

HOUSE BILL No. 2336

AN ACT concerning governmental property; relating to public construction and improvement projects; increasing the bonding authority for public airport authorities for projects up to \$10,000,000; permitting bonding authority of more than \$10,000,000 or in excess of the 1.85% statutory limitation based on assessed value of property within the county upon approval by the board of county commissioners; increasing the cost threshold for mandatory convening of a negotiating committee to obtain professional services for state construction projects; providing for an annual increase in such cost threshold based on the consumer price index; changing the measure of such cost threshold from "total project cost" to "construction cost"; amending K.S.A. 27-334, 75-1253 and 75-5804 and repealing the existing sections.

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

Section 1. K.S.A. 27-334 is hereby amended to read as follows:
27-334. (a) The authority may issue its own general obligation bonds, revenue bonds and industrial revenue bonds as provided by this section.

(b) Prior to the issuance of general obligation bonds in an amount less than ~~\$1,000,000~~ \$10,000,000, the board of directors of the authority shall adopt a resolution setting forth the principal amounts of and the purpose for which the bonds are to be issued; and shall cause ~~the same~~ *such resolution* to be published once each week for two consecutive weeks in the official county newspaper. If, within 30 days after *the first* publication of the resolution, a petition in opposition to the issuance of the bonds; signed by not less than 5% of the qualified electors of the county is filed with the county election officer, the board of directors shall submit the proposed issuance of general obligation bonds to the electors of the county in the manner provided in the general bond law. If a majority of the voters voting on the proposition at the election vote in favor of the issuance, the bonds may be issued by the authority.

The board of directors shall submit any *resolution for a* proposed issuance of general obligation bonds in an amount ~~which that~~ is equal to or ~~which~~ exceeds \$1,000,000 \$10,000,000 for approval ~~at a primary or general election by the qualified electors of the county. The election shall be called and held~~ or disapproval by the board of county commissioners. *If the board of county commissioners disapproves the resolution of the authority, no further action shall be taken by the authority on the basis of such resolution. If the board of county commissioners approves the resolution of the authority, the board of directors of the authority may proceed to authorize and issue the general obligation bonds in the amount and for the purpose specified in such resolution. Following approval of the authority's resolution by the board of county commissioners, the authority shall cause the resolution to be published once each week for two consecutive weeks in the official county newspaper. If, within 30 days after the first publication of the resolution, a petition in opposition to the issuance of the bonds, signed by not less than 5% of the qualified electors of the county, is filed with the county election officer, the board of directors shall submit the proposed issuance of general obligation bonds to the electors of the county in the manner provided by the general bond law. If a majority of the voters voting on the ~~question~~ proposition at the election vote in favor ~~thereof~~ of the issuance, the bonds may be issued in the manner provided by the general bond law. Whenever an election has been called in which all of the qualified electors of the county are eligible to vote, the board also may submit for approval at such election any proposed issuance of general obligation bonds in an amount which is equal to or which exceeds \$1,000,000 by the authority.*

General obligation bonds of the authority shall not be issued in an amount in excess of 1.85% of the assessed valuation of all the taxable tangible property within the county as shown by the assessment books of the previous year, *unless a resolution of the authority to exceed 1.85% of the assessed value of all the taxable tangible property within the county as shown by the assessment books of the previous year for a general obligation bond issuance is approved by the board of county commissioners. If the board of county commissioners disapproves the resolution of the authority, no further action shall be taken by the authority on the basis of such resolution. If the board of county*

commissioners approves the resolution of the authority, the board of directors of the authority may proceed to authorize and issue the general obligation bonds in the amount and for the purpose specified in such resolution. Following approval of the resolution of the authority by the board of county commissioners, the authority shall cause the resolution to be published once each week for two consecutive weeks in the official county newspaper. If, within 30 days after the first publication of the resolution, a petition in opposition to the issuance of the bonds, signed by not less than 5% of the qualified electors of the county is filed with the county election officer, the board of directors shall submit the proposed issuance of general obligation bonds to the electors of the county in the manner provided in the general bond law. If a majority of the voters voting on the proposition at the election vote in favor of the issuance, the bonds may be issued by the authority. The general obligation bonds of the authority shall be authorized, issued, registered and sold in the manner provided by the general bond law and shall bear interest at a rate not to exceed the maximum rate prescribed by K.S.A. 10-1009, and amendments thereto. The full faith and credit of the authority shall be pledged to the payment of the general obligation bonds of the authority. The general obligation bonds of the authority shall not constitute a debt or obligation of the city or county.

(c) The authority may issue revenue bonds ~~from time to time~~ for the purpose of purchasing, constructing or otherwise acquiring, repairing, extending or improving any property or facility of the authority and may pledge to the payment of the revenue bonds, both principal and interest, any rental, rates, fees or charges derived or to be derived by the authority from property or facilities owned or operated by it. The revenue bonds of the authority shall mature not later than 35 years after the date of issuance. The revenue bonds shall bear interest at a rate not exceeding the maximum rate of interest prescribed by K.S.A. 10-1009, and amendments thereto. The bonds and any interest coupons shall be negotiable. The bonds shall contain recitals stating the authority under which the bonds are issued, that they are issued in conformity with the provisions, restrictions and limitations of the authority and that the bonds and interest thereon shall be paid by the issuing authority from any rental, rates, fees or charges derived or to be derived by the authority from property or facilities owned or operated by it and not from any other fund or source. The bonds shall be registered in the office of the secretary or clerk of the authority issuing the bonds.

