

**278.694 Application -- Liability restriction -- No obligation of taxation.**

- (1) The laws of the Commonwealth shall govern the validity, enforceability, attachment, perfection, priority, and exercise of remedies with respect to the transfer of an interest or right or the pledge or creation of a security interest in any securitized property.
- (2) Neither the Commonwealth nor its political subdivisions shall be liable on any securitized bonds. The bonds shall not be a:
  - (a) Debt or a general obligation of the Commonwealth or any of its political subdivisions, agencies, or instrumentalities; or
  - (b) Special obligations or indebtedness of the Commonwealth or any of its political subdivisions, agencies, or instrumentalities.
- (3) An issue of securitized bonds shall not directly, indirectly, or contingently, obligate the Commonwealth or any agency, political subdivision, or instrumentality of the Commonwealth to levy any tax or make any appropriation for payment of the securitized bonds, other than in their capacity as consumers of electricity. All securitized bonds shall contain on their face a statement to the following effect: "Neither the full faith and credit nor the taxing power of the Commonwealth of Kentucky is pledged to the payment of the principal of, or interest on, this bond."

**Effective:** June 29, 2023

**History:** Created 2023 Ky. Acts ch. 72, sec. 13, effective June 29, 2023.