

200 KAR 21:050. Establishment of rates to reimburse underwriters for counsel.

RELATES TO: KRS 45A.877

STATUTORY AUTHORITY: KRS 45A.877, 45A.879

NECESSITY, FUNCTION, AND CONFORMITY: KRS 45A.877 requires the Office of Financial Management to establish and maintain a schedule of rates at which underwriters will be reimbursed for fees and expenses of the counsel they retain for a bond issuance of a state bond issuing agency. This administrative regulation establishes the rate schedule for underwriters' counsel.

Section 1. Rates to be Reimbursed for Counsel to Underwriters. When an underwriter is utilized on a bond issuance of a state bond issuing agency, the amount of expenses to be paid to the underwriter for reimbursement of its cost of retaining legal counsel for legal services relating to the bond issuance shall be as follows:

(1) For bond issuances with principal amounts from zero to \$10,000,000, the rate shall be equal to the fee paid to bond counsel on the same bond issuance.

(2) For bond issuances with principal amounts greater than \$10,000,000 to \$25,000,000, the rate shall be equal to seventy-five (75) percent of the fee paid to bond counsel on the same bond issuance.

(3) For bond issuances with principal amounts greater than \$25,000,000 to \$50,000,000, the rate shall be equal to sixty-five (65) percent of the fee paid to bond counsel on the same bond issuance.

(4) For bond issuances with principal amounts in excess of \$50,000,000, the rate shall be equal to fifty-five (55) percent of the fee paid to bond counsel on the same bond issuance.

(5) Notwithstanding the provisions of subsections (1) through (4) of this section, the minimum rate at which an underwriter shall be reimbursed for its legal counsel for legal services related to the issuance of bonds of a state bond issuing agency shall be equal to ten (10) cents per \$1,000 of principal amount of bonds issued, not to exceed the fee paid to bond counsel on the same bond issuance.

(6) All rates reimbursed pursuant to this administrative regulation shall be inclusive of all expenses. (21 Ky.R. 1991; eff. 3-22-1995; TAm eff. 11-15-2018; Crt eff. 4-8-2019.)