

Approved Ivan Sand 3/21/85  
Date

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT

The meeting was called to order by REPRESENTATIVE IVAN SAND at  
Chairperson

1:30 ~~xxx~~ a.m./p.m. on MARCH 19, 1985 in room 521-S of the Capitol.

All members were present except: Representative Arthur W. Douville, excused

Committee staff present: Mike Heim, Legislative Research Dept.  
Mary Hack, Revisor of Statutes Office  
Gloria Leonhard, Secretary to the Committee

Conferees appearing before the committee:

Mr. Chris McKenzie, League of Kansas Municipalities -- SB 13 & SB 15  
Mr. Kim Dewey, Sedgwick County -- SB 14  
Ms. Gerry Ray, Johnson County -- SB 14  
Ms. Judy Anderson, City of Wichita -- SB 15  
Mr. Dennis Shockley -- SB 15  
Mr. Scott Lambers -- SB 15

Chairman Ivan Sand presented an invitation to the Committee from the League of Kansas Municipalities and the Kansas Assn. of Counties for a dinner to be held on March 27, 1985, at 6:30 P. M. at the Holdiay Inn South.

Ms. Janet Stubbs, representing Kansas Home Builders, asked the Committee to choose a date for a dinner to be hosted by that Association.

Chairman Sand explained that HB 2506 may be amended into SB 212 at the 3/20/85 meeting.

Chairman Sand called for hearings on the following bills:

SB 13, concerning municipalities; relating to the issuance of revenue bonds.

Mr. Chris McKenzie appeared to give background and intent of SB 13 and urged the Committee to support the bill.

The hearing on SB 13 was closed.

SB 14, concerning counties; relating to the limitation of bonded indebtedness.

Mr. Mike Heim, Staff, gave an overview of SB 14. (See Attachment I.)

Mr. Kim Dewey, representing Sedgwick County, testified in support of the bill. (See Attachment II.)

Ms. Gerry Ray, representing Johnson County, expressed support for SB 14 and noted the provisions of the bill would make possible needed future building projects.

The hearing on SB 14 was closed.

SB 15, concerning cities; relating to the limitation of bonded indebtedness.

Mr. Mike Heim, Staff, gave an overview of SB 15. (See Attachment III.)

Ms. Judy Anderson, representing the City of Wichita, sent written testimony urging support of SB 15 which was distributed to Committee members. (Att.IV)

Mr. Chris McKenzie, representing the League of Kansas Municipalities, furnished a graph showing actual and adjusted county base for years 1971 through 1983. Mr. McKenzie also furnished figures showing the assessed

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT,  
room 521-S, Statehouse, at 1:30 ~~am~~ p.m. on MARCH 19, 1985

valuation of four cities of the first class for years 1972, 1977, 1982 and 1983. Mr. McKenzie urged the Committee to support SB 15. (Att. V & VI.)

Committee discussion followed. It was questioned why cities of the second and third class should have a 30% limitation and cities of the first class should have no debt limit.

Mr. Dennis Shockley, representing the city of Kansas City, Kansas, appeared to testify in support of SB 15. (See Attachment VII.)

Mr. Scott Lambers, representing the city of Overland Park, stated that that city has grown into its limitation; that Overland Park supports SB 15.

Mr. Heim, Staff, pointed out that the removal of the debt limit had been discussed in the interim committee; that the consensus was that total removal would not be agreeable to the majority of the Legislature. (See Attachments VIII-A & VIII-B)  
The hearing on SB 15 was closed.

The minutes of the meetings of March 5, March 6, March 7, and March 8, 1985, were approved as presented.

The meeting was adjourned.



SESSION OF 1985

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 14**

**As Recommended by Senate Committee on  
Local Government**

**Brief of Bill\***

S.B. 14 amends statutes dealing with county bonded debt limits and a general statute prescribing how to compute the assessed valuation for bonded debt purposes for any taxing subdivision. The bill raises bonded debt limits for all counties to 3 percent of their assessed valuation except for Wyandotte County which remains at 6 percent of assessed valuation.

The bill also eliminates the addition of the 1982 value of tax exempt farm machinery and business aircraft from the computation of assessed valuation for bonded debt purposes of any taxing subdivision.

**Background**

The bill was recommended by the 1984 interim Special Committee on Local Government. Testimony before the interim Committee was unanimous that the addition of the 1982 value of now tax exempt farm machinery and business aircraft for bonded debt assessed valuation purposes should be discontinued. The rationale was that this was an added step in the computation process that was becoming more insignificant as years passed. The interim Committee recommended the raise in county debt limits to provide more bonded debt leeway for counties due to the shrinking of actual debt limits due to appraisal practices and to offset any impact resulting from the elimination of farm machinery and business aircraft from the assessed valuation computation.

\* Bill briefs are prepared by the Legislative Research Department and do not express legislative intent.



SEDGWICK COUNTY, KANSAS

BOARD OF COUNTY COMMISSIONERS

DONALD E. GRAGG  
CHAIRMAN  
FIRST DISTRICT

(ATTACHMENT II)  
3-19-85

BUD HENTZEN  
CHAIRMAN PRO-TEM  
THIRD DISTRICT

TOM SCOTT  
COMMISSIONER  
SECOND DISTRICT

COUNTY COURTHOUSE • SUITE 320 • WICHITA, KANSAS 67203-3759 • TELEPHONE (316) 268-7411

House Local Government Committee  
March 10, 1985  
Senate Bill 14

Testimony of Kim C. Dewey  
Sedgwick County, Kansas

The Board of Sedgwick County Commissioners support the raising of county debt limitations to 3% of the county's assessed valuation. The current 1% limit is outdated and unreasonable.

