

UPDATED
SESSION OF 2019

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2188

As Recommended by House Committee on
Local Government

Brief*

HB 2188 would make the City of Atchison (City) responsible for the maintenance and repair of all watershed lakes, dams, and other projects of the White Clay Watershed district No. 26 (District), on and after January 1, 2020. Additionally, the bill would dissolve the District on January 1, 2020, and make the City the District's successor. The bill would also create an exemption to election requirements in law relating to the property tax lid.

Successorship

Upon the dissolution of the District, the bill would transfer to the City all property of the district subject to any valid leases or agreements. The bill would make the City responsible for payment or retirement of any District debts and obligations, and vest all district property, funds, and assets with the City.

The bill would make the City the successor in every way to the powers, duties, and functions of the dissolved District, and the City would be a continuation of the district.

When the term "watershed district" or words of like effect are referred to by a document in regard to any of the powers, duties, and functions transferred to the City, the reference or designation would apply to the City as the context requires.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Additionally, the City would have legal custody of all records, memoranda, writings, entries, prints, representations, electronic data, or combination of any act, transaction, occurrence, or event of the dissolved district.

The bill would authorize the court to allow suits, actions, or other proceedings maintained by or against the successor of the district, or any affected officer, commenced prior to its dissolution to proceed. The bill would specify that any such legal action would not be diminished due to the governmental reorganization under the bill.

Property Tax Lid Exemption

The bill would make exempt a tax levy increase resulting from the dissolution of one taxing entity and transfer of its responsibilities to another city or county from the provisions of the property tax lid requiring approval from a majority of a city or counties qualified electors, provided any such levy increase does not exceed the prior levy of the dissolved entity.

Background

The bill was introduced by the House Committee on Local Government at the request of Representative Eplee.

In the House Committee hearing, representatives of the City and the League of Kansas Municipalities (LKM) testified in favor of the bill. The representative of the City stated there has been an agreement with the District dating back to 1966; city staff is responsible for the creation of the District's budget; and the City owns, insures, and maintains the 25 dams within the District. Additionally, the representative of the City noted it was responsible for organizing and staffing District board meetings. The representative of the LKM stated provisions relating the property tax lid are a compromise and

would allow for smaller units of government to more easily dissolve and be consolidated by cities or counties.

No neutral or opponent testimony was provided.

(*Note:* Identical language creating a new exemption from provisions of the property tax lid requiring approval from a majority of a city or counties qualified electors passed the House in 2019 HB 2063 on February 6, 2019. Please see the supplemental note on HB 2063 for more information.)

The bill was passed by the House Committee on February 19, 2019 but was withdrawn from the House Calendar and referred to the House Committee on Appropriations on February 27, 2019. The bill was then withdrawn from the House Committee on Appropriations and referred to the House Committee on Local Government on March 6, 2019. The House Committee again passed the bill on March 13, 2019, recommending it be placed on the Consent Calendar.

According to the fiscal note prepared by the Division of the Budget on the bill, the LKM and the Kansas Association of Counties (KAC) state the bill would have no fiscal effect to the City. Additionally, LKM and KAC indicate the bill would have a fiscal effect on cities and counties, but the effect could not be estimated. The Department of Revenue, Kansas Water Office, and the Department of Agriculture indicate the bill would have no fiscal effect on state revenues or expenditures.