

CHAPTER 164
HOUSE BILL No. 2045

AN ACT concerning municipal energy agencies; amending K.S.A. 12-891, 12-896 and 12-8,104 and repealing the existing sections.

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

Section 1. K.S.A. 12-891 is hereby amended to read as follows: 12-891. A municipal energy agency shall be governed by a board of directors consisting of not less than seven persons, each of whom shall reside within the corporate limits of one of the member cities of the agency. The directors shall be selected as specified in the agreement creating the agency, except that the method of selection shall require that a majority of the board of directors be members of the governing bodies of the member cities or be directly selected by and subject to removal at will by the members of such governing bodies. The directors shall serve for terms as provided by the agreement creating the agency or by the bylaws of the agency. A director may be appointed to successive terms of office. Unless otherwise provided by the agreement creating the agency or by the bylaws of the agency, any vacancy occurring on the board for any reason other than the expiration of a member's term of office shall be filled for the unexpired term by appointment by the remaining members of the board.

A quorum of the board of directors shall be determined as set out in the agreement creating the agency or in the bylaws of the agency.

Sec. 2. K.S.A. 12-896 is hereby amended to read as follows: 12-896. Any municipal energy agency created under the provisions of this act shall have the power to receive and expend for any lawful purpose of the agency any grants, bequests, contributions and aid of any kind from any private or public source. Any such agency shall *not* be subject to the budget and cash-basis law of the state of Kansas, ~~and~~. The board of directors of any such agency shall adopt a budget in the manner set forth in the agency agreement or the bylaws of the agency and shall provide for regular auditing and budgeting procedures as prescribed by the director of accounts and reports pursuant to the provisions of K.S.A. 75-1121 et seq. and amendments thereto.

Sec. 3. K.S.A. 12-8,104 is hereby amended to read as follows: 12-8,104. For the security of bonds or notes issued or to be issued by a municipal energy agency, the municipal energy agency may mortgage or execute deeds of trust of the whole or any part of its property and franchises. Any mortgage or deed of trust covering the whole or any part of easements or other interests in real estate less than fee simple used in the generation or transmission of electric power, and covering fixtures annexed thereto, may be filed in the office of the secretary of state with or as a part of the financing statement covering the fixtures. ~~All filings required under the uniform commercial code to perfect a security interest against the personal property or fixtures shall be made.~~

Sec. 4. K.S.A. 12-891, 12-896 and 12-8,104 are hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its publication in the Kansas register.

Approved April 18, 2005.

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