

HOUSE BILL No. 2260

By Committee on Financial Institutions

2-6

1 AN ACT concerning municipal finance; relating to temporary notes for
2 improvements; amending K.S.A. 10-123 and repealing the existing
3 section.

4
5 *Be it enacted by the Legislature of the State of Kansas:*

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

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

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

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

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

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

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

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

29 (b) (1) The temporary notes shall be in a form determined by
30 ordinance or resolution; *that are* acceptable for registration by the state
31 treasurer. ~~The entire temporary note shall be contained on one sheet of~~
32 ~~paper.~~ The notes shall be executed and registered in the same manner as
33 the bonds; and shall be redeemed and canceled before or at the time
34 permanent bonds are issued in lieu thereof. ~~The amount of temporary notes~~
35 ~~and bonds issued and outstanding shall not at any time exceed the~~
36 ~~estimated cost and expense of the improvement.~~ Temporary notes may be

1 retired, in whole or in part, from current revenues of the municipality
2 authorized for such purpose.

3 (2) The temporary notes:

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

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

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

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

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

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

20 Sec. 2. K.S.A. 10-123 is hereby repealed.

21 Sec. 3. This act shall take effect and be in force from and after its
22 publication in the statute book.