ATTORNEY GENERAL OPINION NO. 77-162

Ms. Ernestine Gilliland
State Librarian
Kansas State Library
535 Kansas Avenue
Topeka, Kansas 66603

Re: Cities--Buildings--Bonds

Synopsis: Bonds issued under subsection (h) of K.S.A. 12-1737 should not exceed an amount which, when combined with proceeds from a levy authorized under subsection (d) and proceeds of bonds issued under subsection (c), will exceed the amount of the building fund as fixed by the resolution creating such fund.

Dear Ms. Gilliland:

K.S.A. 12-1737 provides alternative methods for the financing of public buildings by cities. You advise that a city wishes to combine two financing methods, the issuance of bonds under subsection (c), and an annual levy under subsection (d). Subsection (h) provides thus in pertinent part:

"No levies shall be made for the purpose of creating a building fund under the provisions of this act until a resolution authorizing the making of such levies shall be adopted by the governing body of the city. Such resolution shall state the specific purpose for which such tax levy is made, the total amount proposed to be raised, [and] the number of years such tax levy shall be made . . . ."
Such building fund may be used for the purposes as in this act provided at any time after the second levy has been made. Should there be insufficient moneys in the building fund for expenditures for such purposes, the governing body may issue, in the manner provided by the general bond law of the state, bonds of the city in an amount which together with the amount raised by the tax levy authorized by this act will not exceed the total amount stated in the resolution creating such fund."

You ask whether "the issuance of bonds, under 12-1737(c) [would] have any effect on the total amount of funds authorized by the resolution creating a building fund under 12-1737(d)."

The amount to be raised for the building fund will ordinarily be fixed by the resolution creating that fund. If a building fund has been created by a resolution which prescribes the amount needed therefor, and if bonds of the city have been issued under K.S.A. 12-1737(c), and a tax levy authorized by K.S.A. 12-1737(d), the amount of bonds which may be issued under subsection (h) after the second levy has been made should not exceed the amount necessary to raise an amount which, in addition to the bonds issued under subsection (c) and the tax levy authorized under subsection (d), will not exceed the amount stated in the resolution creating the building fund. The bonds issued under subsection (h) are designed to provide those funds by which the building fund is short of the requisite amount. The proceeds of the levy, as well as proceeds from bonds issued under subsection (c), should be considered in determining the financial needs to be met by bonds issued under subsection (h).

Yours truly,

CURT T. SCHNEIDER
Attorney General