

SESSION OF 2021

SUPPLEMENTAL NOTE ON SENATE BILL NO. 118

As Recommended by Senate Committee on
Local Government

Brief*

SB 118 would establish a procedure by which a city or county may assume the powers, responsibilities, and duties of a special district within the city's corporate boundary or the county's boundaries.

Definition

The bill would define a "special district" to include airport authorities, cemetery districts, drainage districts, fire districts, industrial districts, library districts, port authorities, rural water districts, sewer districts, and rural watershed districts.

Procedure

The bill would require the city or county and the special district to reach an agreement regarding the city or county assuming the powers, responsibilities, and duties of the special district and to pass a joint resolution stating their intent to dissolve the special district into the city or county. The bill also would require the joint resolution to contain the time and location for a joint public hearing on the issue of dissolution.

Upon both the special district and the city or county governing body passing the joint resolution, the special district would be prohibited from issuing new debt without

*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>

notifying and receiving approval from the city or county governing body.

The bill would require the joint resolution to be published once a week for two consecutive weeks in a newspaper of general circulation in the county or counties where the city or county and special district are located.

The bill would require, after the public hearing has been held, the governing bodies of the city or county and the special district to decide whether to consolidate or abandon the proposed dissolution. If both agree to proceed, the governing body of the city or county would adopt a city ordinance or county resolution stating the special district is dissolved and the city or county is assuming all powers, responsibilities, and duties of the special district.

The special district would be considered dissolved on the effective date of the ordinance or resolution.

Results of Consolidation

Upon the dissolution of the special district, the city or county would be the successor to all powers, duties, and responsibilities of the special district. The city or county would:

- Acquire the property of the special district subject to any lease or agreement;
- Pay or retire district debts or obligations;
- Be vested with all property, funds, and assets of the district; and
- Have legal custody of records, memoranda, writings, entries, prints, representations, and electronic data of the special district.

References to the special district in a contract or other document that are in regard to any of the powers, duties, and

functions transferred to the city or county would be deemed to apply to the city or county as the context requires.

All legal action, judicial or administrative, pending against the special district or an officer of the special district would abate by reason of this governmental reorganization, but the court would be authorized to allow any such suit, action, or other proceeding to be maintained by or against the successor.

Background

The bill was introduced in the Senate Committee on Local Government at the request of a representative of the League of Kansas Municipalities.

[*Note:* SB 118 contains provisions that are the same as those of 2020 HB 2510, as amended and passed by the Senate. A conference committee report replaced these provisions with provisions related to education, and the 2020 bill was vetoed.]

Senate Committee on Local Government

In the Senate Committee hearing, **proponent** testimony was provided by a representative of the League of Kansas Municipalities. The proponent generally stated the bill would provide a framework for grassroots consolidation that currently can occur only through an enacted bill. It was also noted Kansas would be the first state to create such a process for consolidation of special use districts.

Written-only **proponent** testimony was provided by representatives of the Kansas Association of Counties, Kansas Chamber, and the Kansas Cooperative Council. Written-only **proponent** testimony was also provided by a representative of the Kansas Agribusiness Retailers Association, Kansas Grain and Feed Association, and Renew

Kansas. The proponents generally stated this bill would offer efficiencies to taxpayers by allowing for the voluntary dissolution of special districts and would help streamline government.

No neutral or **opponent** testimony was provided.

The Senate Committee recommended the bill be placed on the Consent Calendar.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, the League of Kansas Municipalities indicated the bill may have some fiscal effect on cities but the effect cannot be estimated. The Kansas Association of Counties indicates the provisions may decrease the overall need for some tax revenue due to the elimination of duplicate services but did not provide an estimate.

Local government; special districts; cities; counties