

10-116a. Refunding of revenue bonds and interest thereon; limitations; investment of certain bond proceeds. Any municipal or quasi-municipal corporation which has issued or may hereafter issue revenue bonds under the laws of the state of Kansas, may issue, without an election, revenue bonds pursuant to the provisions of this section to refund any revenue bond issue or issues, or part thereof, any interest on such bonds or both such bonds and interest. The principal amount of any issue of refunding revenue bonds shall not exceed the aggregate amount of: (a) The principal amount of the revenue bonds or interest being refunded; (b) the amount of any interest which has accrued thereon or interest that will accrue to the date of payment of the bonds being refunded; (c) the amount of any premium required to be paid should the bonds be called for redemption and payment; (d) expenses of the municipal or quasi-municipal corporation deemed by the governing body to be necessary for the issuance of the refunding bonds; and (e) expenses incident to the payment of the bonds being refunded. The refunding revenue bonds may be sold or exchanged for the bonds being refunded either as a whole or in installments at any time or times, either at, before, or after the maturity of the bonds being refunded. If the refunding revenue bonds are sold more than six months prior to the maturity or earliest prior redemption date of the bonds being refunded, the proceeds derived from the sale, together with any other moneys on hand, shall be placed in escrow under a trust agreement with a Kansas bank having full trust powers. The proceeds and moneys shall be invested in direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America or municipal obligations which are secured by direct obligations of the United States of America, and which shall mature or be subject to redemption by the holders thereof not later than the respective dates when the proceeds of the obligations together with the interest accruing thereon and any other moneys or investments held in escrow will be required for the purposes intended. The trust agreement shall pledge or assign the moneys and investments held in trust for the payment of the principal of the revenue bonds being refunded and may pledge or assign the moneys and investments held in trust for the payment of the interest on the revenue bonds being refunded and any redemption premium thereon. The trust agreement may pledge or assign any of the obligations or other moneys or investments, or interest accruing thereon, held in trust, which are in excess of the amount of the obligations and other moneys and investments held which is equal to the amount of the principal of the bonds to be refunded which comes due on the date for which the bonds may have been called for redemption or irrevocable instructions to call bonds for redemption have been given and any redemption premium thereon, for the payment of the principal of and interest on any or all of the refunding revenue bonds and any redemption premium thereon, and shall contain provisions for protecting and enforcing the rights and remedies of the holders of the revenue bonds. The refunding revenue bonds issued pursuant to this section shall not be general obligations of the municipal or quasi-municipal corporation, except as herein provided, and insofar as the same may be made applicable the issuance of the refunding revenue bonds, the security thereof, and the rights, duties and obligations of the municipal or quasi-municipal corporation in respect thereof, shall be governed by the laws governing such matters with respect to the bonds being refunded and all other laws generally applicable to revenue bonds issued in this state by the municipal or quasi-municipal corporation.

History: L. 1965, ch. 136, § 1; L. 1976, ch. 60, § 1; L. 1977, ch. 58, § 1; L. 1978, ch. 47, § 1; L. 1983, ch. 48, § 3; L. 1987, ch. 60, § 1; May 28.