

## 2021 Kansas Statutes

12-5503. **Same; service agreement; term; service fee; limitations.** (a) Subject to provisions contained in this act, a municipality may enter into a service agreement for a term not to exceed 30 years. However, the service agreement may permit the municipality either to extend or renew the term of the service agreement, so long as the municipality is not bound under the service agreement for an extended period or renewal period of more than 30 years. Under the service agreement, the municipality may:

- (1) Obligate itself to pay or cause to be paid a service fee for the availability and use of the capital intensive public service to be furnished under the service agreement;
- (2) enter into other agreements relating to the services to be provided which the municipality considers appropriate and which are not otherwise contrary to law; and
- (3) either pledge its full faith and credit or obligate a specific source of payment for the payment of the service fee.

(b) The obligation of the municipality to pay the service fee under the service agreement shall not be within any statutory limitation on the bonded indebtedness of the municipality. The amount of money to be paid by a municipality pursuant to a service agreement shall not exceed 5% of the bonded debt limit of the municipality.

**History:** L. 1990, ch. 64, § 3; July 1.