(d) The authority may issue the industrial revenue bonds of the authority in the manner provided by K.S.A. 12-1740 ~~to~~ *through* 12-1749, ~~inclusive~~, and amendments thereto, and any other applicable provisions of law.

(e) The board of directors may, on its own initiative, submit any proposed issuance of bonds for approval; by the qualified electors of the county at a primary or general election. Such election shall be otherwise called and held in the manner provided by the general bond law. Whenever an election has been called in which all the qualified electors of the county are eligible to vote, the board also may submit the question of issuing such bonds for approval at such election.

Sec. 2. K.S.A. 75-1253 is hereby amended to read as follows: 75-1253. (a) (1) Whenever it becomes necessary in the judgment of the secretary of administration or in any case when the ~~total construction~~ cost of a project for the construction of a building or for major repairs or improvements to a building for a state agency is expected to exceed ~~\$1,000,000—the amount specified in paragraph (2)~~, the secretary of administration shall convene a negotiating committee. The state building advisory commission shall prepare a list of at least three ~~and~~ *but* not more than five firms ~~which that~~ are, in the opinion of the state building advisory commission, qualified to serve as project architect, engineer or land surveyor for the project. Such list shall be submitted to the negotiating committee, without any recommendation of preference

or other recommendation.

(2) *The construction cost threshold to convene a negotiating committee as provided by paragraph (1) shall be \$1,500,000 for fiscal year 2024. For fiscal year 2025, and all fiscal years thereafter, the threshold to convene a negotiating committee shall be the threshold amount for the immediately preceding fiscal year increased by an amount equal to the percentage increase in the consumer price index for all urban consumers as published by the bureau of labor statistics of the United States department of labor during the immediately preceding fiscal year rounded to the nearest whole dollar amount.*

(b) The secretary of administration may combine two or more separate projects for the construction of buildings or for major repairs or improvements to buildings for state agencies, for the purpose of procuring architectural, engineering or land surveying services for all such projects from a single firm. In each case, the combined projects shall be construed to be a single project for all purposes under the provisions of K.S.A. 75-1250 through 75-1267, and amendments thereto.

(c) (1) This section shall not apply to any repetitive project with a standard plan that was originally designed by the secretary of administration or an agency architect pursuant to K.S.A. 75-1254(a)(2) and (3), and amendments thereto. In such a case, the secretary of administration or the agency architect may provide architectural services for the repetitive project.

(2) "Repetitive project" means a project ~~which~~ *that* uses the same standard design as was used for a project constructed previously, including, but not limited to, sub-area shops and salt domes of the department of transportation and showers and toilet buildings of the Kansas department of wildlife; ~~and parks and tourism~~. The plans for the project may be modified as required for current codes, operational needs or cost control. The total floor area of the project may be increased by an area of not more than 25% of the floor area of the originally constructed project, except that not more than 25% of the linear feet of the exterior and interior walls may be moved for such increase. A project shall not be considered to be repetitive if it has been over four years between the substantial completion of the last project using the design plans and the appropriation of funds for the proposed project.

Sec. 3. K.S.A. 75-5804 is hereby amended to read as follows: 75-5804. (a) (1) Whenever it becomes necessary in the judgment of the agency head of a state agency for which a project is proposed and, in any case where the ~~total~~ *construction* cost of such a proposed project is expected to exceed ~~\$500,000~~ *the amount specified in paragraph (2)*, the agency head shall convene a negotiating committee. Except as otherwise provided in subsection (b), the agency head shall submit the list of at least three ~~and~~ *but* not more than five of the most highly qualified firms to the negotiating committee so convened, without any recommendation of preference or other recommendation.

(2) *The construction cost threshold to convene a negotiating committee as provided by paragraph (1) shall be \$1,500,000 for fiscal year 2024. For fiscal year 2025, and all fiscal years thereafter, the threshold to convene a negotiating committee shall be the threshold amount for the immediately preceding fiscal year increased by an amount equal to the percentage increase in the consumer price index for all urban consumers as published by the bureau of labor statistics of the United States department of labor during the immediately preceding fiscal year rounded to the nearest whole dollar amount.*

(b) Whenever a negotiating committee is convened under this section for a proposed project requiring engineering or land surveying services ~~which~~ *that* concerns the construction of any building or facility or any major repairs or improvements to any building or facility, including but not limited, to any heating, cooling or power facility, for a state agency, the agency head for the state agency shall notify the state building advisory commission of the project and shall request a list of

firms qualified to provide the engineering or land surveying services for the proposed project. Upon receipt of any such request the state building advisory commission shall evaluate the current statements of qualifications and performance data on file, together with those statements that may be submitted by other firms regarding the proposed project and other information developed and available to the state building advisory commission. The commission shall prepare a list of at least three ~~and~~ but not more than five firms ~~which~~ that, in the opinion of the state building advisory commission, are qualified to furnish the engineering or land surveying services for the proposed project. Each such list shall be submitted to the negotiating committee so convened without any recommendation of preference or other recommendation.

Sec. 4. K.S.A. 27-334, 75-1253 and 75-5804 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 HOUSE, and was adopted by that body

HOUSE adopted
Conference Committee Report _____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE
as amended _____

SENATE adopted
Conference Committee Report _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.