

10-623. Systems of registration; approval by attorney general. (a) Each issuer is authorized to establish and regularly maintain a system of registration with respect to the bonds it issues. The system may either be a system pursuant to which only certificated bonds are issued or a system pursuant to which both certificated and uncertificated bonds are issued. The issuer, from time to time, may discontinue and reinstitute either system.

(b) The system shall be established and regularly maintained, amended, discontinued or reinstated for the issuer by its governing body.

(c) The system shall be described in the ordinance or resolution which authorizes the original issuance, and in subsequent ordinances or resolutions providing for amendments and other matters. Such description may be by reference to a program of the issuer which is established by its governing body.

(d) The system shall define the method or methods by which transfer of the bonds shall be effective with respect to the issuer, which method or methods shall be exclusive, substantial compliance being essential to a valid transfer, and by which payment of principal and any interest shall be made. The system may permit the issuance of bonds in any denomination to represent several bonds of smaller denominations. The system may also provide for the form of any certificated bonds, for differing record and payment dates, varying denominations, and for accounting, canceled certificate destruction and other incidental matters.

(e) Under a system pursuant to which both certificated and uncertificated bonds are issued, both types of bonds may be regularly issued, or one type may be regularly issued and the other type issued only under described circumstances or to particular described categories of owners. Under a system pursuant to which uncertificated bonds are regularly issued, provision may be made for registration of pledges and releases.

(f) The system may include covenants of the issuer as to amendments, discontinuances and reinstatements and the effect of such on the exemption of interest from federal income tax provided by the code.

(g) If the effect of a conversion from one of the forms of bonds hereunder provided for to a form not hereunder provided for is that interest shall continue to be exempt from federal income under the code, this act does not preclude such conversion.

(h) Each certificated bond may have placed upon it a certificate or certificates for the signature of the authenticating trustee, registrar, transfer agent or the like.

(i) No system of registration authorized herein shall be established without the approval of the attorney general. The attorney general may approve no more than two basic systems of registration for issuers. Variances from such systems may be approved when, in the opinion of the attorney general, it is in the public interest of the issuer or the state. The two approved basic systems of registration and any explanation, rules or regulations appertaining thereto which are determined to be necessary or desirable shall be published by the attorney general in the Kansas register prior to July 1, 1983.

History: L. 1983, ch. 49, § 4; May 12.