

10-622. Purpose of registration; federal requirement. (a) The code provides that interest on certain bonds may not be exempt from federal income tax if they are not in registered form. It is therefor a matter of concern to Kansas that public entities be authorized to provide for the issuance of bonds in such form. It is a purpose of this act, subject to the approval of the attorney general, to authorize all public entities to establish and maintain a system by which bonds may be issued in registered form within the meaning of this act.

(b) Bonds have traditionally been issued in bearer rather than in registered form, and a change from bearer to registered form will significantly affect the relationships, rights and duties and costs of issuers of and persons who deal with bonds. Such effects will impact the various issuers and varieties of bonds differently depending on their legal and financial characteristics, their markets and their adaptability to recent and prospective technological and organizational developments. It is therefor a matter of concern to Kansas that public entities be provided flexibility in the development of such systems and control over system incidents, so as to accommodate such differing impacts. It is the purpose of this act to authorize the establishment and maintenance and amendment, from time to time, of differing systems of registration of bonds, including system incidents, so as to accommodate the differing impacts upon issuers and varieties of bonds.

History: L. 1983, ch. 49, § 3; May 12.