The Legislature has been asked to provide special exceptions many times in the past few years for counties which had to make needed capital improvements but could not, due to the over-restrictive debt limitation. In many cases, the debt to be issued had been approved by referendum but still was subject to the limit. This should be compelling evidence that the limits need to be adjusted.

Ideally, we feel that there is no real need for an artificial debt limit on counties or cities. Economic and political constraints exist which naturally limit the amount of debt any taxing authority may incur. However, if the Legislature is more comfortable imposing some restriction, we certainly support the 3% level at a minimum.

3-19-85

SESSION OF 1985

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 15**

**As Recommended by Senate Committee on  
Local Government**

**Brief of Bill\***

S.B. 15 amends a statute dealing with bonded debt limits of cities. The bill eliminates the bonded debt limit for the cities of Kansas City, Overland Park, Topeka, and Wichita, the only remaining cities of the first class with such debt limits. The bill also raises the bonded debt limits of cities of the third class from 25 percent to 30 percent of their assessed valuation.

**Background**

S.B. 15 is one of four bills recommended by the 1984 interim Special Committee on Local Government. The Committee felt that all cities of the first class (24 cities) should be treated the same and therefore recommended that no bonded debt limit apply. The Committee further believed that cities of the second and third class should be granted additional bonded debt flexibility to offset any impact of the elimination of the 1982 value of the exempt farm machinery and business aircraft from the debt limit base and to recognize the slow growth of the debt limit base as compared to growth in the costs of providing government services.

\* Bill briefs are prepared by the Legislative Research Department and do not express legislative intent.

3-19-85



OFFICE OF THE CITY MANAGER  
CITY HALL — THIRTEENTH FLOOR  
455 NORTH MAIN STREET  
WICHITA, KANSAS 67202  
(316) 268-4351

March 18, 1985

Representative Ivan Sand, Chairman, House Local Government Committee  
Testimony concerning Senate Bill 15

I wish to urge the support of the House Local Government Committee for Senate Bill 15, concerning the bonded debt limits for municipalities.

Only four of the twenty-four cities of the first class have a statutory bonded debt limit. Those cities are Kansas City, Overland Park, Topeka and Wichita.

The City of Wichita supports the elimination of the bonded debt limit as a measure that allows debt financing requirements to be determined at the local level.

Without a statutory bonded debt limit, the marketplace of municipal bond purchasers, rating agencies, financial security companies and the elected governing body will determine the responsible needs for debt financing.

Senate Bill 15 is a recognition of this financial de-regulation and a vote in support of the principles of home rule and local determination of how tax dollars are spent.

