

HOUSE BILL No. 2294

By Representative Hodge

2-13

1 AN ACT concerning transfers in municipal funds; requiring a motion and
2 notice when transferring utility funds to the general fund; amending
3 K.S.A. 12-825d and repealing the existing section.
4

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

6 Section 1. K.S.A. 12-825d is hereby amended to read as follows: 12-
7 825d. Except as otherwise hereinafter provided, in any city of the first,
8 second or third class owning a waterworks, fuel, power or lighting plant,
9 the revenue derived from the sale and consumption of water, fuel, power
10 or light shall not be paid out or disbursed except for the purpose of
11 operating, renewing or extending the plant or distribution system from
12 which such revenue was derived, the payment of interest on outstanding
13 bonds issued for the construction, extension or purchase thereof, and the
14 payment of the salaries of the employees. At any time that there may be a
15 surplus of such fund, it shall, if needed to redeem bonds, be quarterly
16 placed in a sinking fund, which shall only be used for the purpose of
17 redeeming bonds that may have been issued for acquiring, renewing or
18 extending said plant or distribution system, or making renewals or
19 extensions thereto. When any surplus of either the operating fund or
20 sinking fund is not needed for any of the above stated purposes, said
21 surpluses:

22 (a) May be transferred and merged into the city general revenue fund
23 or any other fund or funds of such city. *Any such transfer must be*
24 *approved by the governing body in a separate motion and notice of such*
25 *transfer must be published in the official newspaper of the city stating the*
26 *amount to be transferred and the intended use of such transferred funds;* or

27 (b) upon approval of the voters as authorized by K.S.A. 12-825g, and
28 amendments thereto, in cities of the second class having a population of
29 not less than ~~six thousand (6,000)~~ 6,000 and not more than ~~twelve~~
30 ~~thousand (12,000)~~ 12,000 and which are located in a county having a total
31 assessed taxable tangible valuation of not less than ~~thirty-two million~~
32 ~~dollars (\$32,000,000)~~ \$32,000,000 and not more than ~~forty-five million~~
33 ~~dollars (\$45,000,000)~~ \$45,000,000, a part of such surpluses may be
34 annually transferred, for a period not exceeding five years, to a special
35 fund, which shall be known as "the community and utility promotion
36 fund," but the total amount transferred to such fund in any one calendar

1 year shall not exceed: (1) ~~one percent (1%)~~ 1% of the gross income
2 derived from the sale of water, fuel, power and light during the preceding
3 calendar year by such ~~city, city;~~ or (2) ~~ten thousand dollars (\$10,000)~~
4 \$10,000, whichever amount is the lesser, and at no time shall there be
5 more than ~~fifty thousand dollars (\$50,000)~~ \$50,000 in ~~said the~~ fund, and
6 the moneys in ~~said the~~ fund may be expended for the purposes authorized
7 by K.S.A. 12-825g, and amendments thereto; or

8 (c) such surpluses, in whole or in part, may be set aside in a
9 depreciation reserve fund of the utility ~~which~~ that may be used as
10 hereinabove provided, and which may be invested in investments
11 authorized by K.S.A. 12-1675, and amendments thereto, in the manner
12 prescribed therein or in United States government bonds or in municipal
13 bonds of any county, township, city or school district in the state of Kansas
14 where the bonded indebtedness thereof does not exceed ~~fifteen percent~~
15 ~~(15%)~~ 15% of its total assessed valuation as shown by the last assessment
16 preceding such investment.

17 Sec. 2. K.S.A. 12-825d is hereby repealed.

18 Sec. 3. This act shall take effect and be in force from and after its
19 publication in the statute book.