SENATE BILL No. 186

By Senator Steineger

1-25

9 AN ACT enacting the Kansas and Missouri regional mass transit district 10 compact. 12

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

Section 1. The Kansas and Missouri regional mass transit district compact is hereby enacted into law and entered into with the state of Missouri legally joining therein in the form substantially as follows:

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I. AGREEMENT AND PLEDGE

The states of Kansas and Missouri agree to and pledge, each to the other, faithful cooperation in the support of a regional mass transit system to benefit and serve the Kansas City metropolitan area, holding in high trust for the benefit of the people and of the nation, the special blessings and natural advantages thereof.

II. POLICY AND PURPOSE

The states of Kansas and Missouri desire, by common action, to provide support for a regional interconnected public mass transit system within the Kansas City metropolitan area and region.

Accordingly, the states of Kansas and Missouri hereby declare that it is the policy of each state to realize this desire on a basis of cooperation with one another, and that the purpose of this Compact is to provide a mechanism to secure and coordinate support for a regional public mass transit system that will produce significant benefit to the Kansas City metropolitan area.

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III. DEFINITIONS

As used herein:

- "Commission" means the governing body of the Kansas and Missouri regional mass transit district.
- В. "District" means the Kansas and Missouri regional mass transit district.
- "Kansas and Missouri Regional Investment District" or "District" means a political subdivision of the states of Kansas and Missouri, which is created by this Compact and which is composed of those Kansas and Missouri counties, cities and other political subdivisions that are now or hereafter shall become parties to the Articles of Agreement executed on January 1, 1972, and thereafter amended, which geographic area covered

by those political subdivisions is therein designated as the Mid-America
 Regional Planning Area.

- D. "Mid-America Regional Council or MARC" means the body corporate and politic created by the Articles of Agreement, originally executed on January 1, 1972, and as thereafter amended, which therein assumed all the rights, duties and obligations of the Mid-America Council of Governments and the Metropolitan Planning Commission Kansas City Region.
- E. "Public Mass Transit Program Plan" means a plan developed for a proposed ballot question by the Commission, as required by Article VI, Section C of this Compact, that describes a Public Mass Transit Program and provides for the appropriation and use of moneys derived from the sales tax authorized by this Compact in support of that Public Mass Transit Program.
- F. "Public Mass Transit System" or "Transit System" means, a regional system of public mass transit, consisting of vans, buses, bus rapid transit, and other fixed guideways, stops, park-n-ride lots.

IV. DISTRICT

A. Upon this Compact being entered into law by the Legislatures of the respective states, the Regional Mass Transit District is created and shall include all the geographic area within the jurisdictional limits of those Kansas and Missouri counties that are parties to the Articles of Agreement executed on January 1, 1972, and thereafter amended, which is designated as the Mid-America Regional Planning Area, and currently includes the following counties:

Clay County, Missouri
Platte County, Missouri
Jackson County, Missouri
Cass County, Missouri
Wyandotte County, Kansas
Johnson County, Kansas
Leavenworth County, Kansas
Ray County, Missouri

B. The District automatically shall be expanded to include Kansas and Missouri cities, counties and other political subdivisions that hereafter shall become parties to the Articles of Agreement executed on January 1, 1972, and thereafter amended, upon the execution of the Articles of Agreement by the governing body of such political subdivisions.

V. THE COMMISSION

- A. The District shall be governed by the Commission, which shall be a body corporate and politic and shall be composed of voting members of MARC, as that Council is constituted from time to time, and which is also known as the Board of Directors. All of the members of the Commission shall be elected officials from the jurisdiction that appointed them as voting members of MARC's Board of Directors.
- B. The terms of the members of the Commission shall expire concurrently with the member's tenure as an elected official of a jurisdiction

that is a party to MARC's Articles of Agreement. If a jurisdiction that is a party to MARC's Articles of Agreement appoints a different member of its governing body to MARC, that newly appointed individual shall assume the position of the member replaced. Each member shall serve until that member's replacement has been sworn in as an elected official.

