

### **184.350 Definitions for KRS 184.350 to 184.395.**

As used in KRS 184.350 to 184.395:

- (1) "Administrative agent" means a bank, trust company, or other person which has responsibility for authenticating, delivering, or redeeming commercial paper on behalf of the issuer;
- (2) "Agent" means, as applicable, one (1) or more of the persons who are administrative agents, indexing agents, remarketing agents, or other persons having responsibility for performing functions with respect to floating rate interest structures or put arrangements;
- (3) "Bond proceedings" means the resolutions, trust agreements, certifications, notices, sale proceedings, leases, lease-purchase agreements, assignments, credit enhancement facility agreements, and other agreements, instruments, and documents, as amended and supplemented, or any one (1) or more of a combination thereof, authorizing, or authorizing and providing for the terms and conditions applicable to, or providing for the security or sale or award or liquidity of, bonds, and includes the provisions set forth or incorporated in those bonds and bond proceedings;
- (4) "Bond service charges" means principal, including any mandatory sinking fund or mandatory redemption requirements for retirement of bonds, interest, and any redemption premium payable on bonds, as those payments come due and are payable to the bondholder or to a person making payment under a credit enhancement facility of those bond service charges to a bondholder;
- (5) "Bond service fund" means the applicable fund created by the bond proceedings for and pledged to the payment of bond service charges on bonds provided for by those proceedings, including all moneys, investments, and earnings from investments, credited and to be credited to that fund as provided in the bond proceedings;
- (6) "Bonds" means bonds, notes, including notes anticipating bonds or other notes, commercial paper, certificates of participation, or other evidences of obligation, including any interest coupons pertaining thereto, issued pursuant to KRS 184.350 to 184.395;
- (7) "Commercial paper" means bonds with one (1) or more maturities of three hundred sixty-five (365) days or less which, under the bond proceedings, are expected to be funded by the issuance of additional bonds with maturities of three hundred sixty-five days (365) or less, whether or not ultimately funded with long term bonds;
- (8) "Cost" as applied to the construction of a project, includes:
  - (a) The cost of construction, including bridges over or under existing highways and railroads;
  - (b) Acquisition of all property required by the district for such construction;
  - (c) Demolishing or removing any buildings or structures on acquired land, including the cost of acquiring any lands to which buildings or structures may be moved, site clearance, improvement, and preparation;
  - (d) Diverting highways, interchanges with highways, and access roads to private

property, including the cost of necessary land or easements;

- (e) All machinery, furnishings, and equipment, communications facilities, financing expenses, and interest prior to and during construction and for one (1) year after completion of construction;
  - (f) Traffic estimates; indemnity, surety bonds, and premiums on insurance; guarantees; engineering; feasibility studies; legal expenses; plans; specifications; surveys; estimates of cost and revenues; and other expenses necessary or incidental to determining the feasibility or practicability of constructing a project;
  - (g) Other expenses as may be necessary or incidental to the construction of the project and the financing of such construction; and
  - (h) Any obligation or expense incurred by any governmental agency or person for surveys, borings, preparation of plans and specifications, and other engineering services, or any other cost described in this subsection, in connection with the construction of a project, which may be regarded as part of the cost of the project and reimbursed from revenues, taxes, or the proceeds of bonds as authorized by KRS 184.350 to 184.395;
- (9) "Credit enhancement facilities" means letters of credit; lines of credit; standby, contingent, or firm securities purchase agreements; insurance, or surety arrangements; guarantees, and other arrangements that provide for direct or contingent payment of bond service charges, for security or additional security in the event of nonpayment or default in respect of bonds, or for making payment of bond service charges and at the option and on demand of bondholders or at the option of the district or upon certain conditions occurring under put or similar arrangements, or for otherwise supporting the credit or liquidity of the bonds, and includes credit, reimbursement, marketing, remarketing, indexing, carrying, interest rate hedge, and subrogation agreements, and other agreements and arrangements for payment and reimbursement of the person providing the credit enhancement facility and the security for that payment and reimbursement;
- (10) "Financing expenses" means all costs and expenses relating to the authorization, issuance, sale, delivery, authentication, deposit, custody, clearing, registration, transfer, exchange, fractionalization, replacement, payment, and servicing of bonds, including without limitation costs and expenses for or relating to publication and printing, postage, delivery, preliminary and final official statements, offering circulars, and informational statements, travel and transportation, underwriters, placement agents, investment bankers, paying agents, registrars, authenticating agents, remarketing agents, custodians, clearing agencies or corporations, securities depositories, financial advisory services, certifications, audits, federal or state regulatory agencies, accounting and computation services, legal services and obtaining approving legal opinions and other legal opinions, credit ratings, redemption premiums, and credit enhancement facilities;
- (11) "Floating rate interest structure" means provisions in the bond proceedings whereby the interest rate or rates payable on the bonds, or upon successive series of commercial paper, vary from time-to-time pursuant to or in relation to an index

provided by an indexing agent or otherwise established, a formula, base, publicly announced rate, yields on other obligations, determinations of an agent, or any one (1) or combination of the foregoing, with or without approval or consent of the absolute obligor or issuer as provided in the bond proceedings;