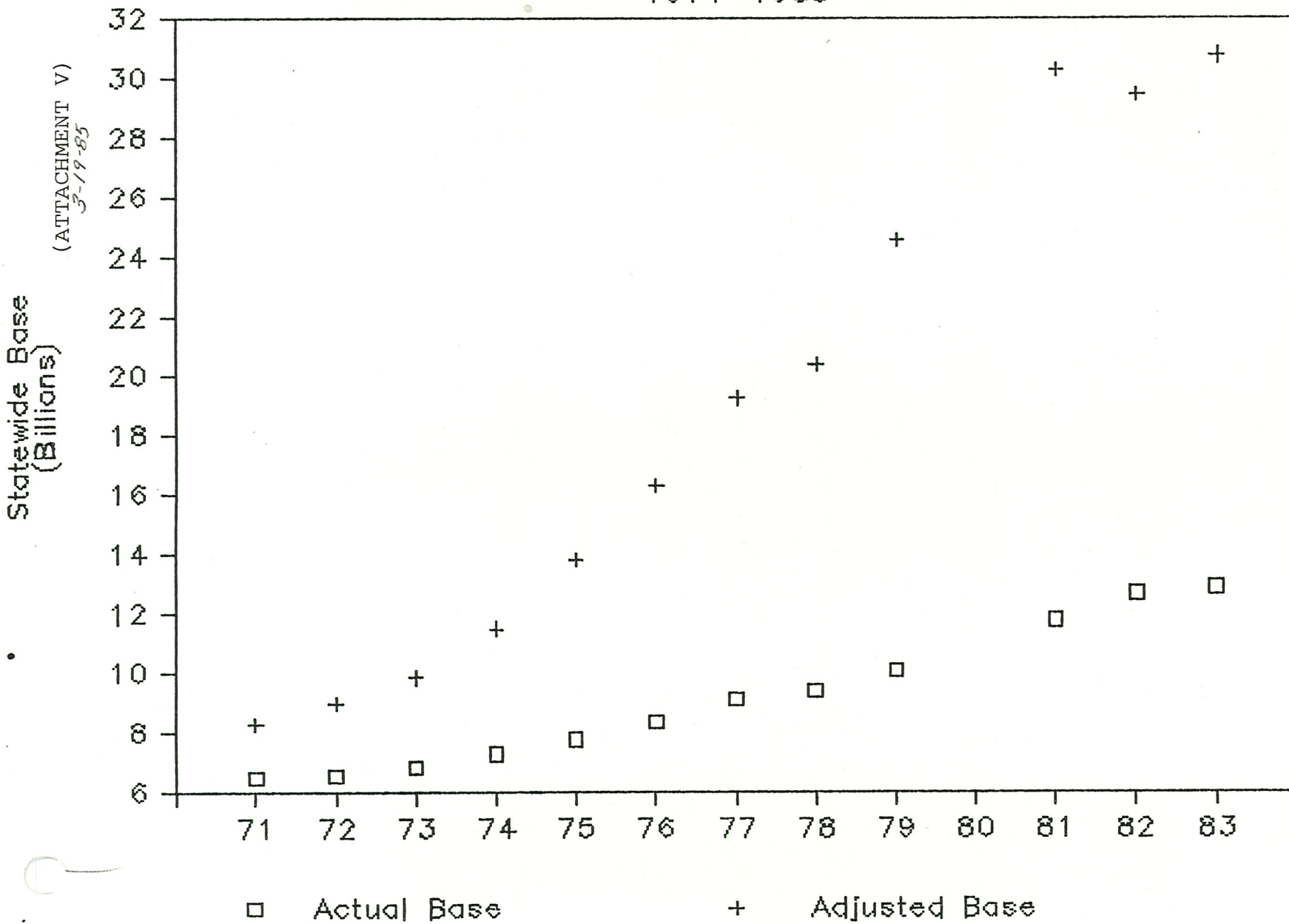
Respectfully submitted,

A handwritten signature in cursive script that reads "Judy Anderson". The ink is dark and the signature is fluid and legible.

Judy Anderson  
Intergovernmental Affairs Officer

# Actual and Adjusted County Base

1971-1983





ASSESSED VALUATION FOR CITIES OF THE FIRST CLASS

	<u>1972</u>	<u>1977</u>	<u>1982</u>	<u>1983</u>
Kansas City	307,137,059	357,984,600	355,951,797	370,956,123
Overland Park	189,551,627	261,336,377	297,176,250	311,893,043
Topeka	233,531,513	287,132,275	308,332,950	323,630,628
Wichita	567,449,490	829,828,849	921,796,766	908,670,915

(ATTACHMENT VI)

3-19-85

(ATTACHMENT VII)

3-19-85

**OBJECTIVE #3:**

Support legislation to eliminate the bonded debt limit of Kansas City, Kansas.

**OVERVIEW:**

Current state law, K.S.A. 10-308, establishes a bonded debt limit for the cities of Kansas City, Overland Park, Topeka and Wichita at 17% of assessed valuation. The other 20 cities of the first class have no bonded debt limit. The arbitrary ceiling is anachronistic and should be changed. Cities of the second and third class are set at 25% of assessed valuation and the League of Kansas Municipalities is lobbying to have that requirement removed as well. It should be noted that the City of Kansas City, Kansas is nowhere near its bonded debt limit.

**COMMENTS:**

Introduce bill to remove the limit.

CITY OF KANSAS CITY, KANSAS

MEMORANDUM

TO: Special Interim Committee on Local Government  
FROM: John Moir, City Budget Director  
DATE: August 21, 1984  
SUBJ: PROPOSAL NO. 35 - BONDED DEBT LIMITS

Thankyou, Mr. Chairman, for the opportunity to discuss the statutory limitation of municipal debt and how the limitation affects the City of Kansas City, Kansas (KCK).

KCK debt can be divided into three parts: current debt outstanding; debt to be issued pursuant to the City's new six year capital budget; and, debt to be issued pursuant to the City's economic development and Council district programs. The existing and potential KCK debt is planned and budgeted over the planning period 1984 - 1989 and is summarized as follows:

- 1. Existing debt.....\$ 26.7 million
  - 2. Capital Budget debt..... 38.0 million
  - 3. Economic Development & Council District Debt..... 32.0 million
- TOTAL DEBT.....\$ 96.7 million

The current debt limit for KCK is \$66 million. At some point during the next five years, the debt limit could obstruct the orderly administration of the debt financed share of the City's capital program.

The City's six year **capital budget** identifies capital projects and project costs totalling approximately \$100 million over the period 1984-1989. These projects include streets, bridges, viaducts, storm sewers, sanitary sewers, traffic signalization, airport facilities, recreation facilities, public buildings, and major long-lived equipment (such as fire trucks and telecommunications systems). The capital budget costs are financed from all available funding sources with debt financing used as a last resort. The capital budget includes 62 percent "pay-as-you-go," and 38 percent debt financing methods.

KCK assessed valuation declined by \$11.1 million or 3.2% from 1982 to 1983 and increased only \$.9 million or .3% in 1984. Economic development to induce private investment is the foremost goal of public policy in KCK.

On October 4, 1983, KCK citizens approved by a margin of 60% to 40% a 1/2 cent city sales tax and a 1/2 cent county-wide sales tax. The City Council pledged 1/2 of the proceeds of these new sales taxes for **economic development and council district programs**. The economic development program provides bonding authority of \$26 million for existing industrial areas and new industrial parks. The six council districts are authorized \$1 million each in bonding authority. These programs are intended to encourage new private investment in KCK and to provide for improvements within each of the six councilmanic districts. The other 1/2 of the proceeds of these new sales taxes is used to provide a two year freeze on increases in the general property tax rate, which has been 68.7 mills since 1983.

The public policy behind the debt limit statute is the avoidance of irresponsible debt accumulation by municipalities. Debt should not be incurred to finance annually recurring operating expenses. Also, debt should not be incurred beyond the community's reasonable ability to retire such debt.