- C. The Commission shall begin functioning immediately upon creation of the District, as provided for in Article IV, Section A hereof.
- D. The Commission shall select annually, from its membership, a chairperson, a vice chairperson, and a treasurer. The treasurer shall be bonded in the amounts the Commission may require.
- E. The Commission may appoint the officers, agents and employees, as it may require for the performance of the Commission's duties, and shall determine the qualifications and duties and fix the compensation of those officers, agents and employees.
- F. The Commission shall fix the time and place at which its meetings shall be held. Meetings shall be held within the District and shall be open to the public. Public notice shall be given of all meetings of the Commission.
- G. A majority of the Commissioners from each state shall constitute, in the aggregate, a quorum for the transaction of business. No action of the Commission shall be binding unless taken at a meeting at which at least a quorum is present, and unless a majority of the Commissioners from each state, present at the meeting, shall vote in favor thereof. No action of the Commission taken at a meeting thereof shall be binding unless the subject of the action is included in a written agenda for the meeting, the agenda and notice of meeting having been provided to each Commissioner at least seven calendar days prior to the meeting.
- H. The Commissioners from each state shall each be subject to the provisions of the laws of either the state of Kansas or the state of Missouri, depending upon the Commissioner's state of residence, relating to conflicts of interest of public officers and employees. If any Commissioner has a direct or indirect financial interest in any facility, service provider, organization or activity supported by the District or Commission or in any other business transaction of the District or Commission, the Commissioner shall disclose that interest in writing to the other Commissioners and shall abstain from voting on any matter in relation to that facility, organization or activity or to that business transaction.
- I. If any action at law or equity, or other legal proceeding, shall be brought against any Commissioner for any act or omission arising out of the performance of their duties as a Commissioner, the Commissioner shall be indemnified in whole and held harmless by the Commission for any judgment or decree entered against the Commissioner and, further, shall be defended at the cost and expense of the Commission in any

resulting proceeding.

J. Each member of the Commission shall serve as a member of the Commission without compensation for that service, except for payment of their actual and reasonably necessary expenses, as provided by Article VIII, Section A, 1.

VI. POWERS AND DUTIES OF THE COMMISSION

- A. The Commission, formally the governing body of the District, shall primarily function as the planning and administrative arm for the District. The Commission shall undertake public mass transit community planning that will produce significant benefit to the Kansas City metropolitan area in consultation with local officials and the public and prepare ballot questions for programs and initiatives that the Commission determines could appropriately be supported by the sales tax authorized by this Compact.
- B. The Commission shall adopt a seal and suitable bylaws governing its management, procedure and effective operation.
 - C. The Commission shall designate:
 - 1. The counties or county in which a majority of the qualified electors voting on the ballot question must cast an affirmative vote before the sales tax may be imposed by any individual county for uses in accordance with the Public Mass Transit Program Plan;
 - 2. the duration of the sales tax imposed in support of the Public Mass Transit Program, which may be described in terms of the number of years the sales tax shall be imposed, a maximum number of dollars that may be raised by the sales tax imposed or any other reasonable means of establishing the duration of the sales tax; provided that the sales tax shall not extend beyond 15 years following the date of the first receipt by the county treasurer of revenue from the sales tax imposed to support the Public Mass Transit Program; and
 - 3. the composition of the Oversight Committee to be appointed by the Commission for that Regional Program, which composition shall be consistent with Article IX, Section A of this Compact.
 - D. The Commission shall set the date or dates by which the first election and any subsequent election shall be held pursuant to this Compact and shall recommend those counties or county which shall hold a vote on the ballot questions prepared by the Commission for that Regional Program.
 - E. For each election to be held pursuant to this Compact, the Commission shall prepare and submit a ballot question to the governing body of each county within the District. Each such question shall be in the form set forth in Article VII, Section D of this Compact.
- F. The Commission may prepare additional ballot language generally describing the Public Mass Transit Program and the use and allocation of the sales tax proposed to be imposed for the support of that Public