- (12) "Governmental agency" means a department, division, or other unit of state government; a county, city, municipal corporation or other political subdivision; a regional transit authority or regional transit commission created under KRS Chapter 96A; a port authority created under KRS 65.510 to 65.650; and the United States or any agency thereof;
- (13) "Highway" has the same meaning as in KRS 189.010;
- (14) "Indexing agent" means a person with responsibility for establishing, adjusting, and maintaining an index of interest rates or yields for purposes of a floating rate interest structure;
- (15) "Interest rate hedge" means any arrangement:
  - (a) By which either:
    1. The different interest costs or receipts at, between, or among fixed or floating interest rates, including at different floating interest rates, are exchanged on stated amounts of bonds or investments, or on notional amounts; or
    2. A party will pay interest costs in excess of an agreed limitation; and
  - (b) Which also may include a requirement for the issuer to issue bonds at a future date. This requirement shall be deemed to be part of the bond proceedings at the time the interest rate hedge is entered into. Issuance of bonds at a future date shall not require further legislative action, but shall be a ministerial act;
- (16) "Interest rate period" means that period of time during which an interest rate or rates established under a floating rate interest structure will pertain, which periods may be altered or become fixed pursuant to the bond proceedings upon stated occurrences or upon determination of the absolute obligor or issuer;
- (17) "Interstate system" means that portion of the interstate highway system, or the national highway system, located within the Commonwealth;
- (18) "Net revenues" means revenues lawfully available to pay both current operating expenses of a district and bond service charges in any fiscal year or other specified period, less current operating expenses of the district and any amount necessary to maintain a working capital reserve for that period;
- (19) "Outstanding," as applied to bonds, means outstanding in accordance with the terms of the bonds and the applicable bond proceedings;
- (20) "Owner" includes any person having any title or interest in any property authorized to be acquired by a district under KRS 184.350 to 184.395
- (21) "Pledged revenues" means net revenues, moneys and investments, and earnings on those investments, in the applicable bond service fund and any other special funds, and the proceeds of any bonds issued for the purpose of refunding prior bonds, all as lawfully available and by resolution of the district committed for application as

pledged revenues to the payment of bond service charges on particular issues of bonds;

- (22) "Project" means:
- (a) A highway or parking facility;
  - (b) Freight rail tracks and necessarily related freight rail facilities;
  - (c) Other transportation projects constructed or improved under KRS 184.350 to 184.395 and includes all bridges, tunnels, overpasses, underpasses, interchanges, or approaches that are determined by the district to be necessary for the safe merging of traffic between the project and those highways;
  - (d) Service facilities, and administration, storage, and other buildings, property, and facilities, that the district considers necessary for the operation of the project; and
  - (e) All property and rights that must be acquired by the district for the construction, maintenance, or operation of the project;
- (23) "Property" includes interests in property;
- (24) "Put arrangement" means provisions in the bond proceedings under which holders of the applicable bonds may exercise an option, or are required, to surrender the bonds or their ownership for an amount of payment previously established in or pursuant to the bond proceedings, at times, which may, but need not be, consistent with the ends of interest rate periods and which may be altered with or without the approval or consent, or upon the direction of, the absolute obligor or the issuer, as provided for in the bond proceedings;
- (25) "Refund" means to fund and retire outstanding bonds, including advance refunding with or without payment or redemption prior to stated maturity;
- (26) "Remarketing agent" means the person having responsibility for marketing or remarketing commercial paper or bonds with put arrangements, which may include responsibility for making recommendations or determinations as to prices or interest rates;
- (27) "Revenues" means:
- (a) All moneys received by a district with respect to the lease, sublease, or sale, including installment sale, conditional sale, or sale under a lease-purchase agreement, of a project;
  - (b) All moneys received by a district under an agreement pursuant to KRS 184.395;
  - (c) Any gift or grant received with respect to a project;
  - (d) All moneys received from increment bonds issued in accordance with the establishment of a local development area under KRS 65.7041 to 65.7083; and
  - (e) Proceeds of bonds issued under KRS 184.350 to 184.395 to the extent the use thereof for payment of principal or of premium, if any, or interest on the bonds is authorized by the district, proceeds from any insurance, condemnation, or guaranty pertaining to a project or property mortgaged to secure bonds or

pertaining to the financing of a project, and income and profit from the investment of the proceeds of bonds or of any revenues;

- (28) "Special funds" means the applicable bond service fund and any accounts and subaccounts in that fund, any other funds or accounts permitted by, established under, and identified as a special fund or special account in the bond proceedings, including any special fund or account established for purposes of rebate or other requirements under federal income tax laws; and
- (29) "Transportation improvement district" or "district" means a transportation improvement district established pursuant to KRS 184.353.

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