

SESSION OF 2012

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2420

As Amended by House Committee on Local
Government

Brief*

HB 2420 would extend for three years the authorized and outstanding bonded indebtedness of the City of Junction City as follows:

- The ending date for the city's existent rate limitation of 37 percent of assessed valuation would be extended from June 30, 2013, to June 30, 2016; and
- The beginning date for a rate limitation of 34 percent would be moved from July 1, 2013, to July 1, 2016, and the ending date for that rate would be extended from June 30, 2015, to June 30, 2020. At that time, the city's rate would revert to the normal rate of 30 percent.

Background

Representative James Fawcett and the Junction City Mayor, Manager, and Finance Director appeared in support of the bill. No opponents testified. According to the proponents, Junction City issued bonds to fund infrastructure in anticipation of projected military housing needs that did not materialize. The conferees indicated errors had been made, but the city also had made considerable efforts to adjust its administration in order to correct the situation. The bill, they said, would allow the city to complete its financial recovery

*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>

plan, which was developed with the help of a financial advisory team.

According to the fiscal note, prepared by the Division of the Budget, passage of the bill would have no fiscal effect on the state budget. The fiscal note cites the League of Kansas Municipalities as indicating there would be no fiscal effect on any city but Junction City.