



STATE OF KANSAS

## Office of the Attorney General

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**Curt T. Schneider**  
Attorney General

February 18, 1977

ATTORNEY GENERAL OPINION NO. 77- 61

The Honorable Leonard E. Johnson  
Mayor of Neodesha  
Post Office Box 298  
Neodesha, Kansas 66757

Re: Cities and Municipalities--General Obligation--  
-Improvements to Municipal Property

Synopsis: Cities may by ordinance provide for the issuance of general obligation bonds for the payment of improvements to city-owned property subject to certain limitations.

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Dear Mayor Johnson:

You request our opinion asking whether a municipality may issue general obligation bonds to pay the cost for such improvements (as streets, sewers, and water) to a city-owned industrial park. In your letter you observe that Kansas statutes do not appear to authorize cities to issue such municipal bonds for improvements made to city property. We will agree with you that there is no specific statutory authority for Kansas cities to issue general obligation bonds for this type of project. However, we hasten to point out that the "Home Rule Amendment" to the Kansas Constitution does provide a community with the power to enact an ordinance authorizing itself to provide for the issuance of general obligation bonds in the absence of applicable statutory authority to the contrary.

Without detailed examination of this amendment, Article 12, Section 5, of the Kansas Constitution, suffice it to say that authority is granted cities and municipalities thereunder to grant themselves bond-issuing authority. Inasmuch as we find no state

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preemption of other applicable limitation in this particular area of municipal bond financing, it is our opinion that the home rule power granted to Kansas cities clearly permits the issuance of municipal bonds to pay the expenses of improving city-owned industrial parks. A caveat should be observed by a city exercising this authority: it must carefully follow such other limitations as would perforce govern the issuance of general obligation bonds, *e.g.*, bonded debt limitations, the cash-basis law and the various provisions of this general bond law. Also, we direct your attention to the constitutional limitations upon municipalities levying a tax (as would be necessary for the general obligation bonds here discussed) which require that such taxes be levied in furtherance of a public purpose. Thus, in your case it may be necessary for the city to seek reimbursements from actual users of the industrial park for the city's expenses for those improvements that may eventually be paid for through the issuance of general obligation bonds.

Yours very truly,



CURT T. SCHNEIDER  
Attorney General

CTS:JPS:jj