

SENATE BILL No. 4

AN ACT concerning the cash-basis law; relating to exemptions therefrom; amending K.S.A. 10-1102 and 10-1116a and repealing the existing sections.

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

Section 1. K.S.A. 10-1102 is hereby amended to read as follows: 10-1102. (a) *K.S.A. 10-1101 through 10-1122, and amendments thereto, shall be known and may be cited as the cash-basis law.*

(b) All municipalities are required to pay or refinance their valid indebtedness as ~~in this act~~ provided *in the cash-basis law*, in the manner and at the times herein set forth, and to contract no indebtedness after May 1, 1933, except as ~~herein~~ provided *by the cash-basis law*. It is hereby declared that the purpose of this act is to provide for the funding and payment of all legal debts and obligations except present bonded indebtedness of all municipalities and for the future conduct of the financial affairs of such municipality upon a cash basis.

Sec. 2. K.S.A. 10-1116a is hereby amended to read as follows: 10-1116a. ~~The provisions of this act~~ *limitations on expenditures imposed under the cash-basis law* shall not apply to:

(a) Expenditures in excess of current revenues made for municipally owned and operated utilities out of the fund of such utilities caused by, or resulting from the meeting of, extraordinary emergencies including drought emergencies. In such cases expenditures in excess of current revenues may be made by declaring an extraordinary emergency by resolution adopted by the governing body and such resolution shall be published at least once in a newspaper of general circulation in such city. Thereupon, such governing body may issue interest bearing no-fund warrants on such utility fund in an amount, including outstanding previously issued no-fund warrants, not to exceed 25% of the revenues from sales of service of such utility for the preceding year. Such warrants shall be redeemed within three years from date of issuance and shall bear interest at a rate of not to exceed the maximum rate of interest prescribed by K.S.A. 10-1009, and amendments thereto. Upon the declaration of a drought emergency, the governing body may issue such warrants for water system improvement purposes in an amount not to exceed 50% of the revenue received from the sale of water for the preceding year. Such warrants shall be redeemed within five years from the date of issuance and shall bear interest at a rate not to exceed the maximum rate of interest prescribed by K.S.A. 10-1009, and amendments thereto.

(b) *Expenditures by school districts which are in excess of current revenues if the deficit or shortage in revenues is caused by, or a result of, the late distribution of state aid under K.S.A. 72-6417, and amendments thereto.*

*The provisions of this subsection shall apply to expenditures made in school year 2001-2002, school year 2002-2003, school year 2003-2004, school year 2004-2005, school year 2005-2006 and school year 2006-2007.*

Sec. 3. K.S.A. 10-1102 and 10-1116a are hereby repealed.

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Sec. 4. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the SENATE, and passed that body

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SENATE adopted  
Conference Committee Report \_\_\_\_\_

\_\_\_\_\_  
*President of the Senate.*

\_\_\_\_\_  
*Secretary of the Senate.*

Passed the HOUSE  
as amended \_\_\_\_\_

HOUSE adopted  
Conference Committee Report \_\_\_\_\_

\_\_\_\_\_  
*Speaker of the House.*

\_\_\_\_\_  
*Chief Clerk of the House.*

APPROVED \_\_\_\_\_

\_\_\_\_\_  
*Governor.*