How do we determine what is the community's reasonable debt limit? Certainly, the debt limit should be based on the community's wealth and ability to pay. Therefore, the debt limit should not be based on an arbitrary percentage of assessed valuation, when assessed valuation does not reflect fair market value of property on the tax rolls. **Table I** reveals the relationship between assessed valuation and fair market value in KCK and the obvious gap that occurs as a result of not providing for the orderly and timely reappraisal of property. On the whole, assessed valuation is less than 10% of fair market value. This example reflects the situation statewide.

If the current debt limit were applied against assessed valuation computed at 30% of fair market value, the KCK debt limit would increase from \$66 million to \$145 million (fair market value of \$2,851,038,251 X .30 = assessed valuation of \$855,311,475 X .17 = debt limit of about \$145,402,951).

Alternatively and practically speaking, the potential problem with the debt limit for KCK could be resolved simply by increasing the percentage limitation of current law from 17% to 25%.

The question of what constitutes the debt carrying capacity of a community may be addressed by looking at the methods used by financial analysts to evaluate the investor risk associated with municipal bond issues. Financial analysts use many different factors to measure risk, including debt ratios and trends in assessed valuation, tax limitations, labor force, retail sales, bank deposits, and other local financial data. The debt ratios identify the total general debt burden of the community. **Table II** shows how the net debt for KCK taxpayers is calculated to include city residents share of the debt issued by overlapping

### ge Three--Debt Limit

taxing districts (such as the county government, the local community college, and local school district). While the city debt is only \$26.7 million, the total net debt burden of KCK taxpayers is \$43.4 million.

Once net debt is defined, two significant ratios can be calculated: net debt per capita and net debt as a percentage of fair market value. Table III illustrates the three major categories of net debt burden: low, moderate, and high. Table IV translates the ratios into specifics for KCK. Present KCK net debt is low and about \$267 per capita, equivalent to 1.2% of fair market value. If all proposed debt was issued immediately, KCK net debt would be low to moderate, equivalent to \$699 per capita and 4.0% of fair market value. This evaluation conflicts with the restrictions imposed by the current debt limitation law.

Independent financial analysis indicates that the City's proposed debt is low or moderate and, therefore, does not represent a problem. However, this same debt burden would not be allowed under current state law. The conclusion is obvious--current law should be amended to permit reasonable and responsible debt administration. Elimination of the debt limit would be consistent with the concept of home rule and the most desirable action. **Raising the percentage limitation from 17% to 25% would eliminate the potential problem for Kansas City, Kansas.**

Table I

1984 KCK Assessed Valuation Vs. Fair Market Value

Category of Property	Assessed Value /	% of Fair Market Value =	Current Fair Market Value
Real Estate	\$221,836,720	.091	\$2,437,766,154
Personal Property	89,926,926	.300	299,756,420
State Assessed Utilities	34,054,703	.300	113,515,677
Total Value	\$345,818,482		\$2,851,038,251

Table II

Sample Calculation of KCK Net Debt Including Overlapping Taxing Districts

City of Kansas City, Kansas, Debt.....	\$ 26,725,000
Wyandotte County Debt.....	1,024,600
Unified School District 500 Debt.....	14,550,000
Kansas City, Kansas, Community College Debt.....	1,071,600
Total Net Debt for KCK Taxpayers.....	\$ 43,371,200

Table III

Categories of Debt Ratios--General Rules

<u>Category of Debt</u>	<u>Debt per Capita</u>	<u>Debt to Market Value</u>
Low	\$ 0 to \$ 400	0% to 4.0%
Moderate	401 to 700	4.1% to 8.0%
High	701 to 1,000	more than 8.0%

Table IV

KCK Debt Ratios Present versus Projected  
Assuming All Projected Debt Was Issued in 1984

<u>Ratio</u>	<u>Present</u>	<u>Projected</u>
Debt per Capita	\$ 267 (low)	\$ 699 (moderate)
Debt to Market Value	1.2% (low)	4.0% (low)

MEMORANDUM

(ATTACHMENT VIII-A)

3-19-85

August 20, 1984

TO: Special Committee on Local Government  
FROM: Kansas Legislative Research Department  
RE: Bonded Debt Limits and Exemptions of Cities

City bonded debt limits are governed by K.S.A. 10-308, 10-309, and a number of other statutes granting specific bonded debt limit exemptions. K.S.A. 10-308 establishes a 17 percent of assessed valuation bonded debt limit for the cities of Kansas City, Overland Park, Topeka, and Wichita. The other 20 cities of the first class have no bonded debt limit. Cities of the second and third class have a bonded debt limit of not to exceed a 25 percent of assessed valuation.

Three general exemptions from the above debt limits are listed in K.S.A. 10-309. Bonds issued for storm and sanitary sewers, for municipal utilities and for improvements to street and alley intersections and areas in front of city property are exempt from debt limits.

A computer search of Kansas Statutes Annotated was conducted to determine the number of other bonded debt exemptions. Over 200 statutes were found containing one of the following words: bonded indebtedness; debt limit(s); debt limitation(s); bond limitation(s); and bond indebtedness. From this group, the following additional exemptions from city bonded debt limits were discovered:

1. K.S.A. 3-113b permits cities of the third class with a population of not less than 1,000 to issue not to exceed \$15,000 in general obligation bonds for municipal airport purposes if voters approve. The bonds are excluded from bonded debt limits.
2. K.S.A. 3-148 exempts revenue bonds issued for certain city airports from bonded debt limits of the cities.
3. K.S.A. 3-157 exempts revenue bonds issued for airport special facilities owned by a city.
4. K.S.A. 10-202 authorizes any city to issue general obligation bonds outside debt limits if voters approve for bridge construction and repair.
5. K.S.A. 10-427a exempts refunding bonds from the bonded debt limits of cities.
6. K.S.A. 10-1205 exempts utility revenue bonds (bonds issued for gas, water, electric lights, off-street parking, sewage disposal, and other facilities of a revenue producing nature) from city bonded debt limits.

