

SENATE BILL No. 331

AN ACT concerning the department of wildlife, parks and tourism; relating to state parks; the exemption of state park property from property and ad valorem taxes; establishing the Flint Hills advisory council; designating Flint Hills trail state park and Little Jerusalem Badlands state park; amending K.S.A. 2017 Supp. 32-837 and 79-201a and repealing the existing sections.

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

New Section 1. (a) There is hereby established the Flint Hills advisory council. The council shall study and assess the development, staffing, maintenance and promotion of the Flint Hills nature trail. The council shall report its findings and recommendations to the Kansas department of wildlife, parks and tourism on a quarterly basis.

(b) The Flint Hills advisory council shall consist of the following members:

(1) Two members of the Kansas legislature who reside in a district adjoining the Flint Hills nature trail, or the members' designees, one to be appointed by the president of the senate and one to be appointed by the speaker of the house of representatives;

(2) one county commissioner of Miami county, or the commissioner's designee, to be appointed by the board of county commissioners of Miami county;

(3) one resident of Miami county to be appointed by the governing body of the county seat;

(4) one county commissioner of Franklin county, or the commissioner's designee, to be appointed by the board of county commissioners of Franklin county;

(5) one resident of Franklin county to be appointed by the governing body of the county seat;

(6) one county commissioner of Osage county, or the commissioner's designee, to be appointed by the board of county commissioners of Osage county;

(7) one resident of Osage county to be appointed by the governing body of the county seat;

(8) one county commissioner of Lyon county, or the commissioner's designee, to be appointed by the board of county commissioners of Lyon county;

(9) one resident of Lyon county to be appointed by the governing body of the county seat;

(10) one county commissioner of Morris county, or the commissioner's designee, to be appointed by the board of county commissioners of Morris county;

(11) one resident of Morris county to be appointed by the governing body of the county seat;

(12) one county commissioner of Dickinson county, or the commissioner's designee, to be appointed by the board of county commissioners of Dickinson county; and

(13) one resident of Dickinson county to be appointed by the governing body of the county seat.

(c) The appointing authorities listed in subsection (b)(2) through (13) shall give consideration to individuals who own land that is adjacent to the Flint Hills nature trail when appointing members to the Flint Hills advisory council.

(d) The member appointed in subsection (b)(1) by the speaker of the house of representatives shall serve as the first chairperson of the Flint Hills advisory council and the member appointed in subsection (b)(1) by the president of the senate shall serve as the first vice-chairperson of the council. The position of chairperson and vice-chairperson shall alternate annually upon the first meeting of the council in each calendar year.

(e) (1) Members of the Flint Hills advisory council shall be appointed no later than August 1, 2018. Any vacancy in the membership of the council shall be filled by appointment in the same manner prescribed in this section for the original appointment.

(2) The council shall meet quarterly and at the call of the chairperson or upon the request of a majority of the council.

(f) The members of the Flint Hills advisory council shall be appointed for terms not to exceed three years and, with the exception of the chairperson and vice-chairperson, shall serve no more than two consecutive terms. The initial terms for the members will be staggered as follows:

(1) Members appointed in subsection (b)(2), (7), (8) and (13) shall serve for an initial term of one year;

(2) members appointed in subsection (b)(3), (4), (9) and (10) shall serve for an initial term of two years; and

(3) members appointed in subsection (b)(5), (6), (11) and (12) shall serve for an initial term of three years.

(g) Subject to approval by the legislative coordinating council, legislative members of the Flint Hills advisory council shall receive amounts provided in K.S.A. 75-3223(e), and amendments thereto.

(h) The provisions of this section shall expire on July 1, 2021.

Sec. 2. K.S.A. 2017 Supp. 32-837 is hereby amended to read as follows: 32-837. (a) The following parks have been designated as a part of the state park system: (1) Kanopolis-Mushroom Rock state park in Ellsworth county; (2) Cross Timbers state park at Toronto Lake in Woodson county; (3) Fall River state park in Greenwood county; (4) Cedar Bluff state park in Trego county; (5) Tuttle Creek state park in Pottawatomie and Riley counties; (6) Pomona state park in Osage county; (7) Cheney state park in Kingman and Reno counties; (8) Lake Crawford state park in Crawford county; (9) Lovewell state park in Jewell county; (10) Lake Meade state park in Meade county; (11) Prairie Dog state park in Norton county; (12) Webster state park in Rooks county; (13) Wilson state park in Russell county; (14) Milford state park in Geary county; (15) Historic Lake Scott state park in Scott county; (16) Elk City state park in Montgomery county; (17) Perry state park in Jefferson county; (18) Glen Elder state park in Mitchell county; (19) El Dorado state park in Butler county; (20) Eisenhower state park in Osage county; (21) Clinton state park in Douglas and Shawnee counties; (22) Sand Hills state park in Reno county; (23) Hillsdale state park in Miami county; (24) Kaw River state park in Shawnee county; ~~and~~ (25) Prairie Spirit rail trail state park in Franklin, Anderson and Allen counties; (26) *Flint Hills trail state park in Miami, Franklin, Osage, Lyon, Morris and Dickinson counties; and* (27) *Little Jerusalem Badlands state park in Logan county.*

