

Senate Concurrent Resolution No. 1605

By Committee on Ways and Means

3-5

1 A PROPOSITION to amend sections 6, 7, 8 and 9 of article 11 of the
2 constitution of the state of Kansas; concerning state debts.

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4 *Be it resolved by the Legislature of the State of Kansas, two-thirds of*
5 *the members elected (or appointed) and qualified to the Senate and two-*
6 *thirds of the members elected (or appointed) and qualified to the House*
7 *of Representatives concurring therein:*

8 Section 1. The following proposition to amend the constitution of
9 the state of Kansas shall be submitted to the qualified electors of the state
10 for their approval or rejection: Sections 6, 7, 8 and 9 of article 11 of the
11 constitution of the state of Kansas are hereby amended to read as follows:

12 **"§ 6. State debts; ~~annual tax; proceeds.~~** For the purpose of
13 defraying extraordinary expenses and making public
14 improvements, the state may contract public debts; ~~but such debts~~
15 ~~shall never, in the aggregate, exceed one million dollars, except as~~
16 ~~hereinafter provided, including, but not limited to, debts that~~
17 ~~constitute a general obligation of the state.~~ Every such debt shall
18 be authorized by law for some purpose specified therein, and the
19 vote of a ~~majority~~ *two-thirds* of all the members elected to each
20 house, to be taken by the yeas and nays, shall be necessary to the
21 passage of such law; ~~and.~~ Every such law shall ~~provide for levying~~
22 ~~an annual~~ *specify the sources of tax revenue sufficient to pay the*
23 *principal of and interest on such debt when it shall become due*
24 *and, to the extent deemed necessary by the legislature, impose a*
25 *tax sufficient to pay the annual such principal and interest of such*
26 ~~debt, and the principal thereof, when it shall become due; and shall~~
27 ~~specifically appropriate the proceeds of such taxes to the payment~~
28 ~~of such principal and interest; and such appropriation shall not be~~
29 ~~repealed nor the taxes postponed or diminished, until the interest~~
30 ~~and principal of such debt shall have been wholly paid.~~ *The*
31 *legislature shall appropriate revenues of the state to pay interest*
32 *on its debt which is payable in the year for which such*
33 *appropriation is made and to pay the principal of such debt,*
34 *payable in such year. To the extent that insufficient revenues of the*
35 *state are available to pay principal of and interest on such debt*
36 *when due and payable, the first public moneys of the state*

1 *thereafter received shall be set aside and applied to the payment of*
2 *the principal of and interest of such debt. Borrowings by the state*
3 *that are secured solely by annual appropriations at the discretion*
4 *of the legislature shall not be considered debt within the meaning*
5 *of this section or section 7 of this article.*

6 **"§ 7. Election on indebtedness.** *Except as otherwise*
7 *provided in this section, no debt shall be contracted by the state*
8 ~~*except as herein provided,*~~ *unless the proposed law for creating*
9 *such debt shall first be submitted to a direct vote of the electors of*
10 ~~*the state at some general a statewide election;*~~ *and if such proposed*
11 ~~*law shall be ratified by a majority of all the votes cast at such*~~
12 ~~*general election,*~~ *then it shall be the duty of the legislature next*
13 *after such election to enact such law and create such debt, subject*
14 *to all the provisions and restrictions provided in the preceding*
15 *section of this article. Public debt may be contracted without a*
16 *vote of the electors of the state if: (a) Such debt is contracted*
17 *pursuant to section 8 of this article to refund public debt*
18 *contracted pursuant to section 6 of this article; or (b) except for*
19 *refunding debt described in (a) of this section, such debt is*
20 *contracted pursuant to sections 6 or 8 of this article and at the*
21 *time of issuance of such debt, the maximum annual debt service for*
22 *the current or any future fiscal year on all outstanding debt issued*
23 *pursuant to sections 6 and 8 of this article, including the debt to be*
24 *issued on such date, will not exceed 6% of the state revenues*
25 *available for debt service in the immediately preceding fiscal year.*
26 *Debt shall not be considered outstanding to the extent principal*
27 *and interest payments are irrevocably provided for from a*
28 *dedicated escrow established for such payments.*

29 **"§ 8. Borrowing money by state.** ~~*The state may borrow money*~~
30 ~~*to repel invasion, suppress insurrection, or defend the state in time*~~
31 ~~*of war; but the money thus raised, shall be applied exclusively to*~~
32 ~~*the object for which the loan was authorized, or to the repayment*~~
33 ~~*of the debt thereby created.*~~ *Refunding of state debt. The legislature*
34 *may enact such additional laws, as may be necessary, permitting*
35 *the state to refund any public debt contracted pursuant to section 6*
36 *of this article or any moneys borrowed by or on behalf of the state*
37 *that are secured solely by annual appropriations at the discretion*
38 *of the legislature without further legislative approval.*

39 **"§ 9. Internal improvements; state highway system; flood**
40 **control; conservation or development of water resources.** *The*
41 *state shall never be a party in carrying on any work of internal*
42 *improvement except that: (1) It may adopt, construct, reconstruct*
43 *and maintain a state system of highways; but no general property*

