

2021 Kansas Statutes

75-3725a. Certificates of indebtedness; procedure and conditions for issuance; redemption. (a)

Whenever it appears that the estimated resources for any fiscal year in the state general fund are sufficient to meet in full the estimated expenditures and obligations for that fiscal year, but that the estimated resources in the state general fund in any month or months of such fiscal year are insufficient to meet in full the estimated expenditures and obligations for such month or months as the same become due, the director of the budget shall so inform the secretary of administration. Unless the secretary finds that the estimates of the director of the budget are grossly incorrect, the secretary shall inform the governor of the report of the director of the budget, and thereupon the governor shall call a meeting of the state finance council within 48 hours after receiving such notice for the sole purpose of implementing provisions of this act. At such meeting the director of the budget shall inform the state finance council of the facts which caused the meeting to be called and together with the director of accounts and reports shall report upon the finances of the state relevant to the call of such meeting, including the availability of moneys invested in accordance with the provisions of article 42 of chapter 75 of the Kansas Statutes Annotated, and amendments thereto, to meet all the obligations of the state as the same become due. Thereupon the state finance council may by the affirmative vote of the governor and of six of the legislator members of the council order the pooled money investment board to issue a written certificate of indebtedness subject to redemption from the state general fund not later than June 30 next following the issuance of such certificate of indebtedness. Upon the issuance of any such certificate of indebtedness the state treasurer shall purchase the same for the amount specified therein from state moneys available for investment in accordance with the provisions of article 42 of chapter 75 of Kansas Statutes Annotated, and amendments thereto. Upon the occurrence of any such purchase the state treasurer and the director of accounts and reports shall make appropriate entries to credit the state general fund in the amount of the state treasurer's purchase. In the event that the state finance council orders the issuance of any certificate of indebtedness under authority of this act, the amount thereof shall be sufficient in the opinion of the state finance council to increase the resources of the state general fund such that such resources will be sufficient to meet the estimated expenditures and obligations from the state general fund in each month for the balance of such fiscal year. No interest shall accrue or be paid on any such certificate of indebtedness. Not later than June 30 following the issuance of any such certificate of indebtedness the pooled money investment board shall redeem such certificate of indebtedness by issuing an order to the state treasurer to return such certificate of indebtedness with the word "canceled" written across the same by the state treasurer, and thereupon the state treasurer and the director of accounts and reports shall make appropriate entries to reduce the balance of the state general fund by the amount specified in such certificate of indebtedness and restore the same to the state moneys available for investment in accordance with the provisions of article 42 of chapter 75 of Kansas Statutes Annotated, and amendments thereto.

(b) Whenever it appears that the estimated resources for any fiscal year in the state general fund are sufficient to meet in full the estimated expenditures and obligations from such fund for such fiscal year and in addition to redeem any outstanding certificates of indebtedness issued pursuant to subsection (a), but that the estimated resources in the state general fund, including the amount of any outstanding certificate of indebtedness, in any month or months of such fiscal year are insufficient to meet in full the estimated expenditures and obligations for such month or months as the same become due, the state

finance council may direct the pooled money investment board to issue another certificate of indebtedness. The issuance and redemption of any certificate of indebtedness issued under this subsection (b) shall be governed by the provisions of subsection (a).

History: L. 1970, ch. 363, § 1; L. 1976, ch. 58, § 6; L. 1983, ch. 288, § 1; L. 1994, ch. 13, § 2; March 17.