

SESSION OF 2008

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2749**

As Amended by House Committee on  
Elections and Governmental Organization

**Brief\***

HB 2749 would authorize any township board with a surplus in its general fund to transfer, by resolution, up to 25 percent of general fund revenue into a township equipment reserve fund. The purpose of the equipment reserve fund would be to finance the acquisition of equipment.

Upon transfer, the revenue in the equipment reserve fund would not be subject to the hearing and other requirements currently in statute for taxing subdivisions' budgets. The budget would be required to show the amounts credited to, available in, and expended from the equipment reserve fund. Equipment reserve fund revenue could be invested as allowed currently for governmental subdivisions.

If the township board determines any portion of the money in the reserve fund is not needed for equipment, the board would be permitted to transfer the money back to the general fund. Upon retransfer, the money again would be subject to the budget requirements currently in statute for taxing subdivisions' budgets.

**Background**

Representative Ann Mah and representatives of several townships testified in support of the bill. The Secretary of the Kansas Department of Administration testified neutrally. No opponents testified.

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\*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>

The conferees indicated the following: Current law allows townships to accumulate funds for machinery and equipment acquisition only by line item in the general fund. Taxpayers can become confused on the goals of an accumulation in such a line item, and questions surface regarding the need for levying taxes when there appears to be excess cash in the fund. Budgeting for transfers to a special fund over a period of years (as was done in the past prior to the elimination of all funds except a general fund) would allow townships to keep tax levies at a constant level over time.

The House Committee made a technical amendment to the bill.

The fiscal note indicates passage of the bill would have no fiscal effect.