

SESSION OF 2018

SUPPLEMENTAL NOTE ON SENATE BILL NO. 185

As Amended by House Committee of the Whole

Brief*

SB 185, as amended, would revise the powers of Johnson and Labette counties pertaining to certain redevelopment districts and authorities. In addition to several technical changes, Labette County would be referenced in several places.

The bill would allow the board of county commissioners in either county that has established a redevelopment district that includes property located within a federal enclave to authorize the installation, maintenance, and operation of utilities to serve the redevelopment district. Utilities would include water, sewer, electricity, gas, telecommunications, and rail services.

If a redevelopment authority board has been established by the county to oversee the redevelopment district, the abilities described above could be delegated by the county to the redevelopment authority board.

Any franchise for utilities authorized by the bill would be required to be adopted by resolution; could not be exclusively granted to any person, firm, or corporation; and would be limited in time to no more than 20 years.

The bill would allow for franchise fees up to 6.0 percent of a customer's gross charges for utility service. Collected fees would be restricted to pay for the costs of installation, maintenance, and operation of the utilities.

*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>

A redevelopment authority in either county would be allowed to incur debt and issue bonds to pay for the costs of developing and improving the utilities and other properties within the redevelopment district. A redevelopment authority could secure debt using property it owns in the district. It would be permissible to use lease-purchase agreements to acquire and finance property. The maximum maturity of issued bonds could not exceed 20 years. Debt incurred would be solely the responsibility of the redevelopment authority to repay.

The bill would be in effect upon publication in the *Kansas Register*.

Background

The bill was introduced by the Senate Committee on Commerce at the request of Senator Givens. In the Senate Committee hearing, testimony in support of the bill was provided by Senator Goddard and a representative of the Great Plains Redevelopment Authority, who indicated these redevelopment districts are hampered in their economic development efforts because of their inability to establish utility franchises.

There was no opponent testimony.

Written-only, neutral testimony was offered by Day & Zimmerman, Inc., a tenant of a relevant redevelopment district, which stated the importance of continued access to affordable and reliable utilities but declined to comment on the specific proposal included in the bill.

During the hearing before the House Committee on Commerce, Labor and Economic Development, a representative of the Great Plans Development Authority provided testimony in support of the bill, stating the reasons referenced above.

There was no other testimony.

The House Committee of the Whole amended the bill to:

- Authorize a redevelopment authority to incur debt;
and
- Include technical amendments, including references to Labette County.

According to the fiscal note prepared by the Division of the Budget, the Kansas Association of Counties estimates enactment of the bill, as introduced, would have no fiscal effect.