7. K.S.A. 12-110a permits cities to issue no fund warrants or general obligation bonds for emergency equipment and machinery purchases. The bonds are outside debt limits and must be approved by the Board of Tax Appeals.
8. K.S.A. 12-621 permits cities under 80,000 population to issue general obligation bonds in an amount of not to exceed \$300,000 (\$100,000 for cities in counties between 180,000 and 200,000 population) for sewage disposal works outside debt limits subject to a 2 percent protest petition/election procedure.
9. K.S.A. 12-624 permits cities to issue bonds outside their debt limits to pay for the costs of right-of-way and sewer construction beyond the city's boundaries.
10. K.S.A. 12-629 permits cities to issue general obligation bonds for sewage pumping stations outside debt limits.
11. K.S.A. 12-630a permits any city to issue general obligation bonds for sewage disposal purposes outside the city's debt limits if voters approve.
12. K.S.A. 12-631w permits any city to issue general obligation bonds outside debt limits for sewage disposal works located within or outside city limits.
13. K.S.A. 12-646 excludes general obligation bonds issued by cities of the second class for flood control improvements from bonded debt limits. Bonds issued by cities of the third class are excluded from debt limits only if voters approve the bond issue.
14. K.S.A. 12-695 excludes general obligation bonds from city debt limits issued to provide an adequate water supply for cities.
15. K.S.A. 12-803 excludes bonds issued by cities for gas, water, electric lights, heating, street-railway, bus, or telephone service from bonded debt limits if voters approve the bonds. Bonds issued cannot exceed 15 percent of the assessed valuation of the city for this purpose.
16. K.S.A. 12-803e permits cities to issue general obligation bonds outside debt limits for street-railway or bus systems if voters approve.
17. K.S.A. 12-819 permits cities to issue bonds for water supply improvements outside debt limits.
18. K.S.A. 12-836 permits cities of the second and third class to exclude from their bonded indebtedness bonds issued for water works system improvements. Bonds issued by cities of the second class are subject to a 25 percent protest petition/election procedure.
19. K.S.A. 12-863 exempts revenue bonds issued by cities for water and sewage systems from debt limits.



20. K.S.A. 12-1616c exempts general obligation bonds from debt limits issued for dams across streams if voters approve or subject to a protest petition in cities between 180,000 and 200,000 population.
21. K.S.A. 12-1664 exempts bonds, no fund warrants, or temporary votes from city bonded debt limits when those are issued in anticipation of receiving federal aid moneys when a written commitment for the aid is obtained.
22. K.S.A. 12-1769 exempts bonds issued for a joint city-school district community building from bonded debt limits if voters approve.
23. K.S.A. 12-2118 permits cities to issue bonds outside debt limits for refuse disposal sites, improvements, and equipment if voters approve.
24. K.S.A. 12-2708 authorizes any city in Crawford County to issue not to exceed \$75,000 in general obligation bonds without any election to improve the waterworks system. The bonds are not subject to debt limits but are subject to a 10 percent protest petition/election procedure.
25. K.S.A. 12-2709 excludes revenue bonds issued for water system purposes from city bonded debt limits.
26. K.S.A. 12-2712 validates bonds issued prior to the effective date of the act (1955) and excludes these bonds from debt limits of the cities in Crawford County.
27. K.S.A. 12-2719 permits cities under 200,000 population which have contracted with the federal or state government for the construction of a water supply or recreational area facilities to issue general obligation bonds outside debt limits to pay for such contracts. The amount of the bonds cannot exceed 15 percent of the city's assessed valuation. The bond issue is subject to a 5 percent protest petition/election procedure.
28. K.S.A. 12-3106 excludes city revenue bonds for sewer systems established under this act from bonded debt limits.
29. K.S.A. 12-3803 excludes from city bonded debt limits industrial development bonds issued under this act.
30. K.S.A. 12-4904 provides revenue bonds issued for homes for the aged shall not be included in the bonded debt limits of cities.
31. K.S.A. 12-5228 excludes mortgage revenue bonds from city bonded debt limits.
32. K.S.A. 13-1018i provides sewage disposal works paid by general obligation bonds in cities over 95,000 shall be excluded from bonded debt limits if voters approve the bond issue.