1 ~~tax shall ever be laid nor~~ and may issue general obligation bonds
2 ~~issued by~~ of the state pursuant to sections 6 and 7 of this article or
3 highway revenue bonds for such highways; (2) it may be a party to
4 flood control works and works for the conservation or development
5 of water resources; (3) it may, for the purpose of stimulating
6 economic development and private sector job creation in all areas
7 of the state, participate in the development of a capital formation
8 system and have a limited role in such system through investment
9 of state funds authorized in accordance with law; (4) it may be a
10 party to any work of internal improvement, whenever any work of
11 internal improvement not authorized by (1), (2) or (3) is once
12 authorized by a separate bill passed by the affirmative vote of not
13 less than two-thirds of all members then elected (or appointed) and
14 qualified to each house, ~~but no general property tax shall ever be~~
15 ~~laid nor~~ and may issue general obligation bonds ~~be issued by the~~
16 ~~state~~ therefor pursuant to sections 6 and 7 of this article; and (5) it
17 may expend funds received from the federal government for any
18 public purpose in accordance with the federal law authorizing the
19 same."

20 Sec. 2. The following statement shall be printed on the ballot with
21 the amendment as a whole:

22 "*Explanatory statement.* The purpose of this amendment is to
23 clarify and modernize the provisions of the state constitution
24 which permit the state to contract for public debt. Under the
25 current constitutional provisions the state may contract for
26 public debt not to exceed one million dollars upon the
27 approval of a majority vote of the electors of the state after
28 the debt is authorized by a vote of a majority of all of the
29 members in each house of the legislature. The one million
30 dollar limitation would be eliminated and the vote in each
31 house of the legislature changed from a majority to two-
32 thirds of all of the members in each house of the legislature.
33 Every law authorizing such debt would specify the sources
34 of tax revenue sufficient to pay the principal and interest on
35 the debt. If revenues proved insufficient to pay the principal
36 and interest the first public moneys received thereafter
37 would be set aside and applied to the payment of the
38 principal and interest. Public debts could be contracted
39 which constitute a general obligation of the state. The
40 current provision to submit the question of approval of the
41 debt to the electors of the state at a general election is
42 changed to submission at a statewide election and the
43 following exceptions to the vote of the electors of the state

1 are made: (1) The debt is contracted to refund other public
2 debt; or (2) the debt contracted will not exceed 6% of state
3 revenues available for debt service. The current
4 authorization for the state to borrow money to repel
5 invasion, suppress insurrection or defend the state in time of
6 war is eliminated and the legislature is authorized to enact
7 laws allowing the state to refund any public debt without
8 further legislative approval. The current provision
9 prohibiting a general property tax from being laid and
10 prohibiting the issuance of general obligation bonds for
11 certain internal improvements is eliminated.

12 "A vote for this proposition would provide that debts which
13 constitute a general obligation of the state could be incurred,
14 that public debts in the aggregate are not limited to one
15 million dollars, that two-thirds of all of the members of each
16 house of the legislature would be necessary to authorize a
17 law for a public debt, that each such law would be required
18 to specify the sources of tax revenue sufficient to pay the
19 principal and interest on the debt, that if revenues proved
20 insufficient to pay the principal and interest, the first public
21 moneys received thereafter would be set aside and applied
22 to the payment of the principal and interest, that the question
23 of approval of the debt would be submitted to the electors of
24 the state at a statewide election unless the debt is to refund
25 public debt or will not exceed 6% of state revenues available
26 for debt service, that the current authorization for the state to
27 borrow money to repel invasion, suppress insurrection or
28 defend the state in time of war is eliminated, that the
29 legislature is authorized to enact laws allowing the state to
30 refund any public debt without further legislative approval,
31 that the current provision prohibiting general property tax
32 from being laid and prohibiting the issuance of general
33 obligation bonds for certain internal improvements is
34 eliminated.

35 "A vote against this proposition would continue in effect: The
36 current constitutional provisions relating to contracting for
37 public debt, including the one million dollar limitation on
38 such debt, the majority vote requirement of members of each
39 house of the legislature for the approval of a law authorizing
40 a public debt, the levying of an annual tax sufficient to pay
41 the annual interest and principal of such debt and
42 appropriations of the proceeds of such tax for such purposes,
43 which appropriations are not to be repealed or such taxes

1 postponed or diminished until the debt is fully paid, a direct
2 vote of the electors on the proposed law for creating any
3 such debt at a general election, the authorization for the state
4 to borrow money to repel invasion, suppress insurrection or
5 defend the state in time of war and the prohibition on the use
6 of a general property tax and the use of general obligation
7 bonds to fund certain internal improvements."

8 Sec. 3. This resolution, if approved by two-thirds of the members
9 elected (or appointed) and qualified to the Senate, and two-thirds of the
10 members elected (or appointed) and qualified to the House of
11 Representatives shall be entered on the journals, together with the yeas
12 and nays. The secretary of state shall cause this resolution to be published
13 as provided by law and shall cause the proposed amendment to be
14 submitted to the electors of the state at the general election in November
15 in the year 2016 unless a special election is called at a sooner date by
16 concurrent resolution of the legislature, in which case it shall be
17 submitted to the electors of the state at the special election.
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