

SESSION OF 2015

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2260

As Recommended by House Committee on
Financial Institutions

Brief*

HB 2260 would amend provisions in the general bond law relating to municipal finance and temporary notes. The bill would remove the requirement that temporary notes, which are debt instruments used by municipalities for short-term financing, be confined to one sheet of paper. The bill also would make technical amendments by updating and rephrasing the language used in the statute.

Background

The bill was introduced in the House Committee on Financial Institutions by Representative Campbell on behalf of the State Treasurer's Office.

In the House Committee, a representative of the State Treasurer's Office spoke in favor of the bill, stating the current statutory requirement that a temporary note be restricted to one sheet of paper is an antiquated and unnecessary requirement in the modern electronic exchange environment, as temporary notes now are held in a clearinghouse to be traded electronically. He stated striking this restriction will allow bond attorneys to print the needed documentation in a readable format and will have no effect on the validity of the temporary note issue. There was no neutral or opponent testimony.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

According to the fiscal note prepared by the Division of the Budget, the League of Municipalities indicates passage of the bill would have no fiscal effect on the cities of Kansas. The State Treasurer indicates passage of the bill would have no fiscal effect on the department or on local governments.