33. K.S.A. 13-1055b excludes bonds issued for main sanitary interceptor sewers or storm sewers or drains in cities of the first class from debt limits.
34. K.S.A. 13-1057d excludes bonds issued for storm sewers for certain cities of the first class from bonded debt limits.
35. K.S.A. 13-1117 excludes general obligation bonds issued by cities of the first class over 60,000 from bonded debt limits if the bonds are issued to carry out the city's master plan for physical development and voters approve the bond issue.
36. K.S.A. 13-1215 excludes bonds issued for water, gas, electric lights, or heating of cities of the first class over 50,000 population from bonded debt limits if voters approve. The amount of the bonds cannot exceed 10 percent of the assessed valuation of the city.
37. K.S.A. 13-1232 provides general obligation bonds issued for the purchase or extension of water and light plants shall not exceed 10 percent of the assessed value of Kansas City. No other debt limits apply. Voters must approve the bonds.
38. K.S.A. 13-1240 exempts revenue bonds of cities over 115,000 population issued for public levees, locks, wharves, river terminals, and grain elevator terminal docks from city bonded debt limits.
39. K.S.A. 13-1255 exempts revenue bonds of cities over 120,000 population which have a board of public utilities from the cities bonded debt limits. The revenue bonds may be issued for water and electric facilities.
40. K.S.A. 13-1379 exempts revenue bonds of cities of the first class issued for public parking stations from bonded debt limits.
41. K.S.A. 13-1398 exempts revenue bonds issued by a board of park commissioners in cities over 200,000 population for swimming pools and golf courses from bonded debt limits.
42. K.S.A. 13-14b01 and 13-14b08 exempts general obligation bonds of cities of the first class issued for hospital and nursing school purposes from bonded debt limits if voters approve the bonds.
43. K.S.A. 13-2509 excludes from debt limits bonds issued under authority of K.S.A. 13-2503 et seq., which was repealed in 1959.
44. K.S.A. 14-524 excludes bonds issued for storm sewers in certain cities not to exceed \$50,000 subject to a 2 percent protest petition/election procedure.
45. K.S.A. 14-572 exempts general obligation bonds of cities of the second class issued to carry out the master plan for physical development of the city from bonded debt limits if voters approve the bonds.

46. K.S.A. 14-641 exempts general obligation bonds of cities of the second class over 12,000 population issued for hospital and nurses training facilities from bonded debt limits if voters approve.
47. K.S.A. 14-654a exempts additional general obligation bonds not to exceed \$300,000 issued for purposes of K.S.A. 14-641 et seq., from bonded debt limits if voters approve.
48. K.S.A. 14-656 exempts general obligation bonds not to exceed \$100,000 for hospital purposes from bonded debt limits issued by certain cities of the second class located in a county with a population between 14,000 and 18,000 and an assessed valuation of between \$25 million and \$35 million if voters approve.
49. K.S.A. 14-663 exempts general obligation bonds in an amount not to exceed \$50,000 issued by cities of the second class located in counties with a population between 20,000 and 25,000 and an assessed valuation of between \$37 million and \$45 million for hospital purposes from bonded debt limits if voters approve.
50. K.S.A. 14-663a exempts not to exceed \$100,000 additional general obligation bonds from bonded debt limits if voters agree for hospital purposes in certain cities of the second class.
51. K.S.A. 14-673 excludes bonds approved by voters and issued for hospitals in cities between 5,000 and 8,000 in certain counties from bonded debt limits.
52. K.S.A. 14-677a permits any city of the second class which has voted to issue bonds for a hospital but cannot proceed due to increased costs to issue additional bonds subject to a protest petition (25 percent who voted for mayor)/election procedure. These bonds are not included as part of the city's debt limits.
53. K.S.A. 14-678 permits any city of the second class located in any county with a population of 50,000 or less and an assessed valuation of not less than \$60 million to issue not to exceed \$250,000 in general obligation bonds for hospital purposes. The bonds are not included as part of the city's bonded debt limits and must be approved by voters.
54. K.S.A. 14-686 exempts not to exceed \$250,000 in general obligation bonds for hospital purposes issued by cities of the second class with a population of less than 3,000 which are located in a county having a population of between 8,000 and 10,000 and an assessed valuation of between \$22 million and \$28 million from bonded debt limits. Voters must approve the bond issue.
55. K.S.A. 14-698 exempts from bonded debt limits general obligation bonds issued for hospital purposes by certain cities of the second class if voters approve the issue.
56. K.S.A. 14-6,102 exempts general obligation bonds issued by certain cities of the second class for hospital purposes from bonded debt limits if voters approve.

57. K.S.A. 14-6,109 exempts general obligation bonds for hospital purposes of not to exceed \$75,000 of certain cities of the second class from bonded debt limits subject to a 10 percent protest petition election procedure.
58. K.S.A. 15-807 permits any city of the third class operating an electric light plant, sewer system, or waterworks plant to increase its bonded debt above 15 percent but not to exceed 20 percent for the purpose of improving its waterworks system.
59. K.S.A. 15-1128 exempts certain cities of the third class from bonded debt limits for bonds issued for a sewage disposal plant.
60. K.S.A. 19-3307 exempts from bonded debt limits general obligation bonds for flood control projects issued by cities located in counties where federal flood control projects exist.
61. K.S.A. 27-321 and 27-334 excludes from city bonded debt limits, bonds issued by surplus property and public airport authorities and public airport authorities respectively.
62. K.S.A. 68-584 exempts from bonded debt limits general obligation bonds issued for primary arterial highways of not to exceed 2 percent of the assessed value of the city if voters approve.
63. K.S.A. 73-448 exempts from city (Hiawatha) bonded debt limits not to exceed \$1 million of general obligation bonds for the reconstruction of a city auditorium if voters approve.
64. K.S.A. 73-449 exempts \$50,000 worth of bonds issued by certain cities of the second class for repair of military memorial buildings if voters approve.
65. K.S.A. 75-6113 exempts general obligation bonds issued to pay claims awarded under the Kansas Tort Claims Act from city bonded debt limits.
66. K.S.A. 76-3a07 exempts general obligation bonds of Wichita from bonded debt limits for bonds issued to retire the bonded debt of Wichita University issued by the University prior to July 1, 1964 if voters approve.
67. K.S.A. 79-3425g exempts city revenue bonds payable from special city and county highway funds from city bonded debt limits.

