

## HOUSE BILL No. 2746

By Committee on Taxation

3-16

1 AN ACT concerning municipalities; relating to bonding authority;  
2 providing for a temporary higher maximum interest rate; amending  
3 K.S.A. 2019 Supp. 10-1009 and repealing the existing section.  
4

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

6 Section 1. K.S.A. 2019 Supp. 10-1009 is hereby amended to read as  
7 follows: 10-1009. (a) The maximum stated rate of interest ~~which that~~ may  
8 be fixed on fixed-rate bonds issued by a municipality or taxing subdivision  
9 of the state of Kansas shall be determined on the day the bonds are sold  
10 and shall not exceed the daily yield for the ten-year treasury bonds  
11 published by the bond buyer, in New York, New York, on the Monday next  
12 preceding the day on which the bonds are sold, plus: (1) ~~three percent~~ 3%,  
13 if the interest on the bonds is excluded from gross income for federal  
14 income tax purposes; or (2) ~~four percent~~ 4%, if the interest on the bonds is  
15 included in gross income for federal income tax purposes.

16 (b) The maximum stated rate of interest ~~which that~~ may be fixed on  
17 variable-rate bonds issued by a municipality or taxing subdivision of the  
18 state of Kansas shall be determined on the date on which the rate is  
19 determined in accordance with the resolution or ordinance of the issuer  
20 and shall not exceed the daily yield for the ten-year treasury bonds  
21 published by the bond buyer, in New York, New York, on the Monday next  
22 preceding such date, plus: (1) ~~three percent~~ 3%, if the interest on the bonds  
23 is excluded from gross income for federal income tax purposes; or (2) ~~four~~  
24 ~~percent~~ 4%, if the interest on the bonds is included in gross income for  
25 federal income tax purposes.

26 (c) Except as provided for variable-rate bonds, the maximum rate of  
27 interest specified in this section shall be applicable to bonds issued after  
28 the effective date of this act. The maximum rate of interest on variable-rate  
29 bonds issued prior to the effective date of this act shall be the higher of:  
30 (1) The maximum rate of interest specified by subsection (a) or (b) of this  
31 section, as in effect prior to the effective date of this act; (2) the maximum  
32 rate of interest specified in this section; or (3) the rate for such variable-  
33 rate bonds specified in the documents authorizing the issuance thereof.

34 (d) Notwithstanding the foregoing, for the period from the effective  
35 date of this act ~~until and including through June 30, 2017~~ 2025, the  
36 maximum stated rate of interest ~~which that~~ may be fixed on fixed-rate or

1 variable-rate bonds issued by a municipality or taxing subdivision of the  
2 state of Kansas shall be determined on the day the bonds are sold and shall  
3 not exceed the daily yield for the ten-year treasury bonds published by the  
4 bond buyer, in New York, New York, on the Monday next preceding the  
5 day on which the bonds are sold, plus: (1) 6%, if the interest on the bonds  
6 is excluded from gross income for federal income tax purposes; or (2) 7%,  
7 if the interest on the bonds is included in gross income for federal income  
8 tax purposes.

9 Sec. 2. K.S.A. 2019 Supp. 10-1009 is hereby repealed.

10 Sec. 3. This act shall take effect and be in force from and after its  
11 publication in the Kansas register.