

2018 Kansas Statutes

10-123. Temporary notes for improvements; issuance; renewal, when. (a) (1) If a municipality has approved an improvement for which 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 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) mature not later than four years from the date of the notes; and

(D) do not 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 the notes mature when:

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

(B) 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 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. 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 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 the terms of the notes until the notes are signed, registered and then countersigned by the clerk of the issuing municipality and include a statement to that effect 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.

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; L. 2015, ch. 34, § 2; July 1.