

224A.100 Assistance agreements -- Contents -- Review by legislative committee.

The authority may enter into assistance agreements with governmental agencies, and governmental agencies may enter into assistance agreements with the authority in connection with infrastructure projects. Each assistance agreement shall be subject to review by the Capital Projects and Bond Oversight Committee of the Legislative Research Commission and may contain and include such provisions as may be agreed upon by the parties thereto, and shall include and prescribe the following provisions:

- (1) An estimate of the reasonable cost of the infrastructure project, as determined by the authority;
- (2) The amount of the total rentals under any lease of an infrastructure project, loans or grants to be made to the governmental agency, financing payments, or obligations of the governmental agency to be purchased by the authority;
- (3) The time or times at which the rentals, loans or grants, financing payments, or the purchase price of a governmental agency shall become payable by or to the governmental agency;
- (4) The specific purpose or purposes for which the leased infrastructure project will be used or the proceeds of the purchase of obligations of the governmental agency or loan or grant made pursuant to the assistance agreement shall be expended;
- (5) The conditions under which the leased infrastructure project will be used or the proceeds of the purchase of obligations of the governmental agency or loan or grant may be expended on account of the infrastructure project by the governmental agency;
- (6) An agreement by the governmental agency:
 - (a) To proceed expeditiously with and promptly complete the infrastructure project or cause same to be completed in accordance with plans and specifications approved by federal and state regulatory agencies;
 - (b) To commence or cause to be commenced operation of the infrastructure project on completion of construction, and not to discontinue operations or dispose of such infrastructure project without the approval of the authority;
 - (c) To operate and maintain or cause to be operated and maintained the infrastructure project in accordance with the applicable provisions of federal and state law;
 - (d) To disclose fully to the authority all applications for or award of grants or loans for financial assistance, if any;
 - (e) To provide for the payment of the governmental agency's share of the cost of the infrastructure project, if the entire infrastructure project is not financed by assistance from the authority and describe with specificity the manner in which the governmental agency proposes to finance its share of such cost, if any;
- (7) A provision that, if assistance which was not included in the calculation of the loan or grant payable pursuant to subsection (2) of this section becomes available to the governmental agency, the amount of the assistance from the authority shall be

recalculated with the inclusion of the additional assistance, and the governmental agency shall pay to the authority the amount, if any, by which the loan or grant actually made, exceeds the loan or grant as determined by the recalculation;

- (8) The extent to which the assistance from the authority shall be repaid to the authority, which shall not be less than the sum of the following, except as provided under KRS 224A.111, 224A.112, and 224A.1115:
 - (a) The aggregate principal amount of the loan; and
 - (b) Interest on the aggregate balance of the principal amount of the loan from time to time remaining unpaid, computed at the applicable interest rate, plus not to exceed one-quarter of one percent (0.25%), except as provided for in KRS 224A.111, 224A.112, and 224A.1115;
- (9) The time or times and amounts when the repayments required by subsection (8) of this section shall be made by the governmental agency to the authority;
- (10) The extent to which a service charge shall be imposed by the governmental agency. Any service charge shall be calculated to produce amounts sufficient to meet the repayment schedule prescribed by subsection (8) of this section; and
- (11) An agreement between the governmental agency and the authority that upon any failure of the governmental agency to make payment to the authority in accordance with the time schedule and repayment schedule fixed by the assistance agreement of the amounts prescribed by said schedules, that in such event the authority may, without further action, require the State Treasurer to pay to the authority such amount of other state revenues, tax sharing, or other state aid, with the exception of funds in aid to education and funds derived from motor fuel taxes or vehicle license taxes pursuant to Section 230 of the Constitution of Kentucky, as the governmental agency may thereafter become entitled to receive from the state, until all delinquent payments pursuant to the repayment schedule, plus interest thereon, from the date of each delinquency at the applicable interest rate per annum, shall have been paid.

Effective: July 15, 2002

History: Amended 2002 Ky. Acts ch. 342, sec. 16, effective July 15, 2002. -- Amended 2000 Ky. Acts ch. 529, sec. 18, effective July 14, 2000. -- Amended 1994 Ky. Acts ch. 373, sec. 6, effective July 15, 1994. -- Amended 1992 Ky. Acts ch. 105, sec. 56, effective July 14, 1992. -- Amended 1988 Ky. Acts ch. 124, sec. 9, effective March 31, 1988. -- Amended 1974 Ky. Acts ch. 336, sec. 5. -- Created 1972 Ky. Acts ch. 329, sec. 10.