

HOUSE BILL No. 2947

AN ACT concerning municipal bonds; relating to interest thereon; amending K.S.A. 10-1009 and repealing the existing section.

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

Section 1. K.S.A. 10-1009 is hereby amended to read as follows: 10-1009. (a) The maximum stated rate of interest which may be fixed on fixed-rate bonds issued by a municipality or taxing subdivision of the state of Kansas shall be determined on the day the bonds are sold and shall not exceed the daily yield for the ~~thirty-year~~ *ten-year* treasury bonds published by The Bond Buyer, in New York, New York, on the Monday next preceding the day on which the bonds are sold, plus ~~2%~~ *(1) three percent, if the interest on the bonds is excluded from gross income for federal income tax purposes or (2) four percent, if the interest on the bonds is included in gross income for federal income tax purposes.*

(b) The maximum stated rate of interest which may be fixed on variable-rate bonds issued by a municipality or taxing subdivision of the state of Kansas shall be determined on the date on which the rate is determined in accordance with the resolution or ordinance of the issuer and shall not exceed the daily yield for the ~~thirty-year~~ *ten-year* treasury bonds published by The Bond Buyer, in New York, New York, on the Monday next preceding such date, plus ~~2%~~ *(1) three percent, if the interest on the bonds is excluded from gross income for federal income tax purposes or (2) four percent, if the interest on the bonds is included in gross income for federal income tax purposes.*

(c) *Except as provided for variable rate bonds, the maximum rate of interest specified in this section shall be applicable to bonds issued after the effective date of this act pursuant to proceedings initiated either before or after the effective date of this act. The maximum rate of interest on variable rate bonds issued prior to the effective date of this act shall be the higher of (1) the maximum rate of interest specified by subsection (a) or (b) of this section, as in effect prior to the effective date of this act, (2) the maximum rate of interest specified in this section or (3) the rate for such variable rate bonds specified in the documents authorizing the issuance thereof.*

Sec. 2. K.S.A. 10-1009 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the HOUSE, and passed that body

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.