

HOUSE BILL No. 2922

By Committee on Appropriations

2-20

9 AN ACT concerning municipalities; relating to disaster emergencies;
10 amending K.S.A. 79-2940 and repealing the existing section.

11

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

13 New Section 1. (a) Whenever there is a disaster emergency decla-
14 ration by the governor under the provisions of K.S.A. 48-924, and amend-
15 ments thereto, and by the president of the United States under provisions
16 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act
17 and such disaster causes an expense in any fund of any municipality which
18 could not have been anticipated at the time the budget for the current
19 budget year was prepared, and by reason of such disaster emergency the
20 governing body of any such municipality is of the opinion that it will be
21 impossible to pay for such unforeseen expense and pay for the imperative
22 functions of the fund without incurring indebtedness in excess of the
23 adopted budget of expenditures for the current budget year, the govern-
24 ing body may make application to the board of tax appeals for authority
25 to issue no-fund warrants to pay for such unforeseen expense. The ap-
26 plication shall be signed and sworn to, and shall have a majority approval
27 of any governing body composed of three members or less, and a $\frac{3}{4}$
28 majority of any governing body composed of more than three members.
29 The application shall reveal: (1) The nature of the disaster emergency;
30 (2) a copy of the final budget adopted for the current budget year; and
31 (3) a detailed statement showing why the budgeted expenditures for the
32 current budget year cannot be reduced during the remainder of the cur-
33 rent budget year so that the total expenditure for the current budget year,
34 including the disaster emergency expense, will not exceed the adopted
35 budget.

36 (b) If the board of tax appeals shall find that the evidence submitted
37 in writing in support of the application shows:

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

40 (2) that from the time of such disaster emergency to the end of the
41 current budget year it will be impossible to reduce the expenditures of
42 the adopted budget to the extent the total expenditure for the current
43 budget year, including the unforeseen expense, will not exceed the

1 adopted budget, the board of tax appeals is empowered to authorize the
2 issuance of warrants for the payment of that portion (in dollars) of such
3 unforeseen expense which must be in excess of the adopted budget.

4 No order for the issuance of such warrants shall be made without a
5 public hearing before the board of tax appeals conducted in accordance
6 with the provisions of the Kansas administrative procedure act. In addi-
7 tion to notice to the parties, notice of such hearing shall be published in
8 two issues of a paper of general circulation within the district applying
9 for such authority at least 10 days prior to such hearing. The notice shall
10 be in such form as the board of tax appeals prescribes, and the expense
11 of such application shall be borne by the municipality making application.
12 Any taxpayer interested may file a written protest against such application.
13 Any member of the governing body of the municipality making applica-
14 tion hereunder may appear and be heard in person at such hearing in
15 support of the application. All records and findings of such hearings shall
16 be subject to public inspection.

17 Whenever the authority to issue warrants under this section is granted,
18 the governing body of such municipality shall make not more than five
19 equal annual tax levies, as determined by the board of tax appeals suffi-
20 cient to pay such warrants. If there is money in the fund over and above
21 the amount needed for the adopted budget, such money shall be used
22 and the tax levy or levies shall be only for the difference, if any, between
23 the money available and the amount of warrants issued. Any municipality
24 having a surplus in any public utility fund may use such surplus to pay
25 the warrants authorized by the board of tax appeals under this section.
26 When the money must be raised by a tax levy the municipality may issue
27 and sell at par no-fund warrants in multiples of \$100 and place the money
28 in the fund and issue regular warrants in the usual manner. Whenever
29 any municipality receives insurance money in payment of damage occa-
30 sioned by the disaster emergency, and authority to issue warrants is au-
31 thorized by the board of tax appeals under this section, such insurance
32 money shall be deposited with the county treasurer immediately and used
33 by the county treasurer in lieu of ad valorem taxes as provided in K.S.A.
34 79-2940, and amendments thereto. This section shall not require a deposit
35 of insurance money in excess of the total amount of such warrants and
36 interest thereon.

