levied by the city or cities or county in
 39 accordance with K.S.A. 12-187 et seq., and amendments thereto, prior to
 40 such date shall remain in full force and effect, except that part of the rate
 41 attributable to the city or cities to be reorganized shall not apply to retail
 42 sales in the cities which are not reorganized with the county. For the
 43 purposes of K.S.A. 12-188, and amendments thereto, the reorganized

(L) and such other political subdivisions as are directly affected by the consolidation.

(M) general obligation

1 city-county shall be a class A, B, C or D city as determined by the com-
2 mission in the plan.

3 (g) Upon the effective date of the reorganization of the city or cities
4 and county, the territory of the reorganized city-county shall include:

5 (1) All of the territory of the county for purposes of exercising the
6 powers, duties and functions of a county.

7 (2) All of the territory of the county, except the territory of the cities
8 which are not reorganized with the county and the unincorporated area
9 of the county, for purposes of exercising the powers, duties and functions
10 of a city.

11 (h) For the purposes of section 1 of article 5 of the constitution of
12 the state of Kansas, the "voting area" for the governing body of the re-
13 organized city-county shall include all the territory within the county.

14 (i) Except for the reorganized city-county and unless otherwise pro-
15 vided by law, other political subdivisions of the county shall not be af-
16 fected by reorganization of the city or cities and county. Such other po-
17 litical subdivisions shall continue in existence and operation.

18 (j) Unless otherwise provided by law, the reorganized city-county
19 shall be eligible for the distribution of any funds from the state and federal
20 government as if no reorganization had occurred. Except as provided in
21 this subsection, the population and assessed valuation of the territory of
22 the reorganized city-county shall be considered its population and as-
23 sessed valuation for purposes of the distribution of moneys from the state
24 or federal government.

25 (k) The reorganized city-county shall be a county. The governing
26 body of the reorganized city-county shall be considered county commis-
27 sioners for the purposes of section 2 of article 4 of the constitution of the
28 state of Kansas and shall have all the powers, functions and duties of a
29 county and may exercise home rule powers in the manner and subject to
30 the limitations provided by K.S.A. 19-101a, and amendments thereto, and
31 other laws of this state.

32 The governing body of the reorganized city-county shall be responsible
33 for any duties or functions imposed by the constitution of the state of
34 Kansas and other laws of this state upon any county office abolished by
35 the reorganization plan. Such duties may be delegated by the governing
36 body or as provided in the reorganization plan.

37 (l) The reorganized city-county shall be a city of the first, second or
38 third class as determined by the commission in the plan. The governing
39 body of the reorganized city-county shall have all the powers, functions
40 and duties of a city of such class and may exercise home rule powers in
41 the manner and subject to the limitations provided by article 12 of section
42 5 of the constitution of the state of Kansas and other laws of this state.

43 (m) The governing body of the reorganized city-county may create

1 special service districts within the city-county and may levy taxes for serv-
2 ices provided in such districts.

3 ~~(n)~~ Changes in the form of government approved by the voters in
4 accordance with the reorganization plan are hereby declared to be leg-
5 islative matters and subject to initiative and referendum in accordance
6 with K.S.A. 12-3013 *et seq.*, and amendments thereto.

7 ~~6~~ New Sec. ~~7~~ The board of county commissioners may levy a tax not
8 to exceed one mill on all taxable tangible property of the county for the
9 purpose of financing the costs incurred by the reorganization study com-
10 mission while executing the powers, duties and functions of such com-
11 mission. After the payment of such costs incurred by the commission any
12 remaining moneys derived from such tax levy shall be transferred to the
13 county general fund in the manner provided by K.S.A. 79-2958, and
14 amendments thereto.

15 ~~7~~ Sec. ~~8~~ K.S.A. 2004 Supp. 19-205 is hereby amended to read as fol-
16 lows: 19-205. Except as provided by K.S.A. 12-344 and, 12-345, sections
17 5 and 6, and amendments thereto, no person holding any state, county,
18 township or city office shall be eligible to the office of county commis-
19 sioner in any county in this state.

20 Nothing in this section shall prohibit the appointment of any county
21 commissioner to any state board, committee, council, commission or sim-
22 ilar body which is established pursuant to statutory authority, so long as
23 any county commissioner so appointed is not entitled to receive any pay,
24 compensation, subsistence, mileage or expenses for serving on such body
25 other than that which is provided by law to be paid in accordance with
26 the provisions of K.S.A. 75-3223, and amendments thereto.

27 ~~New Sec. 9. Sections 1 through 7, and amendments thereto, shall be~~
28 ~~known and may be cited as the efficiency in local government act.~~

29 ~~9~~ Sec. 10. K.S.A. 2004 Supp. 19-205 is hereby repealed.

30 ~~10~~ Sec. 11. ~~This act shall take effect and be in force from and after its~~
31 ~~publication in the statute book.~~

(N)
(n) The governing body of the consolidated city-county may create defined areas within the city-county for the purpose of applying city-county regulations on persons and property to encourage the preservation of land devoted to agricultural use as defined in K.S.A. 12-519(f) and amendments thereto.

(O)
Sec. 18. If any provision of this act is held to be invalid or unconstitutional, it shall be presumed conclusively that the legislature would have enacted the remainder of this act without such invalid or unconstitutional provision.

(P)
Sec. 20. This act shall take effect and be in force from and after its publication in the Kansas register.