MEMORANDUM

(ATTACHMENT VIII.B)  
3-19-85

August 20, 1984

TO: Special Committee on Local Government  
FROM: Kansas Legislative Research Department  
RE: Bonded Debt Limits and Exemptions of Counties

County bonded debt limits are governed by K.S.A. 10-306 as amended by L. 1984 ch. 54 and K.S.A. 10-307. The first statute provides that all counties (95) other than those with specific higher limits shall have a 1 percent of assessed valuation bonded debt limit. Those counties (ten) with higher limits include: Clark, Comanche, Greeley, Hamilton, Hodgeman, Lane, and Stanton counties with a 2.5 percent of assessed valuation debt limit; Geary County with a 2.75 percent limit; Wyandotte County with a 6 percent limit; and Johnson County with a 2 percent limit.

Two general exemptions from county bonded debt limits are listed in K.S.A. 10-307 which excludes from debt limits refunding bonds and bonds issued under Article 18 of Chapter 19 (primarily hospitals) of Kansas Statutes Annotated.

A computer search of Kansas Statutes Annotated was conducted searching the words bonded indebtedness, debt limit(s), debt limitation(s), bond limitation(s), and bond indebtedness. The search revealed over 200 sections of the statutes where these words appeared. The following additional bonded debt exemptions from counties' bonded debt limits were discovered from these statutes:

1. K.S.A. 3-157 exempts revenue bonds issued for airport special facilities owned by a county.
2. K.S.A. 3-304 exempts general obligation bonds issued by Johnson County for public airports from county bonded limits but provides the bonds issued hereunder cannot exceed an amount over 1 percent of the county's assessed valuation subject to a 5 percent protest petition/election procedure.
3. K.S.A. 3-320 exempt general obligation bonds issued by Allen County for airport purposes. The bonds are in lieu of a tax levy which is subject to a protest petition/election procedure.
4. K.S.A. 3-401 permits counties over 125,000 with an assessed valuation of over \$150 million to issue not to exceed \$200,000 for an aircraft supply and repair depot for national defense. The bonds are outside bonded debt limits and must be approved by voters.
5. K.S.A. 10-202 authorizes any county to issue general obligation bonds outside the county's debt limit for building or repairing bridges if voters approve.

6. K.S.A. 10-427a exempts refunding bonds from bonded debt limits of the county.
7. K.S.A. 10-1205 exempts utility revenue bonds (bonds issued for gas, water, electric light, off-street parking, sewage disposal, and other facilities of a revenue producing character) from county bonded debt limits.
8. K.S.A. 12-110a permits counties to issue no fund warrants or general obligation bonds for emergency equipment and machinery purchases with Board of Tax Appeals approval. The bonds are outside debt limits.
9. K.S.A. 12-1257 authorizes Johnson County to issue general obligation bonds not to exceed an amount equal to 1/2 percent of the county's assessed valuation for library purposes. The bonds are excluded from debt limits and are subject to a 5 percent protest petition/election procedure.
10. K.S.A. 12-1664 exempts bonds, no fund warrants, or temporary votes from county bonded debt limits when issued in anticipation of federal aid for which a written commitment is obtained.
11. K.S.A. 12-3106 excludes county revenue bonds for sewer systems established under this Act from debt limits.
12. K.S.A. 12-3803 excludes industrial development bonds issued under this Act from county debt limits.
13. K.S.A. 12-5228 excludes mortgage revenue bonds from county bonded debt limits.
14. K.S.A. 19-1580 excludes bonds issued for a courthouse, jail, or sheriff's quarters from debt limits of counties with a population of less than 5,000 and an assessed valuation of more than \$10 million if voters approve.
15. K.S.A. 19-1598 exempts from bonded debt limits general obligation bonds issued for voting machines and buildings to house these. The bond issue is subject to a protest petition (500 qualified electors)/election procedure.
16. K.S.A. 19-15,123 exempts general obligation bonds issued for court rooms for juvenile and probate matters in counties over 300,000 population.
17. K.S.A. 19-15,126, 19-15,127, and 19-15,128 exempts general obligation bonds from bonded debt limits for certain counties for courthouse and jail purposes. Under K.S.A. 19-15,128 the amount of the bonds cannot exceed 2 1/2 percent of the county's assessed valuation and voters must approve.

18. K.S.A. 19-15,138 exempts general obligation bonds issued to remodel courthouses in counties where electors approved the bonds in the November, 1974 general election from county bonded debt limits.
19. K.S.A. 19-15,138a exempts general obligation bonds issued for a jail and law enforcement center from bonded debt limits in counties between 26,000 and 28,000 population with an assessed valuation of between \$146 million and \$160 million.
20. K.S.A. 19-15,141 exempts general obligation bonds issued for civic and other multi-use public facilities in Seward, Shawnee, and Wyandotte counties from bonded debt limits if voters approve.
21. K.S.A. 19-15,143 exempts general obligation bonds issued by Geary County for a jail and law enforcement center from bonded debt limits.
22. K.S.A. 19-1878 excludes bonds issued for county hospitals where funds are insufficient to build or remodel the facility from debt limits. The bond issue is subject to a 5 percent protest petition/election procedure.
23. K.S.A. 19-18,129 exempts general obligation bonds issued for a new county hospital or improvements to an existing county hospital from bonded debt limits if voters approve.
24. K.S.A. 19-1931 exempts from bonded debt limits not to exceed \$600,000 of general obligation bonds for a new county jail for counties between 37,000 and 41,000 population with an assessed valuation of between \$65 million and \$70 million if voters approve.
25. K.S.A. 19-2659 exempts general obligation bonds of any county issued for sanitary landfill sites, improvements, and equipment subject to a 10 percent protest petition/election procedure (10 percent who voted for the Secretary of State in the last election).
26. K.S.A. 19-2697 exempts general obligation bonds issued by Haskell County for a sanitary landfill or a sand and gravel pit from debt limits but the bond issue is subject to a 10 percent protest petition/election procedure.
27. K.S.A. 19-27,170 exempts from county bonded debt limits general obligation bonds issued for sewer district improvements in Finney County for the portion of such costs borne by the county at-large.
28. K.S.A. 19-27a07 exempts from county bonded debt limits general obligation bonds issued for sewer district improvements.
29. K.S.A. 19-2916d exempts from bonded debt limits general obligation bonds issued by counties between 150,000 and 200,000 population for projects to carry out a master plan for the physical development of the county.

