

HOUSE BILL No. 2719

By Committee on Taxation

3-8

Proposed Amendments
House Bill No. 2719
Municipal University

AN ACT concerning local government; relating to certain taxing jurisdictions, approval of bonds, tax levies by electors or elected bodies; amending K.S.A. 3-114, 12-1220, 12-1234, 12-1267, 12-1270, 12-1276, 12-1688, [3-13418, 13-13223] 19-3557, 19-3617, 19-3622, 27-322, 27-333, 80-1520 and 80-1548 and K.S.A. 2015 Supp. 12-1288, 12-1927, 12-1928, 12-1936, 27-323 and 75-2551 and repealing the existing sections.

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

~~[New Section 1. (a) The legislature hereby declares that the intent of this act is to empower the citizens of Kansas with a means to control the amount of property taxes levied against real and personal property by requiring any such taxes to be levied or approved by an elected body.~~

~~(b) Notwithstanding any other provision of law to the contrary, no taxes may be levied against real and personal property and no bonds may be issued unless the governing body of the taxing jurisdiction has been elected or the levy or bond issuance has been approved by a majority of the electors of such taxing jurisdiction or by the governing body which certifies the budget of such taxing jurisdiction. The provisions of this section shall not apply to any taxes levied pursuant to K.S.A. 76-6b01 and 76-6b04 and K.S.A. 2015 Supp. 72-6470, and amendments thereto.]~~

~~Sec. 2. K.S.A. 3-114 is hereby amended to read as follows: 3-114. (a) Except as provided in subsection (b), in any city having a population of more than sixty-five thousand (65,000) 65,000 in which a board of park commissioners has been established pursuant to K.S.A. 13-1346, and amendments thereto, all powers, jurisdiction and control over municipal airports or municipal fields for aviation purposes otherwise vested in the governing body of such city shall be vested in such board of park commissioners. Such board of park commissioners is hereby authorized to issue, as provided by law, general bonds of the city for the purpose of purchasing, leasing, developing and equipping municipal airports and fields for aviation purposes. Such board of park commissioners is hereby further authorized to may levy an annual tax not exceeding one-half (1/2) 0.5 mill for the support, maintenance and operation of municipal airports or fields for aviation purposes. Before issuing bonds or levying any such tax pursuant to this section, the board shall submit the proposed bond~~

And by renumbering sections accordingly

1 notice of intent shall be published once each week for two consecutive
2 weeks in the official city newspaper, and, if within 30 days after the last
3 publication of the notice a petition is signed by at least 5% of the qualified
4 voters of the city requesting an election upon such question, an election
5 shall be called and held thereon. Such election shall be called and held in
6 the manner provided by the general bond law, and the cost of the election
7 shall be borne equally by the school district and the city. If no protest or no
8 sufficient protest is filed or if an election is held and the proposition carries
9 by a majority of those voting thereon, the governing bodies of the school
10 district and the city, by joint resolution and ordinance, may provide for the
11 conversion of the existing school district recreation system to a city
12 recreation system effective as of the next succeeding July 1 subsequent to
13 the publication of the notice of intent or the date of the election, whichever
14 is later.

15 (b) The mill levy rate for a recreation commission established under
16 subsection (a) shall not be subject to the one mill levy limitation for a new
17 recreation system established in K.S.A. 12-1927, and amendments thereto.

18 (c) Any conversion of an existing school district recreation system to
19 a city recreation system under subsection (a) shall provide for the transfer
20 of the assets of the existing school district recreation system to the city
21 recreation system, the assumption of the liabilities of the existing school
22 district recreation system by the city recreation system and thereafter
23 maintain and continue the operations of the city recreation system.

24 (d) In connection with the conversion of a school district recreation
25 system to a city recreation system under subsection (a), the members of the
26 school district recreation commission shall serve the balance of their
27 respective terms in office as members of the city recreation commission
28 and, upon the expiration thereof, the members of the city recreation
29 commission shall be appointed by the governing body of the city.

30 (e) *Before levying any tax authorized by this section, the commission*
31 *shall submit the proposed levy to the governing body of the city for review*
32 *and approval thereof.*

33 ~~Sec. 13. K.S.A. 13-13a18 is hereby amended to read as follows: 13-~~
34 ~~13a18. (a) The board of regents of a municipal university which has not~~
35 ~~levied a retailers' sales tax under the provisions of this act may annually~~
36 ~~levy a tax for the support of such municipal university, including~~
37 ~~buildings, equipment and repairs of the buildings and equipment of such~~
38 ~~municipal university, insurance, and may include provisions for retirement~~
39 ~~annuities and pensions, group disability income insurance, group term~~
40 ~~insurance and group hospitalization and major medical insurance for the~~
41 ~~benefit of instructors and other employees, and may establish a procedure~~
42 ~~whereby the instructors and other employees of such municipal university~~
43 ~~may, subject to rules and regulations of such board of regents, request such~~

