

12-825d. Waterworks, fuel, power and lighting plants; use, disposition and investment of revenues. Except as otherwise hereinafter provided, in any city of the first, second or third class owning a waterworks, fuel, power or lighting plant, the revenue derived from the sale and consumption of water, fuel, power or light shall not be paid out or disbursed except for the purpose of operating, renewing or extending the plant or distribution system from which such revenue was derived, the payment of interest on outstanding bonds issued for the construction, extension or purchase thereof, and the payment of the salaries of the employees. At any time that there may be a surplus of such fund, it shall, if needed to redeem bonds, be quarterly placed in a sinking fund, which shall only be used for the purpose of redeeming bonds that may have been issued for acquiring, renewing or extending said plant or distribution system, or making renewals or extensions thereto. When any surplus of either the operating fund or sinking fund is not needed for any of the above stated purposes, said surpluses:

(a) May be transferred and merged into the city general revenue fund or any other fund or funds of such city; or

(b) upon approval of the voters as authorized by K.S.A. 12-825g, and amendments thereto, in cities of the second class having a population of not less than six thousand (6,000) and not more than twelve thousand (12,000) and which are located in a county having a total assessed taxable tangible valuation of not less than thirty-two million dollars (\$32,000,000) and not more than forty-five million dollars (\$45,000,000), a part of such surpluses may be annually transferred, for a period not exceeding five years, to a special fund, which shall be known as "the community and utility promotion fund," but the total amount transferred to such fund in any one calendar year shall not exceed (1) one percent (1%) of the gross income derived from the sale of water, fuel, power and light during the preceding calendar year by such city, or (2) ten thousand dollars (\$10,000), whichever amount is the lesser, and at no time shall there be more than fifty thousand dollars (\$50,000) in said fund, and the moneys in said fund may be expended for the purposes authorized by K.S.A. 12-825g, and amendments thereto; or

(c) such surpluses, in whole or in part, may be set aside in a depreciation reserve fund of the utility which may be used as hereinabove provided, and which may be invested in investments authorized by K.S.A. 12-1675, and amendments thereto, in the manner prescribed therein or in United States government bonds or in municipal bonds of any county, township, city or school district in the state of Kansas where the bonded indebtedness thereof does not exceed fifteen percent (15%) of its total assessed valuation as shown by the last assessment preceding such investment.

History: L. 1945, ch. 97, § 1; L. 1959, ch. 73, § 1; L. 1977, ch. 54, § 5; July 1.