

SENATE BILL No. 353

By Committee on Ways and Means

3-8

AN ACT concerning school districts; relating to payment of bonded debt on schedule; creating the school district bond payment guarantee fund; prescribing certain powers, duties and functions for the state board of education and the state treasurer and other paying agents; prescribing certain procedures, interest payments and taxes for repayments by school districts.

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

Section 1. (a) (1) In accordance with this section, the state board of education shall guarantee that the principal and interest payments of all general obligation bonds of each unified school district are paid on schedule and in accordance with the terms of such bonds. The state board of education shall adopt policies and procedures for the administration of this section, including the reporting of the principal and interest payment schedules for all general obligation bonded debt of each unified school district to the state board of education.

(2) If any scheduled payment of principal or interest, or both, for any general obligation bonded debt is not going to be paid by a unified school district as scheduled, then the board of education of such unified school district shall certify such information to the state board of education, not later than 15 days prior to the scheduled payment date in the form and with such information as may be prescribed by the state board of education. The state treasurer, as paying agent for any general obligation bonds of a school district, and any bank acting as paying agent for any general obligation bonds of a school district shall notify the state board of education not less than three days prior to a scheduled date for the payment of principal or interest, or both, on such general obligation bonds if the funds required to make the payment are not on deposit with such paying agent.

(3) Upon receipt of any such certification or notification, the state board of education shall certify to the director of accounts and reports the amount that is required to pay the bond and interest payment on schedule as required by the terms of such bonds. Upon receipt of any such certification from the state board of education, the director of accounts and reports shall transfer the amount certified from the state gen-

1 eral fund to the school district bond payment guarantee fund. Upon such
2 transfer, the state board of education shall pay such amount for the bond
3 and interest payment from the school district bond payment guarantee
4 fund on the scheduled payment date.

5 (b) The school district bond payment guarantee fund is hereby es-
6 tablished in the state treasury and shall be used for the purpose of guar-
7 anteeing the payment of the principal and interest payments on general
8 obligation bonds issued by unified school districts when due and in ac-
9 cordance with the schedule of bond payments. The state board of edu-
10 cation shall administer the school district bond payment guarantee fund.
11 All expenditures from the school district bond payment guarantee fund
12 shall be made in accordance with appropriation acts upon warrants of the
13 director of accounts and reports issued pursuant to vouchers approved
14 by a person or persons designated by the state board of education.

15 (c) If the state board of education makes one or more bond principal
16 and interest payments for a unified school district under this section, the
17 state board of education shall certify all such payments to the board of
18 education of such unified school district. In each such case, the unified
19 school district shall pay to the state board of education the aggregate of
20 all such bond principal and interest payments made for the unified school
21 district plus interest at the rate of 10% per annum until such aggregate
22 amount, and any interest accumulated thereon, has been paid to and
23 received by the state board of education. Upon receipt, all such moneys
24 received by the state board of education from unified school districts
25 under this section shall be deposited in the state treasury and credited to
26 the state general fund.

27 (d) Notwithstanding the provisions of any other statute to the con-
28 trary, if the state board of education makes one or more bond principal
29 and interest payments for a unified school district under this section, then
30 no state school financial assistance shall be paid by the state board of
31 education to such unified school district under any statute until the ag-
32 gregate of such payment or payments plus interest has been paid to and
33 received by the state board of education as required by this section. As
34 used in this section, "state school financial assistance" means and includes
35 any general state aid or supplemental general state aid under the school
36 district finance and quality performance act, any state assistance for the
37 provision of special education services under the special education for
38 exceptional children act, any payments from the school district capital
39 improvements fund under K.S.A. 75-2319 and amendments thereto and
40 any other financial assistance pursuant to any other state statute or the
41 provisions of any appropriation act.

42 (e) Notwithstanding the provisions of any other statute to the con-
43 trary, if the state board of education makes a bond principal or interest

1 payment for a unified school district under this section and the unified
2 school district has not repaid the full amount of such payment, plus in-
3 terest, within 60 days after the date of the payment by the state board of
4 education, then the state board of education shall certify the aggregate
5 of all amounts that such unified school district is required to pay to the
6 state board of education under this section to the county clerk of the
7 home county of such unified school district. In accordance with such
8 certification, there shall be imposed upon the taxable tangible property
9 of such unified school district an additional tax levy by the unified school
10 district to provide tax revenues for payment of the amount to be paid by
11 the unified school district to the state board of education as required by
12 this section.

13 (f) Any obligation of the state board of education for payment of one
14 or more bond principal or interest payments, or both, for a unified school
15 district under this section shall not be considered a debt or obligation of
16 the state for the purpose of section 6 of article 11 of the constitution of
17 the state of Kansas.

18 (g) This section applies to existing and future general obligation
19 bonds issued by a unified school district. For purposes of this section,
20 general obligation bonds are obligations expressly secured by the full
21 faith, credit and taxing power of the unified school district that issues the
22 bonds.

23 Sec. 2. This act shall take effect and be in force from and after its
24 publication in the Kansas register.

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