

**HOUSE BILL No. 2188**

By Committee on Local Government

2-7

1 AN ACT concerning the dissolution of taxing entities; providing for the  
2 dissolution of the White Clay watershed district no. 26; relating to the  
3 tax lid; amending K.S.A. 2018 Supp. 79-2925c and repealing the  
4 existing section.  
5

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

7 New Section 1. On and after January 1, 2020, the city of Atchison  
8 shall assume the responsibility for the maintenance and repair of all  
9 watershed lakes, dams and other projects of the White Clay watershed  
10 district no. 26 located within Atchison county.

11 New Sec. 2. The White Clay watershed district located in Atchison  
12 county is hereby dissolved effective January 1, 2020.

13 New Sec. 3. (a) Upon the dissolution of the White Clay watershed  
14 district, the city of Atchison shall acquire the property of the watershed  
15 district subject to any leases or agreements duly and validly made by the  
16 district. The city shall be responsible for the payment or retirement of any  
17 watershed debts or obligations. All property, funds and assets of the district  
18 shall be vested in the city of Atchison.

19 (b) The city shall be the successor in every way to the powers, duties  
20 and functions of the watershed district. Every act performed in the exercise  
21 of such transferred powers, duties and functions by the city shall be  
22 deemed to have the same force and effect as if performed by the watershed  
23 district.

24 (c) Whenever the watershed district, or words of like effect, are  
25 referred to or designated by a contract or other document and such  
26 reference is in regard to any of the powers, duties and functions transferred  
27 to the city of Atchison, such reference or designation shall be deemed to  
28 apply to the city as the context requires.

29 (d) The city of Atchison shall have the legal custody of all records,  
30 memoranda, writings, entries, prints, representations, electronic data or  
31 combinations thereof of any act, transactions, occurrence or event of the  
32 watershed district.

33 (e) No suit, action or other proceeding, judicial or administrative,  
34 lawfully commenced, or which could have been commenced, by or against  
35 the watershed district prior to its dissolution or by or against any officer of  
36 the district, prior to its dissolution in such officer's official capacity or in

1 relation to the discharge of such officer's official duties, shall abate by  
2 reason of the governmental reorganization effected under the provisions of  
3 this act. The court may allow any such suit, action or other proceeding to  
4 be maintained by or against the successor of the district or any officer  
5 affected.

6 Sec. 4. K.S.A. 2018 Supp. 79-2925c is hereby amended to read as  
7 follows: 79-2925c. (a) (1) On and after January 1, 2017, the governing  
8 body of any city or county shall not approve any appropriation or budget  
9 which provides for funding by property tax revenues in an amount  
10 exceeding that of the next preceding year as adjusted to reflect the average  
11 changes in the consumer price index for all urban consumers as published  
12 by the United States department of labor for the preceding five calendar  
13 years, which shall not be less than zero, unless the city or county approves  
14 the appropriation or budget with the adoption of a resolution and such  
15 resolution has been submitted to and approved by a majority of the  
16 qualified electors of the city or county voting at an election called and held  
17 thereon, except as otherwise provided.

18 (2) The election shall be called and held in the manner provided by  
19 K.S.A. 10-120, and amendments thereto, and may be:

20 (A) Held at the next regularly scheduled election to be held in August  
21 or November;

22 (B) may be a mail ballot election, conducted in accordance with  
23 K.S.A. 25-431 et seq., and amendments thereto; or

24 (C) may be a special election called by the city or county. Nothing in  
25 this subsection shall prevent any city or county from holding more than  
26 one election in any year. The city or county requesting the election shall be  
27 responsible for paying all costs associated with conducting the election.

28 (b) A resolution by the governing body of a city or county otherwise  
29 required by the provisions of this section shall not be required to be  
30 approved by an election required by subsection (a) under the following  
31 circumstances:

32 (1) Increased property tax revenues that, in the current year, are  
33 produced and attributable to the taxation of:

34 (A) The construction of any new structures or improvements or the  
35 remodeling or renovation of any existing structures or improvements on  
36 real property, which shall not include any ordinary maintenance or repair  
37 of any existing structures or improvements on the property;

38 (B) increased personal property valuation;

39 (C) real property located within added jurisdictional territory;

40 (D) real property which has changed in use;

41 (E) expiration of any abatement of property from property tax; or

42 (F) expiration of a tax increment financing district, rural housing  
43 incentive district, neighborhood revitalization area or any other similar

1 property tax rebate or redirection program.

2 (2) Increased property tax revenues that will be spent on:

3 (A) Bond, temporary notes, no fund warrants, state infrastructure  
4 loans and interest payments not exceeding the amount of ad valorem  
5 property taxes levied in support of such payments, and payments made to a  
6 public building commission and lease payments but only to the extent such  
7 payments were obligations that existed prior to July 1, 2016;

8 (B) payment of special assessments not exceeding the amount of ad  
9 valorem property taxes levied in support of such payments;

10 (C) court judgments or settlements of legal actions against the city or  
11 county and legal costs directly related to such judgments or settlements;

12 (D) expenditures of city or county funds that are specifically  
13 mandated by federal or state law with such mandates becoming effective  
14 on or after July 1, 2015, and loss of funds from federal sources after  
15 January 1, 2017, where the city or county is contractually obligated to  
16 provide a service;

17 (E) expenses relating to a federal, state or local disaster or federal,  
18 state or local emergency, including, but not limited to, a financial  
19 emergency, declared by a federal or state official. The board of county  
20 commissioners may request the governor to declare such disaster or  
21 emergency; or

22 (F) increased costs above the consumer price index for law  
23 enforcement, fire protection or emergency medical services.

24 (3) Any increased property tax revenues generated for law  
25 enforcement, fire protection or emergency medical services shall be  
26 expended exclusively for these purposes but shall not be used for the  
27 construction or remodeling of buildings.

28 (4) The property tax revenues levied by the city or county have  
29 declined:

30 (A) In one or more of the next preceding three calendar years and the  
31 increase in the amount of funding for the budget or appropriation from  
32 revenue produced from property taxes does not exceed the average amount  
33 of funding from such revenue of the next preceding three calendar years,  
34 adjusted to reflect changes in the consumer price index for all urban  
35 consumers as published by the United States department of labor for the  
36 preceding calendar year; or

37 (B) the increase in the amount of ad valorem tax to be levied is less  
38 than the change in the consumer price index plus the loss of assessed  
39 property valuation that has occurred as the result of legislative action,  
40 judicial action or a ruling by the board of tax appeals.

41 (5) Whenever a city or county is required by law to levy taxes for the  
42 financing of the budget of any political or governmental subdivision of this  
43 state that is not authorized by law to levy taxes on its own behalf, and the

1 governing body of such city or county is not authorized or empowered to  
2 modify or reduce the amount of taxes levied therefore, the tax levies of the  
3 political or governmental subdivision shall not be included in or  
4 considered in computing the aggregate limitation upon the property tax  
5 levies of the city or county.

6 *(6) Any tax levy increase as a result of another taxing entity being*  
7 *dissolved and all powers, responsibilities, duties and liabilities of the*  
8 *taxing entity have been transferred to a city located in the county in which*  
9 *the taxing entity is located, or to the county in which the taxing entity is*  
10 *located, to carry on the function and responsibilities of the dissolved*  
11 *taxing entity, so long as the levy increase does not exceed the levy of the*  
12 *dissolved taxing entity.*

13 Sec. 5. K.S.A. 2018 Supp. 79-2925c is hereby repealed.

14 Sec. 6. This act shall take effect and be in force from and after its  
15 publication in the statute book.