

76-6a15. Same; issuance; pledge of revenues; priority of liens where more than one series issued. (a) For the purpose of paying all or part of the cost of acquisition, equipment and furnishing of any such building, including the acquisition of a site therefor, or for all or part of the cost of rehabilitation or renovation of an existing building, including equipment and furnishings, the board is authorized to issue and sell revenue bonds as herein defined in an amount which it deems necessary for that purpose. At or prior to the issuance of such revenue bonds, the board:

(1) Shall pledge either the gross or the net income and revenues of such building or, in the case of a building to be constructed by the state board of regents when the revenue bonds are to be financed in whole or in part by revenues derived from student fees and not by the gross or net income and revenues of such building, shall pledge the revenues to be derived from student fees, or any combination of such revenues, to the payment of principal and interest on such revenue bonds; and

(2) shall covenant to fix, maintain and collect such fees and charges for the use of such building, including a fee to be charged each enrolled student to whom the building is available for use for which the revenue bonds are issued, or at the discretion of the state board of regents to each student enrolled for regular academic classes on the campus where such building is located, as will produce revenues sufficient to pay the reasonable cost of operating and maintaining such building, to provide and maintain an interest and sinking fund in an amount adequate to promptly pay both principal and interest on such bonds and to provide a reasonable reserve fund or, in the case of a building to be constructed by the state board of regents when the revenue bonds are to be financed in whole or in part by the revenues derived from student fees and not by the gross or net income and revenues of such building, shall covenant to fix and impose or specify student fees as will produce revenues sufficient to provide and maintain an interest and sinking fund in an amount adequate to promptly pay both principal and interest on such bonds and to provide a reasonable reserve fund or any combination of any of such fees and charges as is appropriate under any combination of financing methods.

(b) In the event the board pledges the gross income and revenue of such building or the revenue derived from student fees to the payment of such bonds, it may agree to pay the cost of operation and maintenance of the building from any other revenues of the board legally available for such purpose.

(c) In addition to the revenues described in subsection (a), the board in its discretion may pledge to the payment of the principal and interest on such revenue bonds either one or both of the following:

(1) The proceeds of any grant-in-aid or the income therefrom of such building which may be received from any source whether such grant is made directly or in trust; or

(2) the net income and revenue arising from the operation of another building as herein defined, already owned and operated by the board or institution.

(d) If any gift or grant is made to or established in trust for any institution whereby such gift or grant or the income therefrom may be used to finance in whole or in part the acquisition, construction, rehabilitation, renovation or equipping of any building or facility, or the site thereof for such institution, which building or facility shall have been found by the board of such institution to be of major importance to the institution in carrying on its work, whether or not such building or facility is of the kind or character defined in subsection (c) of K.S.A. 76-6a13 and amendments thereto, the board of such institution is empowered to issue and sell revenue bonds for the purpose of acquiring, constructing, rehabilitating, renovating or equipping such building or facility, including the site thereof, to pay all or any part of the cost from the proceeds of such bonds and to pledge to the payment of such bonds:

(1) The net income from such gift, grant or trust;

(2) the gross or net income and revenues of such building or facility;

(3) the revenues derived from student fees in the case of a building to be constructed by the state board of regents when the revenue bonds are to be financed in whole or in part by revenues derived from student fees and not by the gross or net income and revenues of such building;

(4) the net income and revenues arising from the operation of any other building or facility owned and operated by such board or institution; or

(5) any combination thereof.

(e) If more than one series of bonds is issued hereunder payable from the net income and revenues of any such building, priority of lien thereof on such net income and revenues shall depend on the provisions of the proceedings authorizing the issuance of such bonds, it being within the discretion of the board, at the time it authorized the first such series, to provide that:

(1) Subsequent series of bonds payable from such net income and revenues may not be issued;

(2) subsequent series of bonds shall be subordinate as to lien; or

(3) subsequent series of bonds shall enjoy parity of lien if such conditions and restrictions as may be specified in such proceedings can be met.

History: L. 1947, ch. 435, § 3; L. 1951, ch. 467, § 1; L. 1959, ch. 350, § 1; L. 1963, ch. 440, § 1; L. 1968, ch. 61, § 1; L. 1969, ch. 418, § 2; L. 1985, ch. 300, § 3; L. 1986, ch. 359, § 2; May 15.