

68-2304. Express highways and freeways; issuance of highway bonds by secretary of transportation; purpose; amounts and limitations; payment of principal and interest; maximum rate of interest and period of maturity; redemption, conditions of sales; amortization; execution; signatures, form; negotiability; notice of sale; bidding conditions and procedure; replacement; issuance; disposition of proceeds; state freeway construction fund, creation, purpose. The secretary of transportation is hereby authorized to provide by one or more resolutions for the issuance of highway bonds of the state of Kansas, in the amounts and with the limitations provided in this section, for the purpose of providing funds for the construction, improvement and reconstruction of any one or more highway projects in an aggregate principal amount not exceeding \$320,000,000, but the annual principal amount of such bonds issued in any fiscal year shall not exceed \$40,000,000, except that whenever bonds are issued in any fiscal year in an amount less than that permitted in such fiscal year, bonds in an amount not to exceed the difference between the amount of the bonds actually issued and the amount of the bonds permitted to be issued in such fiscal year may be issued in any subsequent fiscal year in addition to the amount of bonds permitted to be issued in that fiscal year. The principal of and the interest on such bonds shall be payable solely from the state freeway fund. The bonds of each issue shall be dated, shall bear interest at a rate not exceeding the maximum rate of interest prescribed by K.S.A. 10-1009, and amendments thereto, shall mature not more than 30 years from their date, as provided by the secretary of transportation, and may be made redeemable before maturity, at the option of the secretary, at such price and under such terms and conditions fixed by the secretary prior to the issuance of the bonds. Such bonds shall not be sold for any amount less than par and accrued interest. Such bonds shall be fully amortized over the thirty-year period. The secretary shall determine the form and the manner of execution of the bonds, including any interest coupons to be attached thereto, and shall fix the denomination of the bonds and the place of payment of principal and interest, which shall be at a member bank or trust company of the federal reserve system or with one or more banks in the state of Kansas, or both. The bonds shall be signed by the secretary of transportation or bear the secretary's facsimile signature, and the official seal shall be impressed thereon, and any coupons thereon shall bear the facsimile signature of the secretary. In case any officer whose signature or a facsimile of whose signature appears on any bonds or coupons shall cease to be such officer before the delivery of such bonds, 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. All bonds issued under the provisions of this act shall have all the qualities and incidents of negotiable instruments under the negotiable instruments law of the state. The bonds may be issued in coupon or in registered form, or both, as the secretary determines, and provision may be made for the registration of any coupon bonds as to both principal and interest, for the reconversion into coupon bonds of any bonds registered as to both principal and interest and for the interchange of registered and coupon bonds. The resolution authorizing the issuance of any such bonds may contain such other provisions as the secretary of transportation deems reasonable and proper for the security of the holders of the bonds. All bonds authorized to be issued by the secretary under this act shall be sold at public sale with sealed bids. Notice of such sale shall be given once by publication in the Kansas register, but such sale also shall be advertised in such financial publications as the secretary deems necessary. Such notice in the Kansas register shall be published not less than 10 days nor more than 30 days before such sale and shall contain the following information: (a) The date, time and place at which written, sealed bids will be received and considered for the sale of such bonds for cash; (b) the date of issue, total par value and denomination of the bonds being sold; (c) the minimum amount which will be accepted as a bid; (d) the dates and amounts of maturities of such bond issues; (e) the maximum rate of interest and the maximum acceptable difference between the highest and the lowest rates of interest; (f) the dates on which interest on such bonds are due and payable; (g) the place where and the approximate date on which the bonds being sold will be delivered to the purchaser; and (h) a statement that a good faith deposit in the form of a certified or cashier's check in the amount of 2% of the total par value of the bonds being sold shall accompany each bid.

Prospective purchasers shall submit written, sealed bids for such bonds, and each bid shall be accompanied by a certified or cashier's check for 2% of the total par value of the bonds being sold. In case any purchaser, whose bid is accepted, fails to carry out their contract, the deposit shall be forfeited to the secretary of transportation as full and liquidated damages. The sealed bids shall be opened publicly and only at the time and place specified in the notice; and at the time and place specified, the bonds shall be sold to the highest and best bidder, who shall be that bidder specifying the lowest net average annual interest rate; however, any or all bids may be rejected. No bonds shall be delivered to any purchaser until a certified or cashier's check in the amount of the bid is placed in the possession and custody of the secretary or secretary's assigns.

The secretary of transportation also may provide for the replacement of any bonds which are mutilated, destroyed or lost. Bonds may be issued under the provisions of this act without obtaining the consent of any department, division, commission, board, bureau or agency of the state and without any other proceedings or the happening of any other conditions or things than those proceedings, conditions or things which are specifically required by this act.

The proceeds from the sale of the highway bonds authorized to be issued under this act shall be paid into the state treasury to the credit of a state freeway construction fund, which fund is hereby created, and the moneys paid into such fund are hereby appropriated for the purpose of providing funds for the construction, reconstruction and improvement of highway projects in the state, subject to the provisions of K.S.A. 68-2306 and 68-2311, and amendments thereto.

History: L. 1972, ch. 252, § 3; L. 1975, ch. 427, § 228; L. 1976, ch. 297, § 1; L. 1981, ch. 324, § 21; L. 1983, ch. 49, § 94; May 12.