37 (c) The term "municipality" shall mean a city or county.

38 (d) The adjutant general of the state of Kansas shall establish a pilot
39 program whereby the interest costs for no fund warrants issued under
40 the authority of this section may be reimbursed by the state of Kansas to
41 the municipality to alleviate major financial hardship of a municipality.
42 The adjutant general shall adopt rules and regulations to implement this
43 pilot program which shall expire on July 1, 2013.

1 Sec. 2. K.S.A. 79-2940 is hereby amended to read as follows: 79-
2 2940. A certified copy of orders issued by the board of tax appeals au-
3 thORIZING the issuance of warrants in accordance with the provisions of
4 K.S.A. 79-2938 ~~and~~, 79-2939 *and section 1*, and amendments thereto,
5 shall be delivered by the board of tax appeals to the county treasurer,
6 county clerk, and clerk of the municipality or other taxing district. War-
7 rants issued thereunder shall be issued in like manner as other warrants,
8 or such warrants in multiples of ~~one hundred dollars (\$100)~~ \$100 not
9 exceeding the amount authorized and to be raised by tax levy may be
10 issued and sold at par and the money placed in the fund and paid out on
11 regular warrants, and the warrants or single warrant issued under this
12 section shall bear interest at the rate of not more than the maximum rate
13 of interest prescribed by K.S.A. 10-1009, and amendments thereto, ex-
14 cept that such warrants shall be made payable at the office of the county
15 treasurer, shall be designated on their face as “no-fund warrants,” and
16 shall also bear the notation “issued pursuant to authority granted by order
17 No. _____, dated _____ of the state board of tax appeals.”

18 Such warrants, when presented to the county treasurer, shall be reg-
19 istered in accordance with the provisions of K.S.A. 10-807 and 10-808,
20 and amendments thereto. No warrants shall be registered in excess of the
21 amount authorized by the board of tax appeals. The county treasurer shall
22 maintain a separate register for such warrants and all warrants issued
23 under a particular order of the board of tax appeals shall be registered
24 under the particular order number in the register. When the tax levy to
25 redeem warrants issued under K.S.A. 79-2938 ~~and~~, 79-2939 *and section*
26 *1*, and amendments thereto, is made, the county treasurer shall keep the
27 proceeds of such tax levy in a separate fund and charge the warrants
28 against such fund when paid. In the event a surplus exists in any such
29 fund at any tax levying time, the county treasurer shall certify the amount
30 of such surplus to the county clerk and the county clerk shall deduct the
31 levy equivalent of such surplus from the general fund tax levy of such
32 district, and the maximum general fund levy and aggregate limit of such
33 taxing district shall be reduced accordingly, and that amount of surplus
34 shall be considered and used as revenue in lieu of ad valorem taxes for
35 such taxing district.

36 On January 1 following such action by the county clerk, and in that
37 event only, the county treasurer shall transfer to the general fund of such
38 taxing district the amount of surplus as used by the county clerk in re-
39 ducing ad valorem taxes, except that the governing body of any city may
40 request, by resolution, that the county treasurer pay to the city treasurer
41 all money collected from the levy for the payment of emergency warrants.
42 Upon presentation of such resolution, the county treasurer shall pay to
43 the city treasurer all moneys collected from the levy for the payment of

1 such warrants and the city treasurer shall deposit the money in the bond
2 and interest fund and redeem the emergency warrants for which such
3 levy was made and shall forthwith exhibit such redeemed warrants to the
4 county treasurer who shall record such redemption in the warrant reg-
5 ister. The provisions of this act shall not apply to utilities managed, op-
6 erated and controlled by a board of public utilities as provided for by
7 chapter 126 of the Laws of Kansas for 1929.
8 Sec. 3. K.S.A. 79-2940 are hereby repealed.
9 Sec. 4. This act shall take effect and be in force from and after its
10 publication in the statute book.