- Mass Transit Program, and shall submit that additional language to each county within the District. If additional ballot language is so submitted by the Commission, and a county governing body decides to place the ballot question before the qualified electors of that county, the additional ballot language shall be placed on the subject ballot by that governing body.
- G. When a majority of the qualified electors in the county or counties designated in the Public Mass Transit Program Plan as one of those counties that must cast an affirmative vote on the ballot question before the sales tax may be imposed, have cast an affirmative vote, the Commission shall, in accordance with Article IX, Section A of this Compact, appoint one Committee for that Program Plan.
- H. The Commission shall have the power to contract and to be contracted with and to sue and to be sued.
- I. The Commission, when it deems it necessary and when requested to do so by a Committee appointed to paragraph G, shall interpret or provide guidance and further details, or both, on a Program Plan to assist in the oversight of the appropriation and use of moneys by such Committee for that Program Plan.
- J. In accordance with written guidelines adopted by the Commission, which guidelines shall be consistent with the goals stated in Article II hereof and the Public Mass Transit Program Plans, the Commission may receive donations, contributions, and grants or other support, financial or otherwise, for Program Plans and the Eligible Uses set forth in Article VIII of this Compact.
- K. The Commission may appoint advisory committees to provide input, consultation, guidance and assistance to the Commission on matters and issues related to any purposes for which the District and the Commission are hereby created.
- L. The Commission may form whatever partnerships, associations, joint ventures or other affiliations, formal or otherwise, as it deems appropriate and that are in furtherance of the purposes for which the District and the Commission are hereby created.
- M. The Commission may utilize assistance from any governmental or non-governmental entity, as it shall determine appropriate, in the form of personnel, technical expertise or other resources, to further the policies, purposes and goals of the District, as stated in Article II of this Compact, except that the Commission shall not expend any sales tax dollars authorized by this Compact for such purpose.
- N. The Commission shall cause to be prepared annually a report on the operations and transactions conducted by the Commission during the preceding year. The report shall be and open record submitted to the legislatures and governors of the compacting states and to the governing

bodies of the jurisdictions that are then a party to MARC's Articles of Agreement on or before March 15 of each calendar year, commencing on March 15 of the year following the year in which the certification described in Article IV, Section B occurs. The Commission shall take those actions as are reasonably required to make this report readily available to the public.

O. The Commission shall have the power to apply to the Congress of the United States for its consent and approval of this Compact, if it is determined by the Commission that such consent is appropriate. In the absence of the consent of the Congress and until consent is secured, if that consent is determined appropriate, this Compact is binding upon the states of Missouri and Kansas in all respects permitted by law of the two states.

VII. BALLOT QUESTIONS

- A. The Commission, as required by Article VI, Section C, shall develop Public Mass Transit Program Plans to be submitted to the qualified electors within the District. Each Public Mass Transit Program Plan developed by the Commission shall be available to the public no later than 120 days before the date or dates set by the Commission for submission of a ballot question to the electors in the District.
- B. The governing body of each county in the District shall determine whether the provision of financial support for the Public Mass Transit Program is in the best interests of the citizens of the county and whether the levy of a sales tax to provide, on a cooperative basis with another county or counties, for financial support of such program would be economically practicable and cost beneficial to the citizens of the county and the district. Each governing body that makes an affirmative determination with respect hereto shall adopt a resolution evidencing that determination and authorizing a vote of its citizens on the ballot question for such program by a ½ majority vote of the members-elect of the governing body.
- C. Upon adoption of a resolution pursuant to Section B of this Article, the governing body of that county, promptly after adoption of the resolution, shall request the county election commissioner to submit the ballot question for the Public Mass Transit Program to the qualified electors of that county. Each such ballot question shall be printed on the ballot and in the notice of the election. Each ballot question shall be submitted to the qualified electors of that County at the primary or general election next following the date the request was filed with the county election officer.
- D. The ballot for the proposition in each county shall be in substantially the following form:
- Shall a sales tax _____ (insert amount, not to exceed ½ cent) be levied and collected in _____ County for the Support of a Public

