

10-123. Temporary notes for improvements; issuance; renewal, when. If a municipality has approved an improvement for which it 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 interest at a rate not to exceed the maximum rate of interest prescribed by K.S.A. 10-1009, and amendments thereto, payable in accordance with the terms of the notes, maturing not later than four years from the date of the notes and not exceeding in the aggregate the amount of bonds which may be issued and are then unissued, as shown by the approved estimates on file. 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 mature when all aspects of the improvement will not be completed at the maturity date of the notes or when the municipality has completed the improvements and the issuance of bonds is prevented, hindered or delayed.

The temporary notes shall be in a form determined by ordinance or resolution, 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. The temporary notes may be issued from time to time, as required during the progress of the work, shall be negotiable in accordance with their terms and shall constitute a general obligation of the municipality issuing the same. The temporary notes shall not be negotiable in accordance with their terms until countersigned, following registration, by the clerk of the issuing municipality, and a statement to that effect shall appear on the face of all such temporary notes. The temporary notes may be sold in the manner determined by the municipality.

History: R.S. 1923, § 10-123; L. 1939, ch. 91, § 1; L. 1951, ch. 126, § 1; L. 1953, ch. 55, § 1; L. 1970, ch. 64, § 3; L. 1977, ch. 47, § 1; L. 1978, ch. 49, § 1; L. 1982, ch. 55, § 1; L. 1989, ch. 52, § 1; July 1.