

1 AN ACT relating to transportation improvement districts.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 184 IS CREATED TO
4 READ AS FOLLOWS:

5 *As used in Sections 1 to 18 of this Act:*

- 6 *(1) "Administrative agent" means a bank, trust company, or other person which has*
7 *responsibility for authenticating, delivering, or redeeming commercial paper on*
8 *behalf of the issuer;*
- 9 *(2) "Agent" means, as applicable, one (1) or more of the persons who are*
10 *administrative agents, indexing agents, remarketing agents, or other persons*
11 *having responsibility for performing functions with respect to floating rate*
12 *interest structures or put arrangements;*
- 13 *(3) "Bond proceedings" means the resolutions, trust agreements, certifications,*
14 *notices, sale proceedings, leases, lease-purchase agreements, assignments, credit*
15 *enhancement facility agreements, and other agreements, instruments, and*
16 *documents, as amended and supplemented, or any one (1) or more of a*
17 *combination thereof, authorizing, or authorizing and providing for the terms and*
18 *conditions applicable to, or providing for the security or sale or award or liquidity*
19 *of, bonds, and includes the provisions set forth or incorporated in those bonds*
20 *and bond proceedings;*
- 21 *(4) "Bond service charges" means principal, including any mandatory sinking fund*
22 *or mandatory redemption requirements for retirement of bonds, interest, and any*
23 *redemption premium payable on bonds, as those payments come due and are*
24 *payable to the bondholder or to a person making payment under a credit*
25 *enhancement facility of those bond service charges to a bondholder;*
- 26 *(5) "Bond service fund" means the applicable fund created by the bond proceedings*
27 *for and pledged to the payment of bond service charges on bonds provided for by*

1 those proceedings, including all moneys, investments, and earnings from
2 investments, credited and to be credited to that fund as provided in the bond
3 proceedings;

4 (6) "Bonds" means bonds, notes, including notes anticipating bonds or other notes,
5 commercial paper, certificates of participation, or other evidences of obligation,
6 including any interest coupons pertaining thereto, issued pursuant to Sections 1
7 to 18 of this Act;

8 (7) "Commercial paper" means bonds with one (1) or more maturities of three
9 hundred sixty-five (365) days or less which, under the bond proceedings, are
10 expected to be funded by the issuance of additional bonds with maturities of three
11 hundred sixty-five days (365) or less, whether or not ultimately funded with long
12 term bonds;

13 (8) "Cost" as applied to the construction of a project, includes:

14 (a) The cost of construction, including bridges over or under existing highways
15 and railroads;

16 (b) Acquisition of all property required by the district for such construction;

17 (c) Demolishing or removing any buildings or structures on acquired land,
18 including the cost of acquiring any lands to which buildings or structures
19 may be moved, site clearance, improvement, and preparation;

20 (d) Diverting highways, interchanges with highways, and access roads to
21 private property, including the cost of necessary land or easements;

22 (e) All machinery, furnishings, and equipment, communications facilities,
23 financing expenses, and interest prior to and during construction and for
24 one (1) year after completion of construction;

25 (f) Traffic estimates; indemnity, surety bonds, and premiums on insurance;
26 guarantees; engineering; feasibility studies; legal expenses; plans;
27 specifications; surveys; estimates of cost and revenues; and other expenses

1 necessary or incidental to determining the feasibility or practicability of
2 constructing a project;

3 (g) Other expenses as may be necessary or incidental to the construction of the
4 project and the financing of such construction; and

5 (h) Any obligation or expense incurred by any governmental agency or person
6 for surveys, borings, preparation of plans and specifications, and other
7 engineering services, or any other cost described in this subsection, in
8 connection with the construction of a project, which may be regarded as
9 part of the cost of the project and reimbursed from revenues, taxes, or the
10 proceeds of bonds as authorized by Sections 1 to 18 of this Act;

11 (9) "Credit enhancement facilities" means letters of credit; lines of credit; standby,
12 contingent, or firm securities purchase agreements; insurance, or surety
13 arrangements; guarantees, and other arrangements that provide for direct or
14 contingent payment of bond service charges, for security or additional security in
15 the event of nonpayment or default in respect of bonds, or for making payment of
16 bond service charges and at the option and on demand of bondholders or at the
17 option of the district or upon certain conditions occurring under put or similar
18 arrangements, or for otherwise supporting the credit or liquidity of the bonds,
19 and includes credit, reimbursement, marketing, remarketing, indexing, carrying,
20 interest rate hedge, and subrogation agreements, and other agreements and
21 arrangements for payment and reimbursement of the person providing the credit
22 enhancement facility and the security for that payment and reimbursement;

23 (10) "Financing expenses" means all costs and expenses relating to the authorization,
24 issuance, sale, delivery, authentication, deposit, custody, clearing, registration,
25 transfer, exchange, fractionalization, replacement, payment, and servicing of
26 bonds, including without limitation costs and expenses for or relating to
27 publication and printing, postage, delivery, preliminary and final official