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Mass Transit Program, including the purchase of buses and vans, the payment of bus driver salaries and benefits and the purchase of fuel that 2 3 will produce significant benefit within the Kansas and Missouri Regional Investment District

() YES () NO

- E. The governing body of each of the counties that requested their county election commissioner submit the ballot question to its qualified electors also shall provide their respective county election officers with copies of the additional language prepared by the Commission, pursuant to Article VI, Section F, which additional language shall be included by each such county on the ballot.
- F. The governing body of any county in the District that does not pass the resolution contemplated by Section B of this Article in time to cause the placement of the ballot question before the qualified electors of that county at the first election or any subsequent election to be held on the Public Mass Transit Program, pursuant to this Compact, may adopt that resolution at any time thereafter, and that ballot question shall be provided to the election commissioner of that county and submitted to the qualified electors of the county at the next primary or general election, in accordance with Section C of this Article.
- G. In each county where a majority of the qualified electors voting in an election shall cast an affirmative vote on this question, the ballot question shall be approved.
- H. If a ballot question is submitted to the qualified electors of a county in the District and the ballot question is not approved in that county, following defeat of the ballot question, the governing body of that county or counties may renew procedures to levy the sales tax in support of that Public Mass Transit Program. A defeat of a ballot question in any county shall not affect the approval of that ballot question in any other county, which approval shall continue to have effect.
- No county in the District shall levy a sales tax specified herein until the qualified electors in all the counties designated by the Commission in the Public Mass Transit Program Plan for the subject Public Mass Transit Program, as those that must approve the sales tax, have approved the levy of the sales tax to support the Public Mass Transit Program Plan for that program.
- With respect to the first election to be held pursuant to this Compact, no sales tax shall be levied by any county which has adopted the resolution contemplated by Section B and submitted the ballot question to the qualified voters of that county pursuant to Section C, both of this Article, unless and until a majority of the qualified electors of at least Johnson and Wyandotte Counties, Kansas, and Jackson County, Missouri, has approved the levy of a sales tax for a Public Mass Transit Program.

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K. When, but only when, the electors in all of the counties designated by the Commission in the Public Mass Transit Program Plan for the subject Public Mass Transit Program, as those that must approve the sales tax, have approved this ballot question, the governing body of each such county, at the first available opportunity, shall take all required actions to begin levying this tax.

L. Any of the counties that have elected by a vote of its electors to levy a sales tax authorized by this section may cease to levy this sales tax upon the majority vote of the qualified electors of the county on a ballot question submitted to qualified electors asking if that county should cease to levy this sales tax. This vote shall take place in the same manner provided in this section for levying this sales tax; provided that, no vote to cease to levy this sales tax shall take place in any county on a date earlier than a date that is five years from the date that county approved this sales tax. Provided further, in no event shall any county cease to levy this sales tax until that county has entered into a written agreement with the Commission, which agreement shall provide for the terms of cessation, and shall specifically provide: (1) A means to ensure that the county pays a fair share of the outstanding obligations incurred by the District in furtherance of its established purposes; and (2) for the ongoing operations and maintenance or the termination of any public mass transit system established in the county with support provided by the Commission. The governing body of a county that has decided by this vote to cease to levy this sales tax shall send formal written notice thereof to each of the other counties comprising the District. In no event shall the county cease to levy the sales tax earlier than 90 days after this notice has been sent. If any county in the District decides to cease levying the sales tax, the status of the District as a political subdivision of the states of Kansas and Missouri shall be unaltered and that county shall continue to have the representation on the Commission, as set forth in Article V of this Compact.