30. K.S.A. 19-3303 exempts from bonded debt limits general obligation bonds for flood control works of counties in conjunction with federal flood control projects.
31. K.S.A. 19-3901 exempts general obligation bonds from bonded debt limits subject to a 20 percent (who voted for Secretary of State) protest petition/election procedure for a public youth center and recreation grounds in any county with only one incorporated city.
32. K.S.A. 20-356 exempts bonds issued by counties for facilities for added divisions of the district court or judge positions from county bonded debt limits.
33. K.S.A. 25-1315 exempts from bonded debt limits general obligation bonds issued for voting machines if voters approve.
34. K.S.A. 25-4407 exempts general obligation bonds from county bonded debt limits issued for electronic or electro-mechanical voting systems without an election on the issue.
35. K.S.A. 25-4605 exempts general obligation bonds from county bonded debt limits issued for optical scanning equipment without an election.
36. K.S.A. 27-334 excludes from certain county bonded debt limits bonds issued by Public Airport Authorities (Shawnee County).
37. K.S.A. 38-523 exempts not to exceed \$150,000 in general obligation bonds of Johnson County from debt limits for bonds issued for a juvenile farm or detention facility if voters approve.
38. K.S.A. 39-366 exempts from bonded debt limits not to exceed \$500,000 in general obligation bonds for a building for the poor in counties which approved the proposition at an election.
39. K.S.A. 39-714 excludes from county debt limits not to exceed \$200,000 in general obligation bonds issued for additions and reconstruction of county homes in counties over 140,000 population subject to a protest petition (300 qualified electors)/election procedure.
40. K.S.A. 65-212 exempts general obligation bonds issued for mental health clinics by counties from debt limits subject to a 10 percent (who voted for Secretary of State) protest petition/election procedure.
41. K.S.A. 68-151i permits counties with an assessed valuation of less than \$50 million to issue general obligation bonds for road and bridge construction and repair outside debt limits in an amount not to exceed 2 percent of the county's assessed valuation if voters approve.
42. K.S.A. 68-434 exempts general obligation bonds from county debt limits for bonds issued to pay the state's share of the cost of highway improvements if voters approve.



43. K.S.A. 68-577 exempts from bonded debt limits, general obligation bonds issued by counties over 175,000 population to carry out master highway development plans if voters approve.
44. K.S.A. 68-584 exempts from bonded debt limits of counties, general obligation bonds not to exceed 1/2 percent of the assessed value of the county for primary arterial highways subject to a 2 percent protest petition/election procedure.
45. K.S.A. 68-587 exempts from bonded debt limits of counties between 130,000 and 170,000 population general obligation bonds issued for highway and bridge construction in an amount not to exceed 4 percent of the county's assessed valuation if voters approve.
46. K.S.A. 68-5,103 exempts from bonded debt limits, general obligation bonds in an amount not to exceed .5 percent of the assessed valuation of the county or \$1 million whichever is greater in counties over 300,000 population for road improvements. The bond issue is subject to a 3 percent (who voted for Governor) protest petition/election procedure.
47. K.S.A. 68-728 exempts bonds issued for public road improvements from county bonded debt limits in platted areas outside city limits. The improvements must be petitioned for by a certain percentage of the property owners.
48. K.S.A. 68-731 exempts from bonded debt limits general obligation bonds issued by counties between 25,000 and 200,000 population for street or road benefit district improvements when petitioned for by owners of 50 percent of the frontage of an area.
49. K.S.A. 68-735 exempts from bonded debt limits general obligation bonds issued by counties between 25,000 and 200,000 population for street or road benefit districts when owners of 40 percent of the frontage area petition for the improvements.
50. K.S.A. 68-1103 exempts bonded debt limits general obligation bonds of counties issued for bridge construction necessitated by casualty to the bridge or condemnation of a bridge not to exceed \$160,000 per bridge.
51. K.S.A. 68-1106 exempts counties over 300,000 population from bonded debt limits for general obligation bonds issued for bridge repair or construction which will exceed \$160,000. The bonds shall not exceed \$3 million in any fiscal year. The bonds are subject to a 5 percent protest petition/election procedure.
52. K.S.A. 68-2048b exempts from bonded debt limits general obligation bonds issued by Sedgwick, Butler, Douglas, and Sumner counties for additional turnpike interchanges. The bond issue is subject to a 5 percent (who voted for Secretary of State at the last election) protest petition/election procedure.

53. K.S.A. 75-6113 exempts general obligation bonds issued to pay claims awarded under the Kansas Tort Claims Act from county bonded debt limits.
54. K.S.A. 80-2006 exempts from bonded debt limits general obligation bonds of counties issued for township sewer districts organized under this Act.