# 2025 Kansas Statutes

**76-3312. Issuance of bonds; trust indenture; reports; liability of state or regents.** (a) (1) The authority has the power and is authorized to issue from time to time the authority's bonds in such principal amounts as the authority determines to be necessary to provide sufficient funds for achieving any of the authority's corporate purposes, including the payment of interest on bonds of the authority, the establishment of reserves to secure such bonds, refunding any outstanding bonds and all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers.

(2) Except as may otherwise be expressly provided by the authority, every issue of the authority's bonds shall be obligations of the authority payable out of any revenues or moneys of the authority, subject only to any agreements with the holders of particular bonds pledging any particular revenues.

(b) (1) The bonds shall be authorized by a resolution adopted by the board.

(2) For each bond issuance, the board shall select a bond financing team, including bond counsel and bond underwriter and any other professional service provider required, to provide all professional services required for the bond issuance. The selection shall be based on responses to a request for proposals from qualified professional firms, administered in accordance with policies adopted by the board.

(c) Any resolution authorizing any bonds or any issue thereof may contain such provisions as deemed appropriate by the board for the purpose of carrying out the authority's corporate purposes and securing such bonds, which shall be a part of the contract with the holders thereof, as to:

(1) Pledging all or any part of the revenues of the authority to secure the payment of the bonds or of any issue thereof, subject to such agreements with bondholders as may then exist;

(2) pledging all or any part of the assets of the authority to secure the payment of the bonds or of any issue of bonds, subject to such agreements with bondholders as may then exist, such assets to include any grant or contribution from the federal government or any corporation, association, institution or person;

(3) the setting aside of reserves or sinking funds and the regulation and disposition thereof;

(4) limitations on the purpose to which the proceeds of sale of bonds may be applied and pledging such proceeds to secure the payment of the bonds or of any issues thereof;

(5) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding or other bonds;

(6) the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(7) limitations on the amount of moneys to be expended by the authority for operating expenses of the authority;

(8) vesting in a trustee such property, rights, powers and duties in trust as the authority may determine, which may include any or all of the rights, powers and duties of the trustee appointed by the bondholders pursuant to this act, and limiting or abrogating the right of the bondholders to appoint a trustee under this act or limiting the rights, powers and duties of such trustee;

(9) defining the acts or omissions to act which shall constitute a default in the obligations and duties of the authority to the holders of the bonds and providing for the rights and remedies of the holders of the bonds in the event of such default, including as a matter of right the appointment of a receiver, except that such rights and remedies shall not be inconsistent with the general laws of this state and the other provisions of this act; and

(10) any other matters, of like or different character, which in any way affect the security or protection of the holders of the notes or bonds.

(d) Any of the provisions relating to any bonds described in this section may be set forth in a trust indenture authorized by a resolution of the board.

(e) The bonds of each issue may, in the discretion of the board, be made redeemable before maturity at such prices and under such terms and conditions as may be determined by the board. Bonds shall mature at such time, not exceeding thirty years from their date of issue, as may be determined by the board. The bonds may be issued as serial bonds payable in annual installments or as term bonds or as a combination thereof. The bonds shall bear interest at such rate either fixed or variable, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment and at such place, and be subject to such terms of redemption as provided in the resolution of trust indenture. The bonds of the authority may be sold by the authority, at public or private sale, at such price as the board shall determine.

(f) In case any officer whose signature or a facsimile of whose signature appears on any bonds or coupons attached thereto ceases to be such officer before the delivery thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. The board may also provide for the authentication of the bonds by a trustee or fiscal agent.

(g) Prior to the preparation of definitive bonds, the authority may, under like restrictions, issue interim receipts or temporary bonds until such definitive bonds have been executed and are available for delivery.

(h) The authority, subject to such agreements with bondholders as may then exist, has the power out of any funds available therefor to purchase bonds of the authority, which shall thereupon be canceled at a price not exceeding:

(1) If the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment thereon; or

(2) if the bonds are not then redeemable, the redemption price applicable on the first date after such purchase upon which the bonds become subject to redemption plus accrued interest to such date.

(i) In the discretion of the authority, the bonds may be secured by a trust indenture by and between the authority and a corporate trustee, which may be any trust company or bank having the power of a trust company within or without this state. Such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority in relation to the exercise of its corporate powers and the custody, safeguarding and application of all moneys. The authority may provide by such trust indenture for the payment of the proceeds of the bonds and the revenues to the trustee under such trust indenture or other depository and for the method of disbursement thereof, with such safeguards and restrictions as it may determine. All expenses incurred in carrying out such trust

indenture may be treated as a part of the operating expenses of the authority.
(j) Any bonds issued pursuant to this section, and the income therefrom (including any profit from the sale thereof) shall at all times be free from taxation by the state or any agency, political subdivision or instrumentality of the state.
(k) Any holder of bonds issued under the provisions of this act, or any coupons appertaining thereto and the trustee under any trust agreement or resolution authorizing the issuance of such bonds, except the rights under this act may be restricted by such trust agreement or resolution, may, either at law or in equity by suit, action, mandamus or other proceeding, protect and enforce any and all rights under the laws of the state or granted under this act or under such agreement or resolution, or under any other contract executed by the authority pursuant to this act, and may enforce and compel the performance of all duties required by this act or by such trust agreement or resolution to be performed by the authority or by an officer thereof.
(l) Notwithstanding any of the foregoing provisions of this act or any recitals in any bonds issued under the provisions of this act, all such bonds and interest coupons appertaining thereto shall be negotiable instruments under the laws of this state, subject only to any applicable provisions for registration.
(m) Bonds issued under the provisions of this act are hereby made securities in which all insurance companies, trust companies, banking associations, savings and loan associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state is authorized by law.
(n) Neither the state of Kansas nor the regents shall be liable for bonds of the authority, and such bonds shall not constitute a debt of the state or of the regents. The bonds shall contain on the face thereof a statement to such effect.
(o) Neither the members of the board nor any authorized person executing bonds issued pursuant to this act shall be personally liable for such bonds by reason of the execution or issuance thereof.
(p) The authority shall submit to the regents, the governor and the legislature within six months after the end of the fiscal year a report which shall set forth a complete and detailed operating and financial statement of the authority during such year. Also included in the report shall be comprehensive information regarding all audit reports performed in such year including any legislative post audit report performed under K.S.A. 46-1106 et seq., and amendments thereto, and any recommendations with reference to additional legislation or other action that may be necessary to carry out the purposes of the authority.
(q) This state does hereby pledge to and agree with the holders of any bonds issued under this act that this state will not limit or alter the rights hereby vested in the authority to fulfill the terms of any agreements made with the such holders thereof or in any way impair the rights and remedies of such holders until such bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders are fully met and discharged. The authority is authorized to include this pledge and agreement of this state in any agreement with the holders of such bonds.
(r) Nothing in this act shall be construed as a restriction or limitation upon any other

powers which the authority might otherwise have under any other law of this state, and this act is cumulative to any such powers. This act does and shall be construed to provide a complete, additional and alternative method for the doing of the things authorized thereby and shall be regarded as supplemental and additional to powers conferred by other laws. However, the issuance of bonds under the provisions of this act need not comply with the requirements of any other state law applicable to the issuance of bonds. No proceedings, notice or approval shall be required for the issuance of any bonds or any instrument as security therefor, except as is provided in this act.

(s) Any of the provisions relating to bonds described in this section may be included in any contracts between the authority and the Kansas development finance authority relating to obligations of the Kansas development finance authority issued on behalf of the authority.

**History:** L. 1998, ch. 12, § 12; February 26.