

10-1116. Limits of indebtedness may be exceeded, when; creating indebtedness in violation of act unlawful. (a) The limits of indebtedness prescribed under the provisions of article 11 of chapter 10 of the Kansas Statutes Annotated may be exceeded when: (1) Payment has been authorized by a vote of the electors of the municipality; (2) provision has been made for payment by the issuance of bonds or temporary notes as provided by law; (3) provision has been made for payment by the issuance of no-fund warrants authorized by law and in the manner, and limited in amount as prescribed by law; (4) provision has been made for a revolving fund for the operation of any municipal airport financed and sustained partially or wholly by fees, rentals, proceeds from the sale of merchandise or charges for rendering services, received from the users of such airport; (5) provision has been made for payment pursuant to a service agreement entered into pursuant to K.S.A. 12-5503, and amendments thereto; or (6) the indebtedness is created by a municipality in establishing a post-employment benefits trust fund in accordance with K.S.A. 12-16,102, and amendments thereto.

(b) Notwithstanding any other limits of indebtedness prescribed under the provisions of article 11 of chapter 10 of the Kansas Statutes Annotated, the following funds shall have as a limit of indebtedness an amount equal to 100% of the accrued revenue of the current fiscal year plus any balances carried forward, cash reserves, intergovernmental grants, and sums advanced to qualify for intergovernmental grants: (1) Special recreation facilities reserve funds set up by any board of park commissioners or any municipality for a revolving fund for the repair, replacement or addition to recreational facilities; (2) enterprise funds set up in any municipality to account for the financing of self-supporting activities of governmental units which render services on a user charge basis to the general public, such as municipal utilities engaged in the provision of water, electricity and natural gas and sanitary sewer systems which are financed by user charges; or (3) intragovernmental service funds or working capital funds established in any municipality to finance and account for services and commodities furnished by a designated agency of a governmental unit to other departments of the same governmental unit such as funds established for central garages and motor pools, central printing and duplicating services and central purchasing and stores departments.

The board of education of any school district, the board of regents of any municipal university or the board of trustees of any community college may enter into contracts for teachers and other necessary employees and for continuing operating expenses in excess of the amount of funds actually on hand for that purpose. The limit of indebtedness provided by this section shall never exceed 100% of the amount actually expended for school purposes for the last preceding fiscal year during which school was conducted.

(c) It shall be unlawful for any member of the governing body of any municipality, as defined in K.S.A. 10-1101, and amendments thereto, to knowingly vote for or in any manner aid or promote the entering into of any contract or the creation of any other indebtedness in violation of the provisions of this section.

History: L. 1933, ch. 319, § 16; L. 1941, ch. 98, § 1; L. 1945, ch. 92, § 1; L. 1959, ch. 62, § 2; L. 1963, ch. 68, § 1; L. 1974, ch. 47, § 1; L. 1975, ch. 49, § 1; L. 1990, ch. 64, § 12; L. 2007, ch. 82, § 2; Apr. 12.