441.640 Revenue bonds issued by authority -- Limits on first issue -- Provisions for delivery of bond or note certificates.

(1) The authority may provide for the issuance of revenue bonds to pay any part of the cost of any projects undertaken pursuant to an agreement and lease; provided that, the authority shall not issue bonds before July 15, 1983, and until the total amount of revenues collected and deposited in the authority's fund equals or exceeds two million dollars ($2,000,000). The principal and interest on such bonds are payable solely from the funds provided for such payment. Any issue may be in one (1) or more series and any such series may enjoy equal or subordinate status with respect to the pledge of funds from which they are payable, shall be dated, shall bear interest at such rate or rates as established by the authority, shall mature at such time or times not exceeding forty (40) years from their date or dates, all as may be provided by the authority, and may be made redeemable before maturity, at the option of the authority, at such price or prices and under such terms and conditions as may be fixed by the authority prior to the issuance of the bonds. The authority shall determine the form of the bonds and shall fix the denomination of the bonds and the place or places for payment of principal and interest, which may be at any bank or trust company within or without the Commonwealth or at the office of the Finance and Administration Cabinet. The bonds shall be signed by the facsimile signature of the chairman or secretary of the authority, and the seal of the authority or a facsimile thereof shall be affixed thereto and attested by the manual signature or a facsimile thereof of the secretary or chairman of the authority. All bonds issued under the provisions of KRS 441.625 to 441.695 shall have all the qualities and incidents of negotiable instruments under the uniform commercial code, KRS Chapter 355. The authority may sell such bonds at public or private sale.

(2) The proceeds of the bonds of each issue shall be used solely for the payment of the cost of the project or projects for which such bonds shall have been issued, and shall be disbursed in such manner and under such restrictions, if any, as the authority may provide in the proceedings authorizing the issuance of such bonds or in the trust indenture securing the same. If the proceeds of the bonds of any issue, by error of estimates or otherwise, shall be less than such cost, additional bonds may in like manner be issued to provide the amount of such deficit, and, unless otherwise provided in the proceedings authorizing the issuance of such bonds or in the trust indenture securing the same, shall be deemed to be of the same issue and shall be entitled to payment from the same fund without preference or priority of the bonds first issued. If the proceeds of the bonds of any issue exceed such cost, the surplus shall be deposited to the credit of the sinking fund or funds for such bonds or any account or accounts therein as the authority shall have provided in the proceedings or trust indenture authorizing and securing such bonds.

(3) Prior to the preparation of definitive bonds, the authority may, under like restrictions, issue notes or temporary bonds exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The authority may also provide for the replacement of any bonds which shall become mutilated or shall be destroyed or lost.

(4) The terms of the trust indenture under which bonds or notes are issued may delegate

to the trustee the authority to establish procedures for the physical delivery of bond or note certificates either at the time of original issuance or on subsequent transfers but any such method shall be subject to the approval of the authority.

Effective: July 13, 1984

History: Amended 1984 Ky. Acts ch. 415, sec. 8, effective July 13, 1984. -- Created 1982 Ky. Acts ch. 235, sec. 8, effective July 15, 1982.

2026-2028 Budget Reference. See State/Executive Branch Budget, 2026 Ky. Acts ch. 168, Pt. I, H, 5, c, (1) at 2098.