

SESSION OF 2020

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2510

As Amended by Senate Committee on Ethics,
Elections and Local Government

Brief*

HB 2510, as amended, would establish a procedure for a city or county to assume the powers, responsibilities, and duties of any special district located within the city's corporate limits or county's boundaries and dissolve such a special district if approved by a joint resolution adopted by the city or county and the special district.

Definition

"Special district" for this purpose would mean an airport authority, cemetery district, drainage district, fire district, industrial district, library district, port authority, rural water district, sewer district, or rural watershed district.

Procedure

The bill would require the governing bodies that have reached an agreement for the city or county to assume all powers, responsibilities, and duties of a special district to pass a joint resolution stating their intent to dissolve the special district and set the time and place for a joint public hearing on the issue.

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 counties where the respective entities are located.

*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>

The bill would require the governing bodies, after the public hearing, to decide whether to proceed or abandon the proposed dissolution and assumption of powers and responsibilities. If both governing bodies decide to proceed, as evidenced by formal action of each body, the city or county would adopt an ordinance or resolution dissolving the special district and assuming all powers, responsibility, and duties of the special district. The special district would be considered dissolved on the effective date of the ordinance or resolution. The bill would require a copy of the ordinance or resolution be provided to the county clerk.

The bill would prohibit the special district from issuing new debt without first notifying and receiving approval by resolution from the governing body of the city or county once the joint resolution has been passed by the governing bodies.

Successorship

Upon the dissolution of the special district, the city or county would acquire all property of the special district, subject to any valid leases or agreements. The city or county would be responsible for the payment or retirement of any special district debts or obligations and all district property, funds, and assets would be vested in the city or county.

The bill would make the city or county the successor in every way to the powers, duties, and functions of the dissolved special district, and every act performed in use of such transferred powers, duties, and function would be deemed in the same force and effect as if used by the special district.

The bill would give the city or county legal custody of all records, memoranda, writings, entries, prints, representations, electronic data, or combinations of any act, transaction, occurrence, or event of the dissolved special district.

The bill would authorize the court to allow suits, actions, or other proceedings maintained by or against the successor of the special district, or any officer of the special district, either prior to the special district's dissolution or in relation to the discharge of the officer's official duties, that was started prior to the dissolution of the special district to proceed. The bill would specify any such legal action would not be diminished due to the governmental reorganization authorized by the bill.

Background

The bill was introduced by the House Committee on Local Government at the request of the League of Kansas Municipalities (LKM). The bill as introduced dealt with special districts within cities.

In the House Committee hearing, a representative of LKM provided proponent testimony on the bill, stating the bill would create easier, more proactive procedures for grassroots consolidation of local units of government when appropriate. The representative also stated such consolidation currently requires legislative action.

Written-only proponent testimony was provided by the Kansas Chamber.

No neutral or opponent testimony was provided.

[*Note:* Tax levy increases resulting from the dissolution of one taxing entity and transfer of its responsibilities to a city would be exempt from the provisions of the property tax lid requiring approval from a majority of a city's qualified electors, provided any such levy increase does not exceed the prior levy of the dissolved entity. This exemption was enacted in 2019 HB 2188.]

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

In the Senate Committee on Ethics, Elections and Local Government hearing, a representative of LKM provided proponent testimony. Written-only proponent testimony was provided by a representative of the Kansas Chamber and a representative of the Kansas Grain and Feed Association, Kansas Agribusiness Retailers Association, and Renew Kansas Association. No other testimony was provided.

The Senate Committee amended the bill to authorize a county, as well as a city, to assume the powers, responsibilities, and duties of a special district within its boundaries.

According to the fiscal note prepared by the Division of the Budget on the bill as introduced, the LKM indicates the bill could increase efficiencies of local government, but it is unable to determine the fiscal effect. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2021 Governor's Budget Report*.