

220.577 Revenue bonds of construction subdistrict -- Procedure -- Contents.

- (1) The district is authorized and empowered to issue negotiable, interest bearing, construction subdistrict bonds which shall not be an obligation of the district; construction subdistrict revenue bonds shall be secured solely by the revenues pledged by KRS 220.593 and by moneys, if any, in the construction subdistrict reserve fund authorized by KRS 220.593. Construction subdistrict bonds can be issued to obtain funds for the building, installation, or acquisition of construction subdistrict facilities or for refunding construction subdistrict bonds of the same construction subdistrict. Notwithstanding the foregoing two (2) sentences construction subdistrict bonds can be served by assessments.
- (2) Construction subdistrict bonds shall be authorized by resolution of the board, shall bear a date or dates, shall mature at a time or times, not exceeding forty (40) years from their respective dates, bear interest at a rate or rates or method of determining rates, be payable annually or more often, be in a form, wholly registered, registered as to principal with bearer coupon, or bearer with coupon, carry the registration privileges, be executed in a manner, be payable in a manner, be payable in a medium of payment at a place or places, and be subject to the terms of redemption, with or without premium, as the resolution or resolutions may require. Construction subdistrict bonds shall be sold at public sale for a price or prices as the board determines.
- (3) Any resolution or resolutions authorizing any bonds pursuant to this section may contain provisions, which shall be a part of the contract with the holders of the bonds, concerning:
 - (a) A pledge of or a security interest in the revenue derived from the construction subdistrict;
 - (b) The amounts to be raised in each year by rates, rentals, and charges, and their use and disposition;
 - (c) The setting aside of reserves or sinking funds and their regulation and disposition;
 - (d) Limitations on the right of the district to restrict and regulate the use of the subdistrict facilities;
 - (e) Limitations on the purposes to which the proceeds of sale of any issue of bonds to be issued with respect to the same construction subdistrict may be applied;
 - (f) Limitations on the issuance of additional bonds for the same construction subdistrict; and
 - (g) The procedure, if any, by which the term of any contract with bondholders may be amended or be abrogated, and amount of the bonds the holders of which must give consent thereto, and the manner in which consent may be given.
- (4) Construction subdistrict bonds shall not constitute an obligation or indebtedness of the district or of any city or county, and it shall be stated plainly on the face of each construction subdistrict bond that it has been issued under the provisions of KRS

220.553 to 220.613 and that it does not constitute an obligation or indebtedness of the district or any city or county. All construction subdistrict bonds issued may be issued without vote of the voters and without any other proceedings or happenings of any other condition or things than those proceedings, conditions, and things which are specified and required by KRS 220.553 to 220.613. Construction subdistrict bonds shall be signed in the name of the district by the chairman or vice chairman of the board, attested by the signature of the secretary-treasurer, with corporate seal of the district attached. The bonds may also be executed pursuant to KRS 61.390.

Effective: July 15, 1996

History: Amended 1996 Ky. Acts ch. 274, sec. 56, effective July 15, 1996. -- Amended 1978 Ky. Acts ch. 384, sec. 79, effective June 17, 1978. -- Created 1966 Ky. Acts ch. 92, sec. 14.