

HOUSE BILL No. 2386

By Committee on Federal and State Affairs

3-9

1 AN ACT concerning port authorities; relating to the sale of property;
2 amending K.S.A. 2016 Supp. 12-3412 and repealing the existing
3 section.

4
5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2016 Supp. 12-3412 is hereby amended to read as
7 follows: 12-3412. (a) No contract for the construction, alteration or repair
8 of any building, structure or other improvement undertaken by a port
9 authority created in accordance with K.S.A. 12-3402, and amendments
10 thereto, and involving an expenditure exceeding \$10,000 shall be awarded
11 by the port authority unless a notice calling for bids shall have been given
12 by publication in the Kansas register at least 30 days prior to the opening
13 of such bids. No contract requiring public bids shall be awarded except to
14 the lowest responsible bidder, except when bids are received from one or
15 more disadvantaged business enterprises and any applicable funding
16 guidelines require, such contracts may be negotiated to assure
17 disadvantaged business participation in the project. Every contract
18 awarded which requires public bids shall be in writing and signed by the
19 chairperson of the port authority and by the contractor and, if the contract
20 involves work or construction, it shall be accompanied by or shall refer to
21 plans and specifications for the work to be done, prepared for and
22 approved by the port authority.

23 (b) In exercising the port authority's power to sell real or personal
24 property, the port authority may seek public bids upon specifications
25 approved by the port authority or the port authority may negotiate the sale
26 of any real or personal property upon such terms as the port authority
27 deems to be in the public interest, except that a negotiated sale of any real
28 or personal property shall be subject to the following:

29 (1) The current lessee of such property shall have the first right to
30 purchase such property;

31 (2) such property shall be appraised by an independent appraiser prior
32 to such sale of property; and

33 (3) such sale of property shall be for no less than the appraised value
34 of such property, *unless the port authority declares that selling it at less*
35 *than appraised value is in the public interest due to the return of new jobs,*
36 *capital investment or increased tax revenue.*

1 (c) Notwithstanding the provisions of this section or any other
2 provision of state law to the contrary, the provisions of subsection (b) shall
3 not apply to any negotiated sale-purchase agreements, lease agreements,
4 lease-purchase agreements or lease agreements containing an option to
5 purchase, installment sale contracts, purchase options or other similar
6 instruments entered into by a port authority prior to July 1, 1987, nor any
7 amendments or restatements to such agreements, contracts, options or
8 instruments that were made, entered into or became effective after such
9 date.

10 Sec. 2. K.S.A. 2016 Supp. 12-3412 is hereby repealed.

11 Sec. 3. This act shall take effect and be in force from and after its
12 publication in the statute book.