

## 2021 Kansas Statutes

79-2951. **No-fund warrants for emergencies in certain cities of second class, when; procedure; limitation of amount; notice and hearing; protests; tax levy to pay.** Whenever there is an unforeseen occurrence which causes an expense in any fund of any city of the second class having a population over 3,000 and located in a county having a population of not less than 14,000 nor more than 16,000 with a total assessed tangible valuation under \$30,000,000 which could not have been anticipated at the time the budget for the current budget year was prepared, and by reason of such unforeseen occurrence the governing body of any such city is of the opinion that it will be impossible to pay for such unforeseen expense and pay for the imperative functions of such fund without incurring indebtedness in excess of the adopted budget of expenditures for the current budget year, the governing body may make application to the state board of tax appeals for authority to issue warrants to pay for such unforeseen expense. The application shall be signed and sworn to, and shall have a majority approval of any governing body composed of three members or less, and a 3/4 majority of any governing body composed of more than three members. The application shall reveal: (1) The nature of the unforeseen occurrence; (2) a copy of the final budget adopted for the current budget year; and (3) a detailed statement showing why the budgeted expenditures for the current budget year cannot be reduced during the remainder of the current budget year so that the total expenditure for the current budget year, including the unforeseen expense, will not exceed the adopted budget. If the board shall find that the evidence submitted in writing in support of the application shows:

- (a) There was an occurrence which could not have been foreseen at the time the budget for the current budget year was prepared; and
- (b) that from the time of such unforeseen occurrence to the end of the current budget year it will be impossible to reduce the expenditures of the adopted budget to the extent the total expenditure for the current budget year, including the unforeseen expense, will not exceed the adopted budget, the board is empowered to authorize the issuance of warrants for the payment of that portion, in dollars, of such unforeseen expense which must be in excess of the adopted budget. The amount of such warrants for a public utility fund shall not exceed the amount of money on hand in the utility fund not required for budgeted expenses. The amount of such warrants for any fund, excepting public utility funds, of any such city shall not exceed 50% of the amount of money that could have been raised by levy for such fund under the individual fund limit for the payment of expenses of the current budget year nor shall the amount of such warrants for any fund, of any such city exceed 50% of the amount of money that could have been raised by levy for such fund under the limitation placed upon such fund by reason of the aggregate limit. In no case shall the total amount of such warrants for all such tax funds exceed 50% of the amount of money that could have been raised by levy within the aggregate limit prescribed by law for such city for the payment of expenses of the current budget year.

No order for the issuance of such warrants shall be made without a public hearing before the board conducted in accordance with the provisions of the Kansas administrative procedure act. In addition to notice to the parties, notice of such hearing shall be published in two issues of a paper of general circulation within the city applying for such authority at least 10 days prior to such hearing. The notice shall be in such form as the board shall prescribe, and the expense of such application shall be borne by the taxing district making application. Any taxpayer interested may file a written protest against such application. All records and findings of such hearings shall be subject to public inspection. That whenever the authority to issue warrants under this section is granted, the governing body of such city

shall make a tax levy, except as to any public utility funds, at the first tax levying period after such authority is granted, sufficient to pay such warrants, and such tax levy may be levied outside of the aggregate tax levy limit prescribed by law. If there is money in the fund over and above the amount needed for the adopted budget such money shall be used and the tax levy shall be only for the difference, if any, between the money available and the amount of warrants issued. Any such city having a surplus in any public utility fund may use such surplus to pay the warrants authorized by the board under this section. When the money must be raised by a tax levy such city may issue and sell at par no-fund warrants in multiples of \$100 as hereinafter provided and place the money in the fund and issue regular warrants in the usual manner. Whenever any such city receives insurance money in payment of damage occasioned by the unforeseen occurrence, and authority to issue warrants is authorized by the board under this section, such insurance money shall be deposited with the county treasurer immediately and used by the county treasurer in lieu of ad valorem taxes as provided in K.S.A. 79-2940, and amendments thereto. This section shall not require a deposit of insurance money in excess of the total amount of such warrants and interest thereon.

**History:** L. 1951, ch. 181, § 1; L. 1988, ch. 356, § 328; L. 2008, ch. 109, § 110; L. 2014, ch. 141, § 117; July 1.