

**HOUSE BILL No. 2085**

By Committee on Agriculture

1-25

1 AN ACT concerning ~~rural water districts; relating to forfeited benefit~~  
2 ~~units; time requirement for reinstatement of water; relating to public~~  
3 ~~water supply systems; municipal loans; reinstatement of rural water~~  
4 ~~district benefit units; amending K.S.A. 65-163i and K.S.A. 2018 Supp.~~  
5 ~~82a-621 and repealing the existing section sections.~~  
6

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

8 ***Section 1. K.S.A. 65-163i is hereby amended to read as follows: 65-***  
9 ***163i. (a) Municipalities***~~which~~ ***that desire the provision of a loan under***  
10 ***this act shall submit an application therefor to the secretary.***  
11 ***Applications shall be in such form and shall include such information***  
12 ***as the secretary shall require and shall be submitted in a manner and at***  
13 ***a time to be determined by the secretary.***

14 ***(b) The secretary may enter into agreements with any municipality***  
15 ***for the provision of a loan thereto for payment of all or a part of project***  
16 ***costs and any municipality may enter into such an agreement and may***  
17 ***accept such loan when so authorized by the municipal governing body.***  
18 ***The purposes of the loan to be provided, the amount thereof, the interest***  
19 ***rate thereon and the repayment terms and conditions thereof, all of***  
20 ***which may vary among municipalities, shall be included in the***  
21 ***agreements. Loans shall be provided at or below market interest rates.***  
22 ***All such agreements with municipalities shall require that municipalities***  
23 ***establish a dedicated source of revenue for repayment of the loans as***  
24 ***provided in K.S.A. 65-163j, and amendments thereto. Such agreements***  
25 ***shall further provide that repayment of any loan received shall begin not***  
26 ***later than one year after completion of the project and that such loan***  
27 ***shall be repaid in full no later than 20 40 years thereafter.***

28 ***(c) If a municipality to which a loan is made available under this***  
29 ***act fails to enter into an agreement with the secretary for the provision***  
30 ***of such loan in accordance with the requirements of this act, the***  
31 ***secretary may make the amount of the loan available for one or more***  
32 ***other projects on the priority list.***

33 ***(d) The secretary shall provide any municipality, upon request, with***  
34 ***technical advice and assistance regarding a project or an application for***

1 *a loan for the payment of all or part of project costs.*

2 ~~Section 1.~~ **Sec. 2.** K.S.A. 2018 Supp. 82a-621 is hereby amended to  
3 read as follows: 82a-621. (a) Plans, specifications, proposed operating  
4 budget, schedules of unit fees and benefit units, rules and regulations and  
5 estimates of cost for any authorized proposed improvement shall be filed  
6 with the chief engineer and with the secretary of the district. The total  
7 benefits of any such improvement shall be divided into a suitable number  
8 of benefit units. Each landowner within the district shall subscribe to a  
9 number of such units in proportion to the extent such landowner desires to  
10 participate in the benefits of the improvements.

11 (b) Upon determining a schedule of benefit units and unit fees, the  
12 board shall cause a declaration of availability of such units for subscription  
13 to be entered in the board's minutes. Any individual, firm, partnership,  
14 association or corporation ~~which~~ *that* fails to become a participating  
15 member within 90 days after such declaration shall not be qualified to hold  
16 office as a director, participate at any meeting or vote at any election held  
17 thereafter unless such individual, firm, partnership, association or  
18 corporation shall thereafter become a participating member.

19 (c) As long as the capacity of the district's facilities permits,  
20 participating members of the district may subscribe to additional units  
21 upon payment of a unit fee for each such unit. Owners of land located  
22 within the district who are not participating members may subscribe to  
23 such units as the board in its discretion may grant, and upon payment of  
24 the unit fee for each such unit shall be entitled to the same rights as  
25 original participating members. Proceeds realized from benefit units may  
26 be accumulated and used by the district for any lawful purpose, including  
27 but not limited to, construction, expansion and improvement of the  
28 district's water producing and water transportation facilities.

29 (d) ~~For a period of one year from the date of forfeiture~~ **As long as the**  
30 **capacity of the district's facilities permits**, the board of a district shall  
31 reinstate any benefit unit forfeited for nonpayment of fees and charges  
32 upon payment of:

33 (1) All fees and charges due to the district in addition to any fees and  
34 charges that would have accrued since the date of forfeiture; and

35 (2) a benefit unit reinstatement fee which shall not exceed 20% of the  
36 district's current new benefit unit fee.

37 (e) If the capacity of the district's facilities permits, the district may  
38 sell water to persons engaged in hauling water and to any municipal,  
39 quasi-municipal or nonprofit corporation organized for any purpose  
40 consistent with that for which the district was organized.

41 ~~Sec. 2.~~ **3.** *K.S.A. 65-163i* and K.S.A. 2018 Supp. 82a-621 ~~is~~ *are*  
42 hereby repealed.

43 ~~Sec. 3.~~ **4.** This act shall take effect and be in force from and after its

- 1 publication in the statute book.