

Senate Substitute for HOUSE BILL No. 2132

AN ACT concerning port authorities; relating to the sale of property;
amending K.S.A. 2016 Supp. 12-3412 and repealing the existing section.

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

Section 1. K.S.A. 2016 Supp. 12-3412 is hereby amended to read as follows: 12-3412. (a) No contract for the construction, alteration or repair of any building, structure or other improvement undertaken by a port authority created in accordance with K.S.A. 12-3402, and amendments thereto, and involving an expenditure exceeding \$10,000 shall be awarded by the port authority unless a notice calling for bids shall have been given by publication in the Kansas register at least 30 days prior to the opening of such bids. No contract requiring public bids shall be awarded except to the lowest responsible bidder, except when bids are received from one or more disadvantaged business enterprises and any applicable funding guidelines require, such contracts may be negotiated to assure disadvantaged business participation in the project. Every contract awarded which requires public bids shall be in writing and signed by the chairperson of the port authority and by the contractor and, if the contract involves work or construction, it shall be accompanied by or shall refer to plans and specifications for the work to be done, prepared for and approved by the port authority.

(b) In exercising the port authority's power to sell real or personal property, the port authority may seek public bids upon specifications approved by the port authority or the port authority may negotiate the sale of any real or personal property upon such terms as the port authority deems to be in the public interest, except that a negotiated sale of any real or personal property shall be subject to the following:

(1) The current lessee of such property shall have the first right to purchase such property;

(2) such property shall be appraised by an independent appraiser prior to such sale of property; and

(3) such sale of property shall be for no less than the appraised value of such property, *unless the port authority declares that selling it at less than appraised value is in the public interest due to the return of new jobs, capital investment or increased tax revenue.*

(c) Notwithstanding the provisions of this section or any other provision of state law to the contrary, the provisions of subsection (b) shall not apply to any negotiated sale-purchase agreements, lease agreements, lease-purchase agreements or lease agreements containing an option to purchase, installment sale contracts, purchase options or other similar instruments entered into by a port authority prior to July 1, 1987, nor any amendments or restatements to such agreements, contracts, options or instruments that were made, entered into or became effective after such date.

Sec. 2. K.S.A. 2016 Supp. 12-3412 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the HOUSE, and passed that body

HOUSE concurred in
SENATE amendments _____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE
as amended _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.