

CHAPTER 151
HOUSE BILL No. 2406*

AN ACT concerning public improvement districts; relating to procedure;
financing; property and sales tax authority.

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

Section 1. The governing bodies of any three or more counties not located in a metropolitan statistical area, as defined by the United States department of commerce, may enter into an agreement for interlocal cooperation under K.S.A. 12-2901 *et seq.*, and amendments thereto, to create a public improvement district for the purposes of constructing, operating and maintaining public infrastructure improvements. Each public improvement district shall have a different name and shall be named in the manner of “the _____ public improvement district” and the blank filled in with the name identified in the agreement for interlocal cooperation.

Sec. 2. (a) For the purposes of financing the cost of the construction, operation and maintenance of any such public infrastructure improvements, a public improvement district created pursuant to section 1, and amendments thereto, shall be authorized to levy a tax upon all taxable real and tangible personal property, or to impose a sales tax of not to exceed .50% or any fraction thereof or both such property tax and sales tax for a period of not to exceed 10 years. Such public improvement district sales tax shall be in addition to and notwithstanding any limitations on the aggregate amount of the retailers’ sales tax contained in K.S.A. 12-187 through 12-199, and amendments thereto. Such public improvement district sales tax shall be imposed on the selling of tangible personal property at retail or rendering or furnishing services taxable pursuant to the provisions of the Kansas retailers’ sales tax act. Except as otherwise provided by this act, the sales tax authorized by this section shall be administered, collected and subject to the provisions of K.S.A. 12-187 to 12-199, and amendments thereto.

(b) No such tax shall be imposed by a public improvement district until a question of the authority therefor shall be submitted to and approved by the electors of each such county which is a member of such public improvement district.

(c) Upon receipt of a certified copy of a resolution adopted by a public improvement district authorizing the levy of such public improvement district sales tax pursuant to this section, the state director of taxation shall cause such tax to be collected in the district at the same time and in the same manner provided for the collection of the state retailers’ sales tax. All taxes collected under the provisions of this section shall be remitted by the secretary of revenue to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount of all taxes collected under the provisions of this act in the state treasury to the credit of the public improvement district sales tax fund, which fund is hereby established in the state treasury and a separate account established for each public improvement district created pursuant to this section. All moneys in the public improvement district sales tax fund shall be remitted at least quarterly by the state treasurer, on instruction from the secretary of revenue, to each district. Any refund due on any district sales tax collected pursuant to this section shall be paid out of the appropriate account in the public improvement district sales tax refund fund which is hereby established in the state treasury and reimbursed by the director of taxation from collections of each public improvement district sales tax authorized by this section and applied by the district in the manner provided pursuant to this section.

Sec. 3. A public improvement district created pursuant to section 1, and amendments thereto, may:

(a) Acquire by gift, purchase, lease-purchase, condemnation or otherwise, and own, lease, use and operate property, whether real, personal, or mixed, or any interest therein, which is necessary or desirable for lawful purposes. Any lease-purchase agreement entered into under authority of this subsection shall be subject to the conditions set forth in K.S.A. 10-1116c, and amendments thereto. The term of any lease entered into under authority of this subsection may be for not to exceed 10 years. Such

lease may provide for annual or other payment of rent or rental fees and may obligate such public improvement district to payment of maintenance or other expenses. Any lease or lease-purchase agreement entered into under authority of this subsection shall be subject to change or termination at any time by the legislature. Any assignment of rights in any lease or lease-purchase made under this subsection shall contain a citation of this section and a recitation that the lease or lease-purchase agreement and assignment thereof are subject to change or termination by the legislature; and

(b) enter into lease agreements as lessor of any property, whether real, personal, or mixed, which is owned or controlled by such public improvement district. Any such agreement may specify the purposes for which the property may be used, require that the property be maintained and operated by the lessee, and may contain such restrictions or limitations on the use of the property, be entered into for such period of time, and include such other terms and conditions as the governing body of such public improvement district determines to be necessary and proper. Every such agreement shall be subject to change or termination at any time by the legislature. Any assignment of rights under any such agreement shall contain a citation of this section and a recitation that the lease agreement and assignment of rights thereunder are subject to change or termination by the legislature.

Sec. 4. The governing body of any public improvement district created pursuant to this act may purchase or otherwise acquire land or land and improvements and may acquire, construct, reconstruct, repair or remodel improvements thereon or additions thereto, including furnishings, equipment, and architectural and incidental expense related thereto, and for such purposes such public improvement district is authorized to issue and sell general obligation bonds. No such bonds shall be issued until the question of their issuance shall have been submitted to a vote of the electors of such public improvement district at a regular election or at a special election called for that purpose and the majority of the electors voting on the proposition in such district shall have voted in favor of the issuance of the bonds. Such election shall be called, noticed and held and the bonds issued, sold, delivered and retired in accordance with the provisions of the general bond law.

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

Approved April 15, 2005.
