

HOUSE BILL No. 2885

By Representatives McKinney, Barnes, Crow, Dillmore, Findley, Garner, Gatewood, Kirk, Klein, Kuether, Larkin, Levinson, Loganbill, McClure, Pauls, Peterson, E., Phelps, Ruff, Spangler, Storm, Thimesch and Toelkes

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AN ACT establishing the state debt reduction fund; providing for transfers of moneys thereto.

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

Section 1. (a) In any calendar year in which the sum of the amount by which the actual amount of state general fund receipts for the fiscal year ending in such calendar year exceeds the original joint estimate of revenue to the state general fund for that fiscal year prepared pursuant to K.S.A. 75-6701, and amendments thereto, as adjusted for legislative changes through May of such calendar year, by more than \$50,000,000, 50% of such amount shall be transferred from the state general fund to the state debt reduction fund.

(b) There is hereby established in the state treasury the state debt reduction fund which shall be administered by the state treasurer. All expenditures from the state debt reduction fund shall be for the purpose of providing funding for retirement or defeasement of bonds issued for programs and capital improvement projects for state agencies which bonds become defeasible or callable during the fiscal year for which the fund is appropriated or to otherwise offset outstanding state debt to be retired from payments from the state general fund. Such expenditures shall be made by the state treasurer in consultation with the Kansas development finance authority upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the state treasurer or the treasurer's designee.

(c) On or before the 10th day of each month, the director of accounts and reports shall transfer from the state general fund to the state debt reduction fund interest earnings based on: (1) The average daily balance of moneys in the state debt reduction fund for the preceding month; and (2) the net earnings rate of the pooled money investment portfolio for the preceding month.

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.