VIII. ELIGIBLE USES OF FUNDS

- A. Subject to the provisions of section C of this Article, the Commission shall only budget and authorize the appropriation of moneys for the following eligible purposes:
- 1. The actual and reasonably necessary expenses of a public mass transit system, except that such expenses shall be limited to the purchase of buses and vans, bus driver salaries and benefits and fuel, and shall not include design, engineering, architectural, legal, construction or other finance-related expenses; and
- 2. only pursuant to a contract with bodies corporate and politic, political subdivisions of the states of Missouri or Kansas, or both, or local units of government in the states of Missouri or Kansas, provided, however, the Commission may, in its discretion, require that entities con-

 tracted with may procure a set percentage of public mass transit system services from third party contractors on a competitive basis; and

- 3. only in support of a Public Mass Transit Program in counties that have voted affirmatively to impose a sales tax in support of that program.
- B. The aggregate amount of sales taxes imposed by any county within the District, pursuant to the authority granted in this Compact, shall not exceed one-half cent.
- C. The Commission shall not receive nor appropriate sales tax dollars authorized by this Compact unless and until a complete and total merger and consolidation of the governance structures and management structures of the existing public or mass transit agencies in the District, including, but not limited to, the Area Transit Authority, Unified Government Transit and Johnson County Transit.

IX. FINANCE

- A. The moneys necessary to finance the operation of the District, implement the voter-approved Public Mass Transit Program Plans and execute the powers, duties and responsibilities of the Commission shall be appropriated to the Commission by the counties comprising the District, which, in accordance with Article VII, Section H, of the Compact, have approved the ballot question for the subject Public Mass Transit Program. The moneys to be appropriated to the Commission shall be raised by the governing bodies of the respective counties by the levy of taxes, fees, charges or any other revenue, as authorized by the legislatures of the respective party states.
- B. The Commission nor any committee appointed pursuant to subsection G of Article VI of the Compact shall incur any indebtedness of any kind; nor pledge the credit of MARC or any jurisdiction that is party to MARC's Articles of Agreement or either of the states party to this Compact, except as specifically authorized by this Compact. The budget of the District shall be prepared, adopted and published, as provided by law, for other political subdivisions of the party states.
- C. The Commission and each such committee shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become a part of the annual report of the Commission.
- D. The accounts of the Commission shall be open at any reasonable time for inspection by duly authorized representatives of the compacting states, the counties comprising the District, and other persons authorized by the Commission.

X. ENTRY INTO FORCE

A. This Compact shall enter into force and become effective and binding upon the states of Kansas and Missouri when it has been entered

into law by the legislatures of the respective states.

B. Amendments to the Compact shall become effective upon enactment by the legislatures of the respective states.

XI. TERMINATION

A. The Compact shall continue in force and remain binding upon a party state until its legislature shall have enacted a statute repealing the same and providing for the sending of formal written notice of enactment of that statute to the legislature of the other party state. Upon enactment of that statute by the legislature of either party state, the sending of notice thereof to the other party and payment of any obligations that the Commission may have incurred prior to the effective date of that statute, the agreement of the party states embodied in the Compact shall be deemed fully executed, the Compact shall be null and void and of no further force or effect, the District shall be dissolved, and the Commission shall be abolished. If any moneys remain in the Regional Investment Fund upon dissolution of this Compact, the Commission may distribute these moneys to an entity or organization selected by the Commission to be used to support purposes for which the District is hereby created, as stated in Article II of this Compact.

XII. CONSTRUCTION AND SEVERABILITY

- A. The provisions of this Compact shall be liberally construed and shall be severable. If any phrase, clause, sentence or provision of this Compact is declared to be contrary to the constitutions of either of the party states or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this Compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this Compact shall be held contrary to the constitution of either party state hereto, the Compact shall thereby be nullified and voided and of no further force or effect.
- Sec. 2. The provisions of the Kansas tort claims act, K.S.A. 75-6101 et seq., and amendments thereto, shall apply to the district and to the Kansas members of the commission created and appointed pursuant to the Kansas and Missouri regional mass transit district compact, Section 1.
- Sec. 3. Kansas members of the commission appointed pursuant to the Kansas and Missouri regional mass transit district compact, section 1, shall be reimbursed for actual and necessary expenses incurred in the performance of their official duties as provided for in subsection (e) of K.S.A. 75-3223, and amendments thereto.
- Sec. 4. (a) The board of county commissioners of any county that has been authorized by a majority of the electors of the county to levy and collect a tax for the purpose of contributing to the financial support of