1 statements, offering circulars, and informational statements, travel and
2 transportation, underwriters, placement agents, investment bankers, paying
3 agents, registrars, authenticating agents, remarketing agents, custodians,
4 clearing agencies or corporations, securities depositories, financial advisory
5 services, certifications, audits, federal or state regulatory agencies, accounting
6 and computation services, legal services and obtaining approving legal opinions
7 and other legal opinions, credit ratings, redemption premiums, and credit
8 enhancement facilities;

9 (11) "Floating rate interest structure" means provisions in the bond proceedings
10 whereby the interest rate or rates payable on the bonds, or upon successive series
11 of commercial paper, vary from time-to-time pursuant to or in relation to an
12 index provided by an indexing agent or otherwise established, a formula, base,
13 publicly announced rate, yields on other obligations, determinations of an agent,
14 or any one (1) or combination of the foregoing, with or without approval or
15 consent of the absolute obligor or issuer as provided in the bond proceedings;

16 (12) "Governmental agency" means a department, division, or other unit of state
17 government; a county, city, municipal corporation or other political subdivision;
18 a regional transit authority or regional transit commission created under KRS
19 Chapter 96A; a port authority created under KRS 65.510 to 65.650; and the
20 United States or any agency thereof;

21 (13) "Highway" has the same meaning as in KRS 189.010;

22 (14) "Indexing agent" means a person with responsibility for establishing, adjusting,
23 and maintaining an index of interest rates or yields for purposes of a floating rate
24 interest structure;

25 (15) "Interest rate hedge" means any arrangement:

26 (a) By which either:

27 1. The different interest costs or receipts at, between, or among fixed or

- 1 floating interest rates, including at different floating interest rates, are
2 exchanged on stated amounts of bonds or investments, or on notional
3 amounts; or
- 4 2. A party will pay interest costs in excess of an agreed limitation; and
5 (b) Which also may include a requirement for the issuer to issue bonds at a
6 future date. This requirement shall be deemed to be part of the bond
7 proceedings at the time the interest rate hedge is entered into. Issuance of
8 bonds at a future date shall not require further legislative action, but shall
9 be a ministerial act;
- 10 (16) "Interest rate period" means that period of time during which an interest rate or
11 rates established under a floating rate interest structure will pertain, which
12 periods may be altered or become fixed pursuant to the bond proceedings upon
13 stated occurrences or upon determination of the absolute obligor or issuer;
- 14 (17) "Interstate system" means that portion of the interstate highway system, or the
15 national highway system, located within the Commonwealth;
- 16 (18) "Net revenues" means revenues lawfully available to pay both current operating
17 expenses of a district and bond service charges in any fiscal year or other
18 specified period, less current operating expenses of the district and any amount
19 necessary to maintain a working capital reserve for that period;
- 20 (19) "Outstanding," as applied to bonds, means outstanding in accordance with the
21 terms of the bonds and the applicable bond proceedings;
- 22 (20) "Owner" includes any person having any title or interest in any property
23 authorized to be acquired by a district under Sections 1 to 18 of this Act;
- 24 (21) "Pledged revenues" means net revenues, moneys and investments, and earnings
25 on those investments, in the applicable bond service fund and any other special
26 funds, and the proceeds of any bonds issued for the purpose of refunding prior
27 bonds, all as lawfully available and by resolution of the district committed for

1 application as pledged revenues to the payment of bond service charges on
2 particular issues of bonds;

3 (22) "Project" means:

4 (a) A highway or parking facility;

5 (b) Freight rail tracks and necessarily related freight rail facilities;

6 (c) Other transportation projects constructed or improved under Sections 1 to
7 18 of this Act and includes all bridges, tunnels, overpasses, underpasses,
8 interchanges, or approaches that are determined by the district to be
9 necessary for the safe merging of traffic between the project and those
10 highways;

11 (d) Service facilities, and administration, storage, and other buildings, property,
12 and facilities, that the district considers necessary for the operation of the
13 project; and

14 (e) All property and rights that must be acquired by the district for the
15 construction, maintenance, or operation of the project;

16 (23) "Property" includes interests in property;

17 (24) "Put arrangement" means provisions in the bond proceedings under which
18 holders of the applicable bonds may exercise an option, or are required, to
19 surrender the bonds or their ownership for an amount of payment previously
20 established in or pursuant to the bond proceedings, at times, which may, but need
21 not be, consistent with the ends of interest rate periods and which may be altered
22 with or without the approval or consent, or upon the direction of, the absolute
23 obligor or the issuer, as provided for in the bond proceedings;

24 (25) "Refund" means to fund and retire outstanding bonds, including advance
25 refunding with or without payment or redemption prior to stated maturity;

26 (26