

HOUSE BILL No. 2259

AN ACT concerning municipal finance; relating to temporary notes for improvements, indebtedness reporting; amending K.S.A. 10-123 and 10-1007a and repealing the existing sections.

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

Section 1. K.S.A. 10-1007a is hereby amended to read as follows: 10-1007a. (a) The clerk, secretary or other recording officer of each municipality shall furnish ~~to the county clerk~~, on or before July ~~5~~ 31 of each year, ~~to the county clerk~~ a statement of the indebtedness of the municipality for the preceding year ending on June 30. For school districts, such statement shall be furnished to the county clerk of the home county, ~~and~~. For other municipalities which extend into more than one county, such statement shall be furnished to the county clerk of the county in which the greatest amount of the territory of the municipality is located unless a different county clerk is specified by the state treasurer. Such statement shall ~~show the following~~ include the dollar amount of:

(1) ~~The amount of its~~ municipality's bonded indebtedness, with the date of ~~issue~~ issuance and date of maturity of all outstanding bonds; and specification as to each whether ~~it~~ such bond is a general obligation bond or revenue bond, including industrial revenue bonds, and the statutory authority under which each was issued;

(2) ~~the amount of~~ temporary notes outstanding with the date of issuing and date of maturity ~~thereof, together with~~ of such notes and the statutory authority under which the same were issued; *and*

(3) ~~The amount of~~ no-fund warrants outstanding and the date of maturity thereof, together with the statutory authority under which the same were issued.

(b) On or before ~~July~~ August 15 of each year, the county clerk of each county shall compile *and transmit to the state treasurer*, on forms prescribed by the state treasurer, the information on the statements furnished under subsection (a), including such information ~~as that pertains~~ to the county, ~~and transmit the same to the state treasurer~~. *On or before September 30 of each year, the state treasurer shall make the information on the statements available on the state treasurer's internet website.*

Sec. 2. K.S.A. 10-123 is hereby amended to read as follows: 10-123. (a) (1) If a municipality has approved an improvement for which ~~it~~ the municipality is authorized to finance, in whole or in part, by the issuance of bonds, the governing body of the municipality may issue temporary notes, ~~bearing that~~:

(A) *Bear* interest at a rate not to exceed the maximum rate of interest prescribed by K.S.A. 10-1009, and amendments thereto;

(B) *are* payable in accordance with the terms of the notes;

(C) ~~maturing~~ *mature* not later than four years from the date of the notes; and

(D) ~~do not exceeding~~ *exceed*, in the aggregate, the amount of bonds which may be issued and are then unissued, as shown by the approved estimates on file.

(2) If bonds may be issued; for purposes for which state or federal aid is available, the amount of the notes shall not exceed the total amount of any unissued bonds and the state and federal aid granted to the project. Any municipality may issue renewal temporary notes to pay for the cost of taking up any previously issued temporary notes as ~~they~~ the notes mature when:

(A) All aspects of the improvement will not be completed at the maturity date of the notes; or

(B) ~~when~~ the municipality has completed the improvements and the issuance of bonds is prevented, hindered or delayed.

(b) (1) The temporary notes shall be in a form determined by ordinance or resolution; *that are* acceptable for registration by the state treasurer. ~~The entire temporary note shall be contained on one sheet of paper.~~ The notes shall be executed and registered in the same manner as the bonds; and shall be redeemed and canceled before or at the time permanent bonds are issued in lieu thereof. ~~The amount of temporary notes and bonds issued and outstanding shall not at any time exceed the estimated cost and expense of the improvement.~~ Temporary notes may be retired, in whole or in part, from current revenues of the municipality authorized for such purpose.

(2) The temporary notes:

(A) May be issued from time to time, as required during the progress of the work;

(B) shall be negotiable in accordance with ~~their~~ *the terms of the notes*; and

(C) shall constitute a general obligation of the municipality issuing the same.

(3) The temporary notes shall not be negotiable in accordance with ~~their~~ *the terms of the notes* until *the notes are signed, registered and then countersigned, following registration*, by the clerk of the issuing municipality; and *include* a statement to that effect ~~shall appear~~ on the face of all such temporary notes.

(4) The temporary notes may be sold in the manner determined by the municipality.

(c) *The amount of temporary notes and bonds issued and outstanding shall not, at any time, exceed the estimated cost and expense of the improvement.*

Sec. 3. K.S.A. 10-123 and 10-1007a are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.

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

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HOUSE concurred in  
SENATE amendments \_\_\_\_\_

\_\_\_\_\_  
*Speaker of the House.*

\_\_\_\_\_  
*Chief Clerk of the House.*

Passed the SENATE  
as amended \_\_\_\_\_

\_\_\_\_\_  
*President of the Senate.*

\_\_\_\_\_  
*Secretary of the Senate.*

APPROVED \_\_\_\_\_

\_\_\_\_\_  
*Governor.*