

79-2938. No-fund warrants for shortages in revenue, when; procedure; limitation of amount; notice and hearing; protests; tax levy to pay. Whenever during the current budget year it becomes apparent to the governing body of any taxing district that because of unforeseen circumstances the revenues of the current budget year for any fund are insufficient to finance the adopted budget of expenditures for such fund for the current budget year, the governing body may make application to the state board of tax appeals for authority to issue warrants to pay for such budgeted expenditures. The application shall be signed and sworn to, and shall have a majority approval of any governing body composed of three members or less, and a 3/4 majority of any governing body composed of more than three members. The application shall reveal the following: (1) The circumstances which caused the shortage in revenues; (2) a copy of the budget adopted for the current budget year; and (3) a detailed statement showing why the budget of expenditures cannot be reduced during the remainder of the current budget year so that additional revenue will not be necessary. If the state board of tax appeals shall find that the evidence submitted in writing in support of the application shows:

- (a) That the adopted budget of revenues balanced with the adopted budget of expenditures;
- (b) that the governing body exercised prudent judgment at the time of preparing the budget of revenues; and
- (c) that the budget of expenditures cannot be reduced during the remainder of the current budget year so that additional revenue will not be necessary, the state board of tax appeals is empowered to authorize the issuance of warrants for the payment of that portion, in dollars, of the unfinanced budget of expenditures which the state board of tax appeals deems necessary. The amount of such warrants for any fund of any taxing district shall not exceed 25% of the amount of money that could have been raised by levy for such fund under the individual fund limit for the payment of expenses for the current budget year, nor shall the amount of such warrants for any fund, of any taxing district exceed 25% of the amount of money that could have been raised by levy for such fund under the limitation placed upon such fund by reason of the aggregate limit, and in no case shall the total amount of such warrants for all funds exceed 25% of the amount of money that could have been raised by levy within the aggregate limit prescribed by law for such taxing district for the payment of expenses of the current budget year. The limitations of the foregoing provision shall have no application to funds for payment of general obligation bonds and interest thereon.

No order for the issuance of such warrants shall be made without a public hearing before the state board of tax appeals conducted in accordance with the provisions of the Kansas administrative procedure act. In addition to notice to the parties, notice of such hearing shall be published in two issues of a paper of general circulation within the district applying for such authority at least 10 days prior to such hearing. The notice shall be in such form as the state board of tax appeals prescribes, and the expense of such publication shall be borne by the taxing district making application. Any taxpayer interested may file a written protest against such application. Any member of the governing body of the taxing district making an application hereunder may appear and be heard in person at such hearing in support of the application. All records and findings of such hearings shall be subject to public inspection. Whenever the authority to issue warrants under this section is granted, the governing body of such taxing district shall make a tax levy, at the first tax-levying period after such authority is granted, sufficient to pay such warrants, and such tax levy may be levied outside of the aggregate tax levy limit prescribed by law.

History: L. 1941, ch. 377, § 11; L. 1963, ch. 480, § 1; L. 1976, ch. 424, § 2; L. 1988, ch. 356, § 325; L. 2008, ch. 109, § 106; L. 2014, ch. 141, § 113; July 1.