(b) No state park named in subsection (a) shall be removed from the state park system without legislative approval.

(c) The hours that Kaw River state park in Shawnee county is open to the public may be limited to those hours that parks of the city of Topeka are open, except that such state park shall be open at all hours for pre-scheduled events.

(d) *The requirements found in K.S.A. 65-171d(j)(2), and amendments thereto, shall not apply to subsection (a)(25) or (a)(26).*

(e) *For any state park listed in subsection (a) containing a recreational trail created pursuant to 16 U.S.C. § 1247(d), the Kansas department of wildlife, parks and tourism shall carry out the duties listed in K.S.A. 58-3212(a)(1) through (a)(11), and amendments thereto.*

Sec. 3. K.S.A. 2017 Supp. 79-201a is hereby amended to read as follows: 79-201a. The following described property, to the extent herein specified, shall be exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

First. All property belonging exclusively to the United States, except property which congress has expressly declared to be subject to state and local taxation.

Second. All property used exclusively by the state or any municipality or political subdivision of the state. All property owned, being acquired pursuant to a lease-purchase agreement or operated by the state or any municipality or political subdivision of the state, including property which is vacant or lying dormant, which is used or is to be used for any governmental or proprietary function and for which bonds may be issued or taxes levied to finance the same, shall be considered to be used exclusively by the state, municipality or political subdivision for the purposes of this section. The lease by a municipality or political subdivision of the state of any real property owned or being acquired pursuant to a lease-purchase agreement for the purpose of providing office space necessary for the performance of medical services by a person licensed to practice medicine and surgery or osteopathic medicine by the board of healing arts pursuant to K.S.A. 65-2801 et seq., and amendments thereto, dentistry services by a person licensed by the Kansas dental board pursuant to K.S.A. 65-1401 et seq., and amendments thereto, optometry services by a person licensed

