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## **MEMORANDUM**

To: Chairperson Bergquist

Members of the House Committee on Local Government

From: The Office of Revisor of Statutes

Date: March 3, 2025

Subject: SB 7 – Increasing the statutory limits on bonds issued by a township based

on township population and purpose of the bond issuance.

Senate Bill No. 7 (SB 7) amends two statutes governing the bond issuance authority of townships. Currently, K.S.A. 80-113 provides that townships can only issue general obligation bonds for the reconstruction, repair, and equipment of township buildings up to 1% of the assessed valuation of the taxable tangible property of the township. SB 7 would increase the bond issuance authority in a tiered structure based on the population of the township. The 1% limit would remain in place for townships with 5,000 or fewer people. If the township has between 5,000 and 10,000 people, then its authority would increase to 5% of the assessed tangible valuation. If the township has more than 10,000 people, then its authority would be up to 10% of such valuation. The bill makes no changes to the requirement that any such bond issuance must first be approved by an election.

SB 7 also amends K.S.A. 80-1910 to increase the bond issuance authority for township fire departments. Townships currently may issue general obligation bonds for the construction and equipping of township fire departments up to 0.5% of the assessed valuation of the township. SB 7 would increase this authority to 5% of the assessed tangible valuation of the township. Additionally, the bill would extend the maximum maturity date of such bonds from 15 years to 20 years. Again, any such bond issuances must be approved by the township electorate.

Finally, SB 7 provides that the issuance limitations under K.S.A. 80-113 and 80-1910 are to be determined separately.

SB 7 passed the Senate on a final vote of 39-0.

If enacted, SB 7 would become effective on July 1, 2025.

