

12-6a36. Same; full faith and credit bonds; issuance; applicability of bonded debt limitation; protest petition; loans from transportation revolving fund. (a) Any municipality may issue full faith and credit bonds in one or more series to finance any project in accordance with the provisions of this act and to refinance or refund any notes or bonds issued pursuant to this act. Bonds issued pursuant to this section shall be general obligations of the municipality and give rise to a charge against its general credit and taxing powers, and such bonds shall so state on their face. Such bonds shall be made payable, both as to principal and interest solely from a pledge of the sources of funds described in K.S.A. 2014 Supp. 12-6a33, and amendments thereto, including a pledge of a municipality's full faith and credit to use its ad valorem taxing authority for the repayment thereof in the event all other authorized sources of revenue are not sufficient. The municipality may pledge such revenue to the repayment of such bonds prior to, simultaneously with or subsequent to the issuance of such bonds.

(b) Bonds issued pursuant to this section shall be general obligations of the municipality and are declared to be negotiable instruments. Such bonds shall be executed by the authorized representatives of the municipality and sealed with the corporate seal of the municipality. All details pertaining to the issuance of the bonds and terms and conditions thereof shall be determined by ordinance or resolution of the municipality. The provisions of K.S.A. 10-106, and amendments thereto, requiring a public sale of bonds shall not apply to bonds issued under this section. All bonds issued pursuant to this section and all income or interest therefrom shall be exempt from all state taxes except inheritance taxes. Such bonds shall contain the recitals set forth in K.S.A. 10-112, and amendments thereto. Such bonds shall mature in no more than 22 years. Any municipality issuing bonds under the provisions of this section may refund all or part of such bonds pursuant to the provisions of K.S.A. 10-427, and amendments thereto.

(c) The amount of the full faith and credit bonds issued and outstanding under this act which exceeds 3% of the assessed valuation of the municipality shall be within the bonded debt limit applicable to such municipality.

(d) If, within 60 days following the date of the public hearing described in K.S.A. 2014 Supp. 12-6a29, and amendments thereto, a protest petition signed by 5% of the qualified voters of the municipality is filed with the municipality's clerk in accordance with the provisions of K.S.A. 25-3601 et seq., and amendments thereto, no full faith and credit bonds shall be issued until the issuance of the full faith and credit bonds is approved by a majority of the voters voting at an election thereon. The failure of the voters to approve the issuance of full faith and credit bonds shall not prevent a municipality from issuing special obligation bonds.

(e) The provisions of subsections (b), (c) and (d) shall not apply to loans from the Kansas transportation revolving fund pursuant to K.S.A. 2014 Supp. 75-5063 et seq., and amendments thereto.

History: L. 2009, ch. 122, § 12; L. 2010, ch. 156, § 15; June 3.