



STATE OF KANSAS

Office of the Attorney General

1st Floor, State Capitol Bldg. (913) 296-2215 Topeka, Kansas 66612

Curt T. Schneider
Attorney General

October 29, 1975

ATTORNEY GENERAL OPINION NO. 75-411

Ms. Cora Lou Ryan
City Clerk
City of Victoria
1005 4th Street
Victoria, Kansas 67671

Re: Cities--Commercial Enterprise

Synopsis: Under decisions of the Kansas Supreme Court, Kansas cities have no authority to engage in private business, and accordingly, a city has no authority to contract merely as an agent of a private utility company as an employee or independent contractor thereof to assist it in the conduct of its private business, including the collection of accounts payable.

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Dear Ms. Ryan:

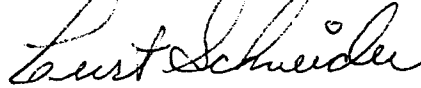
I regret the delay in responding to your letter of September 10, inquiring whether a city may lawfully act as a collection agency for private utilities. You advise that the city has been collecting payments for three private utilities which furnish gas, electric and telephone service to residents of the community.

In an opinion dated March 8, 1973, Attorney General Vern Miller pointed out that the Kansas Supreme Court has enunciated a strong public policy that governmental entities may not engage in commercial enterprises. The service of collecting utility bills for private utility companies is the responsibility of the companies themselves, and is an incident to the commercial enterprise of the company. The city has no right or authority to engage in such ventures, and accordingly, the city may not in my opinion

Ms. Cora Lou Ryan
Page Two
October 29, 1975

contract in its corporate capacity to act merely as the agent of a private commercial company in the conduct of its business, including the collection of accounts payable.

Yours very truly,

A handwritten signature in cursive script that reads "Curt Schneider".

CURT T. SCHNEIDER
Attorney General

CTS:JRM:kj