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the Kansas and Missouri regional mass transit district shall adopt a resolution imposing a countywide retailers' sales tax and in addition to and notwithstanding any limitations on the aggregate amount of the retailers' sales tax contained in K.S.A. 12-187 through 12-192, and amendments thereto, shall impose such a countywide retailers' sales tax on the selling of tangible personal property at retail or vendoring or furnishing services pursuant to the provisions of the Kansas retailers' sales tax act, and amendments thereto, within the county for such purpose in an aggregate amount not to exceed .5%. The sales tax authorized by this section shall be administered, enforced, collected and subject to the provisions of K.S.A. 12-187 through 12-192, and amendments thereto. Upon receipt of a certified copy of a resolution authorizing the levy of a countywide retailers' sales tax pursuant to this section, the state director of taxation shall cause this tax to be collected within and outside the boundaries of this county at the same time and in the same manner provided for the collection of the state retailers' sales tax. All moneys collected and remitted by the secretary of revenue to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount of such moneys collected under the provisions of this section in the state treasury to the credit of the regional mass transit district retailers' sales tax fund which fund is hereby established in the state treasury. Any refund due on any countywide retailers' sales tax collected pursuant to this section shall be paid out of the regional mass transit district retailers' sales tax refund fund, which is hereby established in the state treasury, and reimbursed by the director of taxation from retailers' sales tax revenue collected pursuant to this section. All moneys in the regional mass transit district retailers' sales tax fund shall be remitted at least quarterly by the state treasurer, on instruction from the director of taxation, to the treasurer of such county.

- (b) All revenue received by any county treasurer from a countywide retailers' sales tax imposed pursuant to this section, for the purposes of subsection (a)(1)(F) of K.S.A. 12-1774, and amendments thereto, shall be deemed committed to other use by election of voters and shall not be pledged for a redevelopment project or credited, allocated or paid by a county treasurer to the treasurer of any city or county for deposit in a special fund of the city to pay redevelopment project costs authorized by K.S.A. 12-1770 et seq., and amendments thereto.
- (c) All revenue received by any county treasurer from a countywide retailers' sales tax imposed pursuant to this section shall be appropriated by the county to the commission within 60 days of receipt of the funds by the county for expenditure by the commission pursuant to and in accordance with the provisions of the Kansas and Missouri regional mass

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transit district compact. If any of this revenue remains upon nullification and voidance of the Kansas and regional mass transit district compact, the county treasurer shall deposit such revenue to the credit of the general fund of the county.

- (d) Any countywide retailers' sales tax imposed pursuant to this section shall expire upon the date determined in accordance with the program plan for the regional program that is the subject of the ballot question approved by the qualified electors of such county for that subject regional program, except that, no sales tax shall be levied for a period of more than 15 years from the date of the first receipt by the county treasurer of revenue from that sales tax unless renewed by the qualified electors of that county prior to its expiration, or as determined by the last ballot question or renewal approved by such electors or on the date of actual withdrawal of the county from the district or upon compliance by the county with the provisions of article IV, section J, or at any time the Kansas and Missouri regional mass transit district compact becomes null and void and of no further force or effect. If any moneys remain in the regional mass transit district retailers' sales tax fund upon nullification and voidance of the Kansas and Missouri regional mass transit district compact, the state treasurer shall transfer such moneys to the county and city retailers' sales tax fund to be apportioned and remitted at the same time and in the same manner as other countywide retailers' sales tax revenues are apportioned and remitted.
- Sec. 5. The provisions of this act shall expire upon nullification and voidance of the Kansas and Missouri regional mass transit district compact, section 1, pursuant to article XI of the compact.
- Sec. 6. This act shall take effect and be in force from and after its publication in the statute book.