by the board of examiners in optometry pursuant to K.S.A. 65-1501 et seq., and amendments thereto, or K.S.A. 74-1501 et seq., and amendments thereto, podiatry services by a person licensed by the board of healing arts pursuant to K.S.A. 65-2001 et seq., and amendments thereto, or the practice of psychology by a person licensed by the behavioral sciences regulatory board pursuant to K.S.A. 74-5301 et seq., and amendments thereto, shall be construed to be a governmental function, and such property actually and regularly used for such purpose shall be deemed to be used exclusively for the purposes of this paragraph. The lease by a municipality or political subdivision of the state of any real property, or portion thereof, owned or being acquired pursuant to a lease-purchase agreement to any entity for the exclusive use by it for an exempt purpose, including the purpose of displaying or exhibiting personal property by a museum or historical society, if no portion of the lease payments include compensation for return on the investment in such leased property shall be deemed to be used exclusively for the purposes of this paragraph. All property leased, other than motor vehicles leased for a period of at least one year and property being acquired pursuant to a lease-purchase agreement, to the state or any municipality or political subdivision of the state by any private entity shall not be considered to be used exclusively by the state or any municipality or political subdivision of the state for the purposes of this section except that the provisions of this sentence shall not apply to any such property subject to lease on the effective date of this act until the term of such lease expires but property taxes levied upon any such property prior to tax year 1989, shall not be abated or refunded. Any property constructed or purchased with the proceeds of industrial revenue bonds issued prior to July 1, 1963, as authorized by K.S.A. 12-1740 through 12-1749, and amendments thereto, or purchased with proceeds of improvement district bonds issued prior to July 1, 1963, as authorized by K.S.A. 19-2776, and amendments thereto, or with proceeds of bonds issued prior to July 1, 1963, as authorized by K.S.A. 19-3815a and 19-3815b, and amendments thereto, or any property improved, purchased, constructed, reconstructed or repaired with the proceeds of revenue bonds issued prior to July 1, 1963, as authorized by K.S.A. 13-1238 ~~to through~~ 13-1245, ~~inclusive~~, and amendments thereto, or any property improved, reimproved, reconstructed or repaired with the proceeds of revenue bonds issued after July 1, 1963, under the authority of K.S.A. 13-1238 ~~to through~~ 13-1245, ~~inclusive~~, and amendments thereto, which had previously been improved, reconstructed or repaired with the proceeds of revenue bonds issued under such act on or before July 1, 1963, shall be exempt from taxation for so long as any of the revenue bonds issued to finance such construction, reconstruction, improvement, repair or purchase shall be outstanding and unpaid. Any property constructed or purchased with the proceeds of any revenue bonds authorized by K.S.A. 13-1238 ~~to through~~ 13-1245, ~~inclusive~~, and amendments thereto, 19-2776, 19-3815a and 19-3815b, and amendments thereto, issued on or after July 1, 1963, shall be exempt from taxation only for a period of 10 calendar years after the calendar year in which the bonds were issued. Any property, all or any portion of which is constructed or purchased with the proceeds of revenue bonds authorized by K.S.A. 12-1740 ~~to through~~ 12-1749, ~~inclusive~~, and amendments thereto, issued on or after July 1, 1963 and prior to July 1, 1981, shall be exempt from taxation only for a period of 10 calendar years after the calendar year in which the bonds were issued. Except as hereinafter provided, any property constructed or purchased wholly with the proceeds of revenue bonds issued on or after July 1, 1981, under the authority of K.S.A. 12-1740 ~~to through~~ 12-1749, ~~inclusive~~, and amendments thereto, shall be exempt from taxation only for a period of 10 calendar years after the calendar year in which the bonds were issued. Except as hereinafter provided, any property constructed or purchased in part with the proceeds of revenue bonds issued on or after July 1, 1981, under the authority of K.S.A. 12-1740 ~~to through~~ 12-1749, ~~inclusive~~, and amendments thereto, shall be exempt from taxation to the extent of the value of that portion of the property financed by the revenue bonds and only for a period of 10 calendar years after the calendar year in which the bonds were issued. The exemption of that portion of the property constructed or purchased with the proceeds of revenue bonds shall terminate upon the failure to pay all taxes levied on that portion of the property which is not exempt

and the entire property shall be subject to sale in the manner prescribed by K.S.A. 79-2301 et seq., and amendments thereto. Property constructed or purchased in whole or in part with the proceeds of revenue bonds issued on or after January 1, 1995, under the authority of K.S.A. 12-1740 ~~to through 12-1749, inclusive,~~ and amendments thereto, and used in any retail enterprise identified under NAICS sectors 44 and 45, except facilities used exclusively to house the headquarters or back office operations of such retail enterprises identified thereunder, shall not be exempt from taxation. For the purposes of the preceding provision “NAICS” means the North American industry classification system, as developed under the authority of the office of management and budget of the office of the president of the United States. “Headquarters or back office operations” means a facility from which the enterprise is provided direction, management, administrative services, or distribution or warehousing functions in support of transactions made by the enterprise. Property purchased, constructed, reconstructed, equipped, maintained or repaired with the proceeds of industrial revenue bonds issued under the authority of K.S.A. 12-1740 et seq., and amendments thereto, which is located in a redevelopment project area established under the authority of K.S.A. 12-1770 et seq., and amendments thereto, shall not be exempt from taxation. Property purchased, acquired, constructed, reconstructed, improved, equipped, furnished, repaired, enlarged or remodeled with all or any part of the proceeds of revenue bonds issued under authority of K.S.A. 12-1740 ~~to through 12-1749a, inclusive,~~ and amendments thereto, for any poultry confinement facility on agricultural land which is owned, acquired, obtained or leased by a corporation, as such terms are defined by K.S.A. 17-5903, and amendments thereto, shall not be exempt from such taxation. Property purchased, acquired, constructed, reconstructed, improved, equipped, furnished, repaired, enlarged or remodeled with all or any part of the proceeds of revenue bonds issued under the authority of K.S.A. 12-1740 ~~to through 12-1749a, inclusive,~~ and amendments thereto, for a rabbit confinement facility on agricultural land which is owned, acquired, obtained or leased by a corporation, as such terms are defined by K.S.A. 17-5903, and amendments thereto, shall not be exempt from such taxation.

Third. All works, machinery and fixtures used exclusively by any rural water district or township water district for conveying or production of potable water in such rural water district or township water district, and all works, machinery and fixtures used exclusively by any entity which performed the functions of a rural water district on and after January 1, 1990, and the works, machinery and equipment of which were exempted hereunder on March 13, 1995.

