

27-323. Same; general obligation bonds; approval by city; election, when; conditions; tax levy; revenue bonds, conditions, restrictions and limitations; no-fund warrants; state or municipality not liable for obligations of authority. The authority shall have power to issue its own general obligation bonds, revenue bonds, industrial revenue bonds, and no-fund warrants as provided by this section:

(a) If the authority desires to issue its general obligation bonds, the board of directors of the authority shall adopt a resolution setting forth the principal amounts of bonds proposed to be issued and the purpose for which the bonds are to be issued, and shall forward a copy of such resolution to the mayor of the city. The mayor shall present such resolution to the governing body of the city for its approval or disapproval. If the governing body of the city, by appropriate ordinance, disapproves the resolution of the authority, no further action shall be taken by the authority on the basis of the resolution. If the governing body of the city, by appropriate ordinance, unconditionally approves the resolution of the authority, the governing body of the authority may proceed to authorize and issue the general obligation bonds of the authority in the amount and for the purpose specified in the resolution of the authority. The governing body of the city, however, upon the presentation to it of the resolution of the authority, in lieu of disapproving or unconditionally approving the resolution, may adopt a resolution giving its approval of the resolution of the authority but directing the publication once in the official city newspaper of a notice setting forth the intention of the authority to issue its general obligation bonds in the amount and for the purpose specified in the resolution of the authority, and if within 15 days after the publication of the notice there is filed with the city clerk a written protest against the issuance of the general obligation bonds of the authority signed by not less than 20% of the qualified electors of the city, the governing body of the city shall submit the proposed improvement and the proposed general obligation bond issue of the authority to the electors of the city at a special election to be called for that purpose upon at least 10 days' notice, to be held not later than 60 days after the filing of the protest, or at a regular city election or general election which will occur not sooner than 30 days nor later than 60 days after the filing of the protest. In the event that a majority of the voters voting on the proposition at the election vote in favor thereof, the improvement may be made and the general obligation bonds of the authority may be issued by the authority to pay the cost thereof. General obligation bonds of the authority shall not be issued in excess of 10% of the assessed valuation of all the taxable tangible property within the city as shown by the assessment books of the previous year. The general obligation bonds of the authority as to the term, maximum interest rate, and other details shall conform to the provisions of the general bond law. The full faith and credit of the authority shall be pledged to the payment of the general obligation bonds of the authority, including principal and interest, and the authority shall annually levy a tax on all taxable tangible property within the city, in addition to all other levies authorized by law, in an amount sufficient to pay the interest on and principal of the bonds as the same become due. The general obligation bonds of the authority shall not constitute a debt or obligation of the city which established and created the authority.

(b) The authority may issue from time to time the revenue bonds of the authority for the purpose of purchasing, constructing, or otherwise acquiring, repairing, extending, or improving any property or facility of the authority and may pledge to the payment of the revenue bonds, both principal and interest, any rental, rates, fees or charges derived or to be derived by the authority from property or facilities owned or operated by it. The revenue bonds of the authority shall mature not later than 40 years after the date of issuance. The revenue bonds shall bear interest at a rate not exceeding the maximum rate of interest prescribed by K.S.A. 10-1009, and amendments thereto. The bonds shall contain recitals stating the authority under which such bonds are issued, that they are issued in conformity with the provisions, restrictions and limitations of the authority, and that the bonds and interest thereon is to be paid by the issuing authority from any rental, rates, fees or charges derived or to be derived by the authority from property or facilities owned or operated by it and not from any other fund or source. The resolution authorizing the issuance of revenue bonds of the authority may establish limitations upon the issuance of additional revenue bonds of the authority and may provide that additional revenue bonds shall stand on a parity as to the revenues of the authority and in all other respects with revenue bonds previously issued by the authority on the conditions as specified in the resolution. The resolution may include other agreements, covenants or restrictions deemed advisable by the governing body of the authority to effect the efficient operation of the property and facilities of the authority, and to safeguard the interests of the holders of the revenue bonds of the authority, and to secure the payment of the bonds and the interest thereon promptly when due. When an authority authorizes and issues its revenue bonds under the provisions of this section, an amount of the net revenues of the property and facilities of the authority sufficient for the purpose shall be pledged to the payment of the principal of and the interest on the bonds as the same become due, and it shall be the mandatory duty of any authority issuing revenue bonds under this act to fix and maintain rentals, rates, fees and charges for the use and services of the property and facilities of the authority sufficient to pay the cost of operation and maintenance of the property and facilities, pay the principal of and interest on all revenue bonds or other obligations issued by the authority and chargeable to the revenues of the authority as and when the same become due, provide an adequate depreciation and replacement fund, and create reasonable reserves therefor, and to provide funds ample to meet all valid and reasonable requirements of the resolution authorizing the revenue bonds. The bonds shall be registered in the office of the secretary or clerk of the authority.

(c) The authority may issue the industrial revenue bonds of the authority in the manner provided by K.S.A. 12-1740 to 12-1749, inclusive, and amendments thereto.

(d) The authority may issue its no-fund warrants under the conditions and in the manner provided by law for the issuance of no-fund warrants by cities of the first class.

(e) The bonds, warrants, and other obligations and liabilities of the authority shall not constitute any debt or liability of the state of Kansas or of the city which established and created the authority, and neither the state nor the city shall be liable thereon.

History: L. 1965, ch. 117, § 9; L. 1970, ch. 64, § 72; L. 1978, ch. 99, § 31; L. 1983, ch. 49, § 77; L. 2007, ch. 7, § 1; July 1.