

12-874. Same; revenue bonds; refunding bonds. The city or the authority shall have the continuing power to borrow money for the purpose of acquiring contract rights of the system and for acquiring necessary cash working funds. For the purpose of evidencing the obligation of the city or the authority to repay such money, the city or the authority may from time to time issue its interest-bearing revenue bonds and may also from time to time issue its interest-bearing revenue bonds to refund any such bonds in the manner prescribed by and subject to the provisions of this act and K.S.A. 10-116a, and amendments thereto. All bonds other than refunding bonds shall be payable solely from the revenues or income to be derived from the operation of the system. The ordinance authorizing the bonds may provide the date that the bonds will bear; the time, not exceeding 40 years from their respective dates, when the bonds will mature; the rate of interest, not exceeding the maximum rate prescribed by K.S.A. 10-1009, and amendments thereto, that the bonds will bear; the form of the bonds; the registration privileges that the bonds carry; the manner in which the bonds will be executed; the place where the bonds are payable; the manner in which and the terms upon which the bonds are subject to redemption, with or without premium as stated on the face of the bonds; the manner in which the bonds will be authenticated; and other terms and covenants.

Notwithstanding the form or tenor thereof and in the absence of an express recital on the face thereof that it is nonnegotiable, all such bonds shall be negotiable instruments. Pending the preparation and execution of any such bonds, temporary bonds may be issued with or without interest coupons, as provided by ordinance. To secure the payment of any or all of such bonds and for the purpose of setting forth the covenants and undertakings of the city or the authority in connection with the issuance thereof and the issuance of any additional bonds payable from such revenue or income to be derived from the system, the city or the authority may execute and deliver a trust agreement. Under no circumstances shall any bonds issued by the city or the authority or any other obligation of the authority be or become an indebtedness or obligation of the state of Kansas or of any other political subdivision of or municipality within the state, and no such bond or obligation shall be or become an indebtedness of the city or the authority within the purview of any constitutional limitation or provision. It shall be plainly stated on the face of each bond that it does not constitute such an indebtedness or obligation but is payable solely from the revenues or income as provided in this section.

Before any such bonds, except refunding bonds, are sold, the entire authorized issue, or any part thereof, shall be offered for sale as a unit and bids thereon shall be taken. All bids shall be sealed, filed and opened as provided by ordinance and the bonds shall be awarded to the highest and best bidder or bidders therefor. The city or the authority shall have the right to reject all bids and take new bids. However, if no bids are received, such bonds may be sold at not less than par value within 60 days after the bids are required to be filed.

History: L. 1974, ch. 260, § 5; L. 1977, ch. 58, § 4; L. 1981, ch. 173, § 18; L. 1983, ch. 49, § 46; May 12.