Fourth. All fire engines and other implements used for the extinguishment of fires, with the buildings used exclusively for the safekeeping thereof, and for the meeting of fire companies, whether belonging to any rural fire district, township fire district, town, city or village, or to any fire company organized therein or therefor.

Fifth. All property, real and personal, owned by county fair associations organized and operating under the provisions of K.S.A. 2-125 et seq., and amendments thereto.

Sixth. Property acquired and held by any municipality under the municipal housing law, K.S.A. 17-2337 et seq., and amendments thereto, except that such exemption shall not apply to any portion of the project used by a nondwelling facility for profit making enterprise.

Seventh. All property of a municipality, acquired or held under and for the purposes of the urban renewal law, K.S.A. 17-4742 et seq., and amendments thereto, except that such tax exemption shall terminate when the municipality sells, leases or otherwise disposes of such property in an urban renewal area to a purchaser or lessee which is not a public body entitled to tax exemption with respect to such property.

Eighth. All property acquired and held by the Kansas armory board for armory purposes under the provisions of K.S.A. 48-317, and amendments thereto.

Ninth. All property acquired and used by the Kansas turnpike authority under the authority of K.S.A. 68-2001 et seq., and amendments thereto, K.S.A. 68-2030 et seq., and amendments thereto, K.S.A. 68-2051 et seq., and amendments thereto, and K.S.A. 68-2070 et seq., and amendments thereto.

Tenth. All property acquired and used for state park purposes by the Kansas department of wildlife, parks and tourism. *Property that is part of a state park listed in K.S.A. 32-837(a)(25) or (a)(26), and amendments thereto, and that is contained within or encumbered by any railroad rights-of-way that have been transferred or conveyed to the Kansas department of wildlife, parks and tourism for interim use, pursuant to 16 U.S.C. § 1247(d), shall be deemed to be acquired and used for state park purposes by the Kansas department of wildlife, parks and tourism for the purposes of this subsection.*

Eleventh. The state office building constructed under authority of K.S.A. 75-3607 et seq., and amendments thereto, and the site upon which such building is located.

Twelfth. All buildings erected under the authority of K.S.A. 76-6a01 et seq., and amendments thereto, and all other student union buildings and student dormitories erected upon the campus of any institution mentioned in K.S.A. 76-6a01, and amendments thereto, by any other non-profit corporation.

Thirteenth. All buildings, as the same is defined in ~~subsection (c) of~~ K.S.A. 76-6a13(c), and amendments thereto, which are erected, constructed or acquired under the authority of K.S.A. 76-6a13 et seq., and amendments thereto, and building sites acquired therefor.

Fourteenth. All that portion of the waterworks plant and system of the city of Kansas City, Missouri, now or hereafter located within the territory of the state of Kansas pursuant to the compact and agreement adopted by K.S.A. 79-205, and amendments thereto.

Fifteenth. All property, real and personal, owned by a groundwater management district organized and operating pursuant to K.S.A. 82a-1020, and amendments thereto.

Sixteenth. All property, real and personal, owned by the joint water district organized and operating pursuant to K.S.A. 80-1616 et seq., and amendments thereto.

Seventeenth. All property, including interests less than fee ownership, acquired for the state of Kansas by the secretary of transportation or a predecessor in interest which is used in the administration, construction, maintenance or operation of the state system of highways, regardless of how or when acquired.

Eighteenth. Any building used primarily as an industrial training center for academic or vocational education programs designed for and operated under contract with private industry, and located upon a site owned, leased or being acquired by or for an area vocational school, an area vocational-technical school, a technical college, or a community college, as defined by K.S.A. 2017 Supp. 74-34,407, and amendments thereto, and the site upon which any such building is located.

Nineteenth. For all taxable years commencing after December 31, 1997, all buildings of an area vocational school, an area vocational-technical school, a technical college or a community college, as defined by K.S.A. 2017 Supp. 74-32,407, and amendments thereto, which are owned and operated by any such school or college as a student union or dormitory and the site upon which any such building is located.

Twentieth. For all taxable years commencing after December 31, 1997, all personal property which is contained within a dormitory that is exempt from property taxation and which is necessary for the accommodation of the students residing therein.

Twenty-First. All real property from and after the date of its transfer by the city of Olathe, Kansas, to the Kansas state university foundation, all buildings and improvements thereafter erected and located on such property, and all tangible personal property, which is held, used or operated for educational and research purposes at the Kansas state university Olathe innovation campus located in the city of Olathe, Kansas.

