

## 2020 Kansas Statutes

**79-2939. No-fund warrants for emergencies, when; procedure; limitation of amount; notice and hearing; protests; tax levy to pay.** Whenever there is an unforeseen occurrence which causes an expense in any fund of any municipality or other taxing district which could not have been anticipated at the time the budget for the current budget year was prepared, and by reason of such unforeseen occurrence the governing body of any such municipality or taxing district is of the opinion that it will be impossible to pay for such unforeseen expense and pay for the imperative functions of the fund without incurring indebtedness in excess of the adopted budget of expenditures for the current budget year, the governing body may make application to the state board of tax appeals for authority to issue no-fund warrants to pay for such unforeseen expense. 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: (1) The nature of the unforeseen occurrence; (2) a copy of the final budget adopted for the current budget year; and (3) a detailed statement showing why the budgeted expenditures for the current budget year cannot be reduced during the remainder of the current budget year so that the total expenditure for the current budget year, including the unforeseen expense, will not exceed the adopted budget. If the state board of tax appeals shall find that the evidence submitted in writing in support of the application shows:

(a) There was an occurrence which could not have been foreseen at the time the budget for the current budget year was prepared; and

(b) that from the time of such unforeseen occurrence to the end of the current budget year it will be impossible to reduce the expenditures of the adopted budget to the extent the total expenditure for the current budget year, including the unforeseen expense, will not exceed the adopted budget, the state board of tax appeals is empowered to authorize the issuance of warrants for the payment of that portion, in dollars, of such unforeseen expense which must be in excess of the adopted budget. The amount of such warrants for a public utility fund shall not exceed the amount of money on hand in the utility fund not required for budgeted expenses. The amount of such warrants for any fund, excepting public utility funds, of any municipality or other taxing district, other than a township, shall not exceed the amount of money that could have been raised by levy for such fund under the individual fund limit for the payment of expenses of the current budget year, nor shall the amount of such warrants for any fund, of any municipality or other taxing district, other than a township, exceed 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 such tax funds, other than warrants issued by a township, exceed the amount of money that would have been raised by levy within the aggregate limit prescribed by law for such municipality or other taxing district for the payment of expenses of the current budget year.

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 application shall be borne by the municipality or taxing district making application. Any taxpayer interested may file a written protest against such application. Any member of the governing body of the municipality or other taxing district making 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 municipality or other taxing district shall make not more than five equal annual tax levies, as determined by the state board of tax appeals, except as to any public utility funds, at the next succeeding tax-levying periods after such authority is

granted, sufficient to pay such warrants, and such tax levy or levies may be levied outside of the aggregate tax levy limit prescribed by law. If there is money in the fund over and above the amount needed for the adopted budget, such money shall be used and the tax levy or levies shall be only for the difference, if any, between the money available and the amount of warrants issued. Any municipality having a surplus in any public utility fund may use such surplus to pay the warrants authorized by the state board of tax appeals under this section. When the money must be raised by a tax levy the taxing unit may issue and sell at par no-fund warrants in multiples of \$100 and place the money in the fund and issue regular warrants in the usual manner.

Whenever any municipality or taxing district receives insurance money in payment of damage occasioned by the unforeseen occurrence, and authority to issue warrants is authorized by the state board of tax appeals under this section, such insurance money shall be deposited with the county treasurer immediately and used by the county treasurer in lieu of ad valorem taxes as provided in K.S.A. 79-2940, and amendments thereto. This section shall not require a deposit of insurance money in excess of the total amount of such warrants and interest thereon.

**History:** L. 1941, ch. 377, § 12; L. 1947, ch. 456, § 1; L. 1975, ch. 499, § 1; L. 1976, ch. 424, § 3; L. 1981, ch. 383, § 1; L. 1988, ch. 356, § 326; L. 2008, ch. 109, § 107; L. 2014, ch. 141, § 114; July 1.