1 board of regents in writing for reductions in compensation and the
2 contribution thereof for tax sheltered annuities as permitted under the
3 provisions of the internal revenue code of 1954, as amended, and including
4 such amount as shall be necessary for the annual operation of such
5 municipal university and for the retirement of bonds issued as provided in
6 K.S.A. 13-13a23, and amendments thereto, and for a sinking fund to retire
7 such bonds, not exceeding in any one year five mills on all taxable
8 tangible property within the taxing district of such municipal university.
9 Whenever such board of regents shall determine that the tax levied for the
10 purposes specified in this section for the prior year will be insufficient to
11 finance such purposes for the current year, such board may adopt a
12 resolution declaring it necessary to increase such levy in an amount not to
13 exceed one mill in any one year up to an amount which together with the
14 amount of the previous levy shall not exceed a total of seven mills in any
15 year. Such resolution shall state the total amount of the tax to be levied for
16 such purposes and shall be published once each week for three consecutive
17 weeks in a newspaper having general circulation in the city in which such
18 municipal university is located. Whereupon such increased levy may be
19 made for the current year and each succeeding year unless a petition
20 requesting an election upon the proposition to increase the tax levy in
21 excess of the rate of such levy in the prior year, signed by electors equal in
22 number to not less than 5% of the qualified electors who voted at the last
23 preceding regular city election, as shown by the poll books, is filed with
24 the county election officer within 60 days following the date of the last
25 publication of the resolution. In the event a valid petition is filed, no such
26 increased levy shall be made without such proposition having been
27 submitted to and having been approved by a majority of the electors voting
28 at an election called and held thereon. All such elections shall be called
29 and held in the manner prescribed for the calling and holding of elections
30 upon the question of the issuance of bonds under the general bond law.
31 The president and clerk of such board of regents shall, on or before August
32 25, certify such levy to the county clerk who is hereby authorized and
33 required to place the same on the tax roll of said county to be collected by
34 the treasurer of the county as are other taxes. The proceeds of such levy
35 shall be paid over by the county treasurer to the treasurer of such board of
36 regents, subject to the order of said board of regents. The tax levy
37 authorized by this section shall be in addition to the tax levy authorized by
38 K.S.A. 13-13a23, or ~~retroamendatory thereof amendments thereto.~~

39 (b) ~~The board of regents which has levied a countywide retailers'~~
40 ~~sales tax under the provisions of this act may use the proceeds of such~~
41 ~~sales tax for the same purposes that the revenue from a tax on tangible~~
42 ~~property may be used.~~

43 (c) ~~Whenever the board of regents of a municipal university imposes~~

~~a countywide retailers' sales tax there shall be created within the university's chart of accounts the sales tax smoothing fund. There shall be credited or transferred to such fund amounts received by the university from sales tax revenue in any year which are in excess of such tax revenues budgeted for expenditure for such year. Expenditures and transfers from such fund shall be made for the same purposes prescribed by subsection (b) in any year when estimated sales tax revenue is less in any such year than that budgeted for such year.~~

~~(d) Before levying any tax authorized by this section, the board of regents shall submit the proposed levy for review and approval as follows:~~

~~(1) For a board whose members have been appointed pursuant to K.S.A. 13-13a04(a), and amendments thereto, the proposed levy shall be submitted to the governing body of the city in which the university is located for review and approval thereof; and~~

~~(2) for a board whose members have been appointed pursuant to K.S.A. 13-13a04(b), and amendments thereto, the proposed levy shall be submitted to the governing body of the city and county in which the university is located for review and approval thereof. The board shall not levy any tax unless it has obtained the approval of the governing body of the city and county.~~

~~Sec. 14. K.S.A. 13-13a23 is hereby amended to read as follows: 13-13a23. (a) The board of regents of any municipal university heretofore or hereafter created and established under the provisions of article 13a of chapter 13 of the Kansas Statutes Annotated, and amendments thereto, shall have the continuing right power and authority, by resolution, to issue bonds of such municipal university from time to time, for the purpose of acquiring real estate, erecting buildings or additions to present buildings and the purchase of equipment for such buildings and for refunding any indebtedness of such university. There shall not be outstanding at any one time an aggregate of bonds of the municipal university in excess of 2% of the assessed valuation of the taxable tangible property within the corporate limits of the city in which the university is located. The bonds shall bear interest at a rate not exceeding the maximum rate of interest prescribed by K.S.A. 10-1009, and amendments thereto, and shall mature not later than 30 years from date of issuance.~~

~~(b) Provisions for the payment of bonds issued under this section shall be made by the establishment of a sinking fund to be created out of the proceeds derived from the taxes levied each year by the board of regents of such municipal university pursuant to subsection (c) of this section.~~

~~(c) The board of regents is hereby authorized to may levy taxes on all taxable tangible property within the corporate limits of the city in which the university is located to provide for: (1) The sinking fund established~~

1 under subsection (b); (2) the construction, reconstruction, or equipping of
2 new or existing buildings; and (3) for any other capitalized equipment or
3 permanent improvements. Except as provided in subsection (d), such taxes
4 shall be in addition to all taxes which may be levied by the board of
5 regents pursuant to K.S.A. 13-13a18, and amendments thereto, and shall
6 not exceed 3 mills in any one year.