Twenty-Second. All real property, and all tangible personal property, owned by postsecondary educational institutions, as that term is defined in K.S.A. 74-3201b, and amendments thereto, or by the board of regents on behalf of the postsecondary educational institutions, which is leased by a for profit company and is actually and regularly used exclusively for research and development purposes so long as any rental income received by such postsecondary educational institution or the board of regents from such a company is used exclusively for educational or scientific pur-

poses. Any such lease or occupancy described in this section shall be for a term of no more than five years.

Twenty-Third. For all taxable years commencing after December 31, 2005, any and all housing developments and related improvements located on United States department of defense military installations in the state of Kansas, which are developed pursuant to the military housing privatization initiative, 10 U.S.C. § 2871 et seq., or any successor thereto, and which are provided exclusively or primarily for use by military personnel of the United States and their families.

Twenty-Fourth. For all taxable years commencing after December 31, 2012, except as hereinafter provided, any property constructed or purchased in part with the proceeds of revenue bonds issued on or after July 1, 2013, under the authority of K.S.A. 12-1740 ~~to through~~ 12-1749a, ~~in-~~ ~~clusive~~, and amendments thereto, shall be exempt from taxation to the extent of the value of that portion of the property financed by the revenue bonds and only for a period of 10 calendar years after the calendar year in which the bonds were issued. The exemption of that portion of the property constructed or purchased with the proceeds of revenue bonds shall terminate upon the failure to pay all taxes levied on that portion of the property which is not exempt and the entire property shall be subject to sale in the manner prescribed by K.S.A. 79-2301 et seq., and amendments thereto. Property constructed or purchased in whole or in part with the proceeds of revenue bonds issued on or after January 1, 1995, under the authority of K.S.A. 12-1740 ~~to through~~ 12-1749a, ~~inclusive~~, and amendments thereto, and used in any retail enterprise identified under NAICS sectors 44 and 45, except facilities used exclusively to house the headquarters or back office operations of such retail enterprises identified thereunder, shall not be exempt from taxation. For the purposes of the preceding provision “NAICS” means the North American industry classification system, as developed under the authority of the office of management and budget of the office of the president of the United States. “Headquarters or back office operations” means a facility from which the enterprise is provided direction, management, administrative services, or distribution or warehousing functions in support of transactions made by the enterprise. Property purchased, constructed, reconstructed, equipped, maintained or repaired with the proceeds of industrial revenue bonds issued under the authority of K.S.A. 12-1740 et seq., and amendments thereto, which is located in a redevelopment project area established under the authority of K.S.A. 12-1770 et seq., and amendments thereto, shall not be exempt from taxation. Property purchased, acquired, constructed, reconstructed, improved, equipped, furnished, repaired, enlarged or remodeled with all or any part of the proceeds of revenue bonds issued under authority of K.S.A. 12-1740 ~~to through~~ 12-1749a, ~~inclusive~~, and amendments thereto, for any poultry confinement facility on agricultural land which is owned, acquired, obtained or leased by a corporation, as such terms are defined by K.S.A. 17-5903, and amendments thereto, shall not be exempt from such taxation. Property purchased, acquired, constructed, reconstructed, improved, equipped, furnished, repaired, enlarged or remodeled with all or any part of the proceeds of revenue bonds issued under the authority of K.S.A. 12-1740 ~~to through~~ 12-1749a, ~~inclusive~~, and amendments thereto, for a rabbit confinement facility on agricultural land which is owned, acquired, obtained or leased by a corporation, as such terms are defined by K.S.A. 17-5903, and amendments thereto, shall not be exempt from such taxation.

Twenty-Fifth. For all taxable years commencing after December 31, 2013, any and all utility systems and appurtenances located on United States department of defense military installations in the state of Kansas, which have been acquired after December 31, 2013, pursuant to the military utilities privatization initiative, 10 U.S.C. § 2688 et seq., or any successor thereto, or which have been installed after December 31, 2013, and which are provided exclusively or primarily for use by the military of the United States.

Twenty-Sixth. All land owned by a municipality that is a part of a public levee that is leased pursuant to K.S.A. 13-1243, and amendments thereto.

Except as otherwise specifically provided, the provisions of this section shall apply to all taxable years commencing after December 31, 2010.

Sec. 4. K.S.A. 2017 Supp. 32-837 and 79-201a are hereby repealed.

Sec. 5. 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 SENATE, and passed that body

SENATE adopted
Conference Committee Report _____

President of the Senate.

Secretary of the Senate.

Passed the HOUSE
as amended _____

HOUSE adopted
Conference Committee Report _____

Speaker of the House.

Chief Clerk of the House.

APPROVED _____

Governor.