

HOUSE BILL No. 2291

By Committee on Education

2-11

1 AN ACT concerning municipalities; relating to elections for bonds;
2 expanding notice and ballot requirements; amending K.S.A. 10-120a
3 and 12-6, 122 and repealing the existing sections.
4

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

6 Section 1. K.S.A. 10-120a is hereby amended to read as follows: 10-
7 120a. (a) When used in this section, "municipality" means any county,
8 township, city, municipal university, school district and any other taxing
9 district or political subdivision of the state which is, or may be, authorized
10 to issue bonds.

11 (b) Whenever any municipality proposes to issue bonds and an
12 election is required to be held prior to such issuance, the governing body
13 of such municipality shall include in the notice of such election the
14 following:

15 (1) The total amount of the bonds to be issued;

16 (2) the amount of such bonds which represent the actual cost of the
17 project financed by the bonds to be issued;

18 (3) the projected amount of interest to be paid until the bonds are
19 retired. Such projected amount shall be determined by using the interest
20 rate from most recent bond issuances for the financing of similar projects
21 by similar municipalities;

22 (4) the projected amount of all expenses incurred in such bond
23 issuance including, but not limited to, attorney fees, underwriter fees and
24 the cost of printing such bonds;

25 (5) the projected amount of the annual payments for principle and
26 interest on the bonds;

27 (6) the projected annual rate of taxation and the source of taxation
28 necessary to retire such bonds; ~~and~~

29 (7) any other information deemed necessary by the governing body of
30 the municipality to provide full disclosure relating to the proposed bond
31 issue;

32 (8) *the projected total amount necessary to satisfy the proposed bond*
33 *debt; and*

34 (9) *the name or names of any person who has a vested interest in the*
35 *project which will be financed by the bonds to be issued.*

36 (c) For the purposes of this section, an election is required to be held

1 whenever a law specifically requires an election to be called or whenever a
2 law authorizes the filing of a petition requesting an election and a
3 sufficient petition is filed as required by such law.

4 *(d) Whenever an election is required to be held for a proposed bond*
5 *issuance, the municipality shall include in the ballot question the projected*
6 *total amount necessary to satisfy the proposed bond debt.*

7 ~~(d)~~*(e)* Nothing in this section shall be grounds to challenge the
8 validity of the election on or the issuance of such bonds if the governing
9 body has made a good faith effort to make accurate projections based upon
10 the information available to the governing body at the time of making such
11 projections.

12 Sec. 2. K.S.A. 12-6,122 is hereby amended to read as follows: 12-
13 6,122. (a) When used in this section, "municipality" means any county,
14 township, city, municipal university, school district and any other taxing
15 district or political subdivision of the state.

16 (b) Whenever the governing body of any municipality proposes to
17 make a public improvement and the question of making or financing such
18 improvement is submitted for approval by the qualified electors of the
19 municipality, the governing body shall include in the notice of such
20 election:

21 (1) The type of public improvement to be made;

22 (2) the projected cost of making such public improvement;

23 (3) the projected cost of professional services to be acquired and paid
24 for in conjunction with such improvement, including, but not limited to,
25 architectural, engineering, legal, bond underwriting, financial advisory,
26 bond rating and other services;

27 (4) if bonds are to be issued, the projected date on which the bonds
28 would be retired;

29 (5) if sales and use taxes are to be levied, the projected date on which
30 the proposed tax will expire; ~~and~~

31 (6) any other information deemed necessary by the governing body of
32 the municipality to provide full disclosure relating to the proposed public
33 improvement;

34 *(7) the projected total amount necessary to satisfy the proposed bond*
35 *debt; and*

36 *(8) the name or names of any person who has a vested interest in the*
37 *project which will be financed by the bonds to be issued.*

38 Nothing in this subsection shall be grounds to challenge the validity of
39 the election on the improvement or the method of financing the
40 improvement and expenses related thereto if the governing body has made
41 a good faith effort to comply with the requirements of this subsection
42 based upon the information available to the governing body at the time of
43 the publication of the notice.

1 (c) *Whenever an election is required to be held prior to the issuance*
2 *of bonds for a proposed public improvement, the municipality shall*
3 *include in the ballot question the projected total amount necessary to*
4 *satisfy the proposed bond debt.*

5 ~~(e)~~(d) If at any time after an election is held authorizing the financing
6 or making of an improvement and prior to the letting of contracts for such
7 improvement, the governing body of the municipality determines that the
8 cost of the improvement will exceed, by at least 20%, the amount of the
9 projected cost stated in the notice of the election as required by subsection
10 (b), the governing body shall not authorize the letting of contracts for such
11 improvement until the governing body publishes a notice in a newspaper
12 of general circulation within the municipality of the time, date and place of
13 a public hearing before the governing body concerning the cost of the
14 public improvement. At such hearing the governing body shall explain the
15 basis for the variance in costs for the public improvement from projected
16 costs published in accordance with subsection (b) and receive comments
17 from the public thereon.

18 ~~(d)~~(e) After the hearing required by subsection ~~(e)~~(d), the governing
19 body may:

20 (1) Authorize the letting of contracts for the completion of the public
21 improvement;

22 (2) determine the project is not feasible and not let the contracts; or

23 (3) submit the question of making such improvement and the method
24 of financing such project to the qualified electors of the municipality. Such
25 election shall be called and held in the manner provided by the general
26 bond law.

27 ~~(e)~~(f) If the governing body of the municipality determines that the
28 continuation of the public improvement project is not feasible or the
29 question submitted to the qualified electors in accordance with subsection
30 ~~(d)~~(e) is not approved at the election held thereon, the governing body
31 shall not issue bonds or, if the project is to be financed in accordance with
32 a retailers' sales tax in accordance with K.S.A. 12-187 et seq., and
33 amendments thereto, the governing body shall repeal that portion of such
34 tax attributable to the financing of the public improvement project in the
35 manner provided by K.S.A. 12-187, and amendments thereto. No portion
36 of a countywide retailers' sales tax shall be repealed for the reasons set
37 forth in this subsection unless and until the governing bodies of the county
38 and all the cities therein adopt resolutions providing therefor.

39 Sec. 3. K.S.A. 10-120a and 12-6,122 are hereby repealed.

40 Sec. 4. This act shall take effect and be in force from and after its
41 publication in the statute book.