

As Amended by House Committee

Session of 2007

SENATE BILL No. 154

By Senator Schodorf

1-23

10 AN ACT concerning municipal bonds; relating to the limit on the amount
11 of the bond issue; amending K.S.A. 10-106 and repealing the existing
12 section.
13

14 *Be it enacted by the Legislature of the State of Kansas:*

15 Section 1. K.S.A. 10-106 is hereby amended to read as follows: 10-
16 106. (a) Municipal bonds shall be sold at public notice sale as follows:
17 The officers having charge of the sale of the bonds shall publish a notice
18 of the sale one time in a newspaper having general circulation in the
19 county where the bonds are issued and in the Kansas register. Such no-
20 tices shall be published not less than six days nor more than 30 days before
21 the sale and shall contain the following information: (1) Except as pro-
22 vided by subsection (b), the date, time and place at which a public notice
23 auction will be held on such terms and conditions as shall be provided by
24 the municipality or at which bids will be received and considered for the
25 sale of the bonds for cash at such price as the municipality may accept;
26 (2) the date of issue, total par value and denomination of the bonds being
27 sold; (3) the dates and amounts of maturities of the bond issues; (4) the
28 dates on which interest on the bonds shall become due and payable; (5)
29 the place or places where and the approximate date on which the bonds
30 being sold will be delivered to the purchaser; (6) a statement that a good
31 faith deposit in the form of a certified or cashier's check or surety bond
32 in the amount of 2% of the total par value of the bonds being sold shall
33 be furnished at or prior to the time of sale by each bidder; (7) a statement
34 disclosing whether or not the purchaser of the bonds will be required to
35 pay for the printing thereof and whether or not and to what extent the
36 purchaser of the bonds will be required to pay the expense of legal serv-
37 ices rendered to the municipality in connection with the issuance of the
38 bonds including the fees of recognized bond counsel for an opinion as to
39 legality of issuance; (8) the assessed valuation of the municipality; (9) that
40 bidders may be required to be qualified in a manner established by the
41 municipality before submitting a bid; and (10) the total bonded indebt-
42 edness of the municipality as of the date on which the bonds being sold
43 are dated including the bonds submitted for bid. The rate of interest may

1 be omitted in advertising and the bidders requested to specify the lowest
2 interest rate or rates on the bonds at which they will pay the purchase
3 price.

4 (b) If sold at public notice sale, purchasers shall submit their bids in
5 writing, sealed or sent by telefacsimile or other electronic transmission,
6 as set forth in the notice of sale, for all or any part of the bonds. In case
7 any purchaser, whose bid is accepted, fails to carry out the contract, the
8 deposit shall be forfeited to the municipality issuing the bonds. Bids shall
9 be disclosed publicly and tabulated or compared only at the time and
10 place specified in the notice. At the time and place specified, the bonds
11 shall be sold to the highest and best bidder or bidders, and the bonds
12 may be allotted among the bidders, however, any or all bids may be
13 rejected. No contract for the sale of the bonds shall be made except on
14 bids submitted as provided in this section. No bonds shall be delivered
15 to any purchaser until the amount of the bid is placed in the hands of the
16 officer in charge of the sale. The provisions of this section relating to
17 public notice sale of bonds shall not apply to bonds ~~secured~~: (1) **Se-**
18 **secured** solely and only by revenues, (2) bonds sold, pursuant to written
19 agreement, to the government of the United States of America or any
20 bureau, department, instrumentality or agency thereof, (3) bonds issued
21 pursuant to K.S.A. 10-427 et seq., and amendments thereto, ~~and~~ (4) all
22 bonds of the same series or which are issued simultaneously with such
23 bonds ~~and~~, and (5) bond sales where the total amount of the issue does
24 not exceed ~~\$100,000~~ \$2,000,000. In such cases, the bonds may be sold at
25 public notice or private sale as the officers having charge of the sale of
26 such bonds determine. **If bonds under clause (5) are sold at private**
27 **sale, the officers having charge of the sale of such bonds shall pub-**
28 **lish within five business days following such sale, a notice of the**
29 **sale one time in a newspaper having general circulation in the**
30 **county where the bonds are issued and in the Kansas register. Such**
31 **notice shall contain the name of the purchaser, the total par value,**
32 **the interest rate and the amount paid.** The practice of providing more
33 than one issue within a twelve-month period for any one project is pro-
34 hibited unless the project engineer or architect certifies that it is necessary
35 to do so for the orderly construction progress of the project.

36 ~~(b)~~ (c) As an alternative to providing notice of the date, time and
37 place of public notice auction or receipt of bids provided by subsection
38 (a)(1), the officers having charge of a bond sale may establish a time
39 period of not less than seven nor more than 30 days during which such
40 bonds would be sold. Notice of such sale period shall be published one
41 time in a newspaper having general circulation in the county where the
42 bonds are issued and in the Kansas register and shall be published not
43 less than six days nor more than 30 days before the beginning date of the

1 sale period. The notice shall contain the information specified in subsec-
2 tion (a) except that in place of the time and date of sale, the notice shall
3 specify the time period during which the bonds would be sold and the
4 manner in which persons interested in submitting a bid may register for
5 notice of the bond sale. At least three business days prior to the time and
6 date of the bond sale, the officers having charge of the sale shall give
7 notice to all persons having registered for notice of the bond sale, and
8 bids shall be submitted and received and the sale made in the manner
9 provided in subsection (a).

10 Sec. 2. K.S.A. 10-106 is hereby repealed.

11 Sec. 3. This act shall take effect and be in force from and after its
12 publication in the statute book.