AN ACT concerning transfers in municipal funds; requiring a motion and notice when transferring utility funds to the general fund; amending K.S.A. 12-825d and repealing the existing section.

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

Section 1. K.S.A. 12-825d is hereby amended to read as follows: 12-825d. Except as otherwise hereinafter provided, in any city of the first, second or third class owning a waterworks, fuel, power or lighting plant, the revenue derived from the sale and consumption of water, fuel, power or light shall not be paid out or disbursed except for the purpose of operating, renewing or extending the plant or distribution system from which such revenue was derived, the payment of interest on outstanding bonds issued for the construction, extension or purchase thereof, and the payment of the salaries of the employees. At any time that there may be a surplus of such fund, it shall, if needed to redeem bonds, be quarterly placed in a sinking fund, which shall only be used for the purpose of redeeming bonds that may have been issued for acquiring, renewing or extending said plant or distribution system, or making renewals or extensions thereto. When any surplus of either the operating fund or sinking fund is not needed for any of the above stated purposes, said surpluses:

(a) May be transferred and merged into the city general revenue fund or any other fund or funds of such city. Any such transfer must be approved by the governing body in a separate motion and notice of such transfer must be published in the official newspaper of the city stating the amount to be transferred and the intended use of such transferred funds; or

(b) upon approval of the voters as authorized by K.S.A. 12-825g, and amendments thereto, in cities of the second class having a population of not less than six thousand (6,000) 6,000 and not more than twelve thousand (12,000) 12,000 and which are located in a county having a total assessed taxable tangible valuation of not less than thirty two million dollars ($32,000,000) $32,000,000 and not more than forty five million dollars ($45,000,000) $45,000,000, a part of such surpluses may be annually transferred, for a period not exceeding five years, to a special fund, which shall be known as the community and utility promotion fund, but the total amount transferred to such fund in any one calendar
year shall not exceed: (1) one percent (1%) 1% of the gross income
derived from the sale of water, fuel, power and light during the preceding
calendar year by such city; or (2) ten thousand dollars ($10,000)
$10,000, whichever amount is the lesser, and at no time shall there be
more than fifty thousand dollars ($50,000) $50,000 in said the fund, and
the moneys in said the fund may be expended for the purposes authorized
by K.S.A. 12-825g, and amendments thereto; or
(c) such surpluses, in whole or in part, may be set aside in a
depreciation reserve fund of the utility which that may be used as
hereinabove provided, and which may be invested in investments
authorized by K.S.A. 12-1675, and amendments thereto, in the manner
prescribed therein or in United States government bonds or in municipal
bonds of any county, township, city or school district in the state of Kansas
where the bonded indebtedness thereof does not exceed fifteen percent
(15%) 15% of its total assessed valuation as shown by the last assessment
preceding such investment.
Sec. 2. K.S.A. 12-825d is hereby repealed.
Sec. 3. This act shall take effect and be in force from and after its
publication in the statute book.