7 (d) ~~The board of regents which has levied a retailers' sales tax under~~
8 ~~the provisions of this act shall levy no other property tax except as~~
9 ~~authorized by K.S.A. 13-13a23, and amendments thereto, and K.S.A. 75-~~
10 ~~6111, and amendments thereto.~~

11 (e) ~~The proceeds from the tax levy authorized under this section,~~
12 ~~other than that portion of the proceeds for the sinking fund, may be~~
13 ~~accumulated from year to year and expended for the construction,~~
14 ~~reconstruction or equipping of new or existing buildings, permanent~~
15 ~~improvements or capitalized equipment or for any one or more of such~~
16 ~~purposes, and shall not be subject to the provisions of the budget laws,~~
17 ~~except that in making the budget of the municipal university the amount so~~
18 ~~accumulated and the amount expended thereof shall be shown therein for~~
19 ~~the information of the taxpayers.~~

20 (f) ~~Before issuing bonds or levying any tax authorized by this section,~~
21 ~~the board of regents shall submit the proposed bond issuance or tax levy~~
22 ~~for review and approval as follows:~~

23 (1) ~~For a board whose members have been appointed pursuant to~~
24 ~~K.S.A. 13-13a04(c) and amendments thereto, the proposed bond issuance~~
25 ~~or tax levy shall be submitted to the governing body of the city in which~~
26 ~~the university is located for review and approval thereof; and~~

27 (2) ~~for a board whose members have been appointed pursuant to~~
28 ~~K.S.A. 13-13a04(b) and amendments thereto, the proposed bond issuance~~
29 ~~or tax levy shall be submitted to the governing body of the city and county~~
30 ~~in which the university is located for review and approval thereof. The~~
31 ~~board shall not issue any bonds or levy any tax unless it has obtained the~~
32 ~~approval of the governing body of the city and county.]~~

33 Sec. 15. K.S.A. 19-3557 is hereby amended to read as follows: 19-
34 3557. (a) The provisions of this section shall apply to public wholesale
35 water supply districts No. 4, No. 11 and No. 12.

36 (b) The governing body of any public wholesale water supply district
37 created pursuant to K.S.A. 19-3545 et seq, and amendments thereto, to
38 which this section applies may issue general obligation bonds of the
39 district to finance the cost of acquisition, construction, reconstruction,
40 alteration, repair, improvement, extension or enlargement of the district.
41 All general obligation bonds of the district shall be authorized, issued,
42 registered and sold in the manner provided by the general bond law and
43 shall bear interest at a rate not to exceed the maximum rate prescribed by

1 members who shall represent, as nearly as may be possible, the
2 geographical areas in such consolidated area. Members of the governing
3 body first appointed shall be appointed as follows: Two for a term of one
4 year; two for a term of two years; and three for a term of three years.
5 Thereafter all members shall be appointed for a term of three years. All
6 vacancies on such board shall be filled by appointment for the remainder
7 of the unexpired term. Members of the governing body shall receive no
8 compensation for their services but shall be allowed their actual expenses
9 incurred in the performance of their official duties.

10 Within ~~thirty (30)~~ 30 days after the governing body is appointed and
11 annually thereafter the governing body shall meet and organize by the
12 election from its membership of a chairperson, vice-chairperson and a
13 secretary and treasurer. The secretary and treasurer shall each give a
14 corporate surety bond, conditioned for the faithful performance of duty
15 and accounting for all money coming into their hands by virtue of such
16 position. Such bonds shall be approved and be in an amount fixed by the
17 governing body.

18 The governing body of such consolidated district ~~shall have authority to~~
19 ~~may~~ levy taxes and special assessments as provided by law, ~~to enter into~~
20 ~~contracts, to acquire by lease or purchase and to operate and maintain fire~~
21 ~~fighting equipment, and to acquire or construct buildings to house the~~
22 ~~same and to do all things necessary to effectuate the purposes of this act~~
23 ~~except that no tax or special assessment shall be levied by such governing~~
24 ~~body without first having been submitted to and having been approved by~~
25 ~~the board of county commissioners. In addition to the powers provided for~~
26 ~~in this section, the governing body shall have any powers granted to a fire~~
27 ~~district under K.S.A. 80-1514a, and amendments thereto.~~

28 The governing body of such consolidated district is authorized to make
29 an annual levy of taxes upon the taxable property located within the
30 consolidated fire district in an amount approved by the board of county
31 commissioners but not to exceed seven mills.

32 The governing body of any district shall also have the authority to issue
33 general obligation bonds and no-fund warrants under the provisions of
34 K.S.A. 80-1514b, *and amendments thereto*.

35 Sec. 24. K.S.A. 3-114, 12-1220, 12-1234, 12-1267, 12-1270, 12-
36 1276, 12-1688, ~~13-13448, 13-13423~~ 19-3557, 19-3617, 19-3622, 27-322,
37 27-333, 80-1520 and 80-1548 and K.S.A. 2015 Supp. 12-1288, 12-1927,
38 12-1928, 12-1936, 27-323 and 75-2551 are hereby repealed.

39 Sec. 25. This act shall take effect and be in force from and after its
40 publication in the statute book.

And by renumbering sections accordingly