

**12-1737. Same; methods of financing authorized; issuance of bonds after election; tax levy, use of proceeds; protest petition and election; investment of fund; issuance of no-fund warrants.** The governing body of any city may, for the purposes hereinbefore authorized and provided:

- (a) Receive and expend gifts;
- (b) receive and expend grants-in-aid of state or federal funds;
- (c) issue bonds of the city;
- (d) levy an annual tax of not more than one mill for any city of the first class and not more than two mills for any city of the second or third class, which tax levy may be made for a period not exceeding 10 years upon all taxable tangible property in such city for the purpose of creating a building fund to be used for the purposes herein provided and to pay a portion of the principal and interest on bonds issued by such city under the authority of K.S.A. 12-1774, and amendments thereto;
- (e) issue no-fund warrants;
- (f) use moneys from the general operating fund or other appropriate budgeted fund when available;
- (g) use moneys received from the sale of public buildings or buildings and sites; or
- (h) combine any two or more of such methods of financing for the purposes herein authorized except that cities shall first use funds received from the payment of insurance claims for damages sustained by any such public building before resorting to methods of financing herein authorized.

An election upon the issuance of bonds under the authority of this act shall be required for the purpose of acquiring or constructing city offices, public libraries, auditoriums, community or recreational buildings.

When an election upon the issuance of bonds is required, the question of the issuance of such bonds shall be submitted to a vote of the qualified electors of the city at a regular city election or at a special election called for that purpose. No such bonds shall be issued unless a majority of those voting on the question vote in favor of the issuance of the bonds. The bond election shall be called and held and the bonds shall be issued in accordance with the provisions of the general bond law. No levies shall be made for the purpose of creating a building fund under the provisions of this act until a resolution authorizing the making of such levies is adopted by the governing body of the city. Such resolution shall state the specific purpose for which the tax levy is made, the total amount proposed to be raised and the number of years the tax levy shall be made. The resolution shall be published once each week for two consecutive weeks in the official city paper. After publication, the levies may be made unless a petition requesting an election upon the question of whether to make the levies is filed in accordance with this section. Such petition shall be signed by electors equal in number to not less than 10% of the electors who voted at the last preceding regular city election as shown by the poll books, is filed with the city clerk of such city within 60 days following the last publication of the resolution. If a valid petition is filed, the governing body shall submit the question to the voters at an election called for that purpose or at the next regular city election.

The levy authorized by this section shall be in addition to and not limited by any other act authorizing or limiting the tax levies of the city. The building fund may be used for the purposes provided by this act at any time after the second levy has been made. If there are insufficient moneys in the building fund for expenditures for such purposes, the governing body of the city may issue bonds of the city in the manner provided by the general bond law of the state and in an amount which, together with the amount raised by the tax levy authorized by this act, will not exceed the total amount stated in the resolution creating such fund. Cities are hereby authorized to invest any portion of the special building fund which is not currently needed in investments authorized by K.S.A. 12-1675, and amendments thereto, in the manner prescribed therein or in direct obligations of the United States government maturing or redeemable at par and accrued interest within three years from date of purchase, the principal and interest whereof is guaranteed by the government of the United States. All interest received on any such investment shall upon receipt thereof be credited to the special building fund.

No-fund warrants issued under the authority of this act shall be issued in the manner and form and bear interest and be redeemed as prescribed by K.S.A. 79-2940, and amendments thereto, except that they may be issued without the approval of the state board of tax appeals and without the notation required by K.S.A. 79-2940, and amendments thereto. The governing body of the city issuing such warrants shall levy a tax for the first tax levying period after such warrants are issued, sufficient to pay such warrants and the interest thereon. All such tax levies shall be in addition to all other levies authorized or limited by law, and none of the tax limitations provided by article 19 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, shall apply to such levies.

**History:** L. 1959, ch. 78, § 2; L. 1977, ch. 54, § 10; L. 1979, ch. 52, § 49; L. 1981, ch. 173, § 23; L. 2008, ch. 109, § 27; L. 2014, ch. 141, § 21; July 1.