

12-2808. Borrowing money; revenue bonds or certificates; sources of payment; conditions; trust agreements; nonliability of state or political subdivision; sale of bonds or certificates. The authority shall have the continuing power to borrow money for the purpose of acquiring any transportation system, including any cash funds of such system reserved to replace worn out or obsolete equipment and facilities, and for acquiring necessary cash working funds, or for acquiring, constructing, reconstructing, extending or improving its transportation system or any part thereof, and for acquiring any property and equipment useful for the construction, reconstruction, extension, improvement or operation of its transportation system or any part thereof.

For the purpose of evidencing the obligation of the authority to repay any money borrowed as aforesaid, the authority, pursuant to a duly adopted resolution by the board may issue and dispose of at one time or from time to time its interest-bearing revenue bonds or certificates and also from time to time may issue and dispose of its interest-bearing revenue bonds or certificates to refund any bonds or certificates at maturity, or pursuant to redemption provisions, or at any time before maturity with the consent of the holders thereof.

All such bonds and certificates shall be payable from the revenues or income to be derived from the transportation system, from the moneys derived from the tax levy authorized by K.S.A. 12-2814, and amendments thereto, and from all other funds and moneys available to the authority, from whatever source derived, which revenues, income, funds and moneys, or such portion thereof as may be required, are hereby pledged for the payment of such bonds and certificates. Such bonds and certificates may bear such date, mature at such time not exceeding 40 years from their respective dates, bear interest at such rate, not exceeding the maximum rate of interest prescribed by K.S.A. 10-1009, and amendments thereto, be in such form, carry such registration privileges, be executed in such manner, be payable at such place, be made subject to redemption in such manner and upon such terms, with or without premium as is stated on the face thereof, be authenticated in such manner and may contain such terms and covenants, all as may be provided in such resolution.

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 and certificates shall be negotiable instruments. Pending the preparation and execution of any such bonds or certificates, temporary bonds or certificates may be issued with or without interest coupons as may be provided by a duly adopted resolution of the board. To secure the payment of any or all of such bonds or certificates and for the purpose of setting forth the covenants and undertakings of the authority in connection with the issuance thereof and the issuance of any additional bonds or certificates payable from such revenues, income, funds and moneys as provided herein, the authority may execute and deliver a trust agreement but no lien upon any physical property of the authority shall be created thereby. A remedy for any breach or default of the terms of any such trust agreement by the authority may be by mandamus proceedings in any court of competent jurisdiction to compel performance and compliance therewith, but the trust agreement may prescribe by whom or on whose behalf such action may be instituted. Under no circumstances shall any bonds or certificates issued by 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, nor shall any such bond, certificate, or obligation be or become an indebtedness of the authority within the purview of any constitutional limitation or provision, and it shall be plainly stated on the face of each bond and certificate that it does not constitute such an indebtedness or obligation but is payable solely from the revenues, income, funds and moneys as provided herein.

The sale of any bonds or certificates pursuant to this section shall be made in the manner designated by the board in the resolution authorizing the issuance thereof.

History: L. 1955, ch. 118, § 8; L. 1970, ch. 64, § 22; L. 1974, ch. 65, § 1; L. 1983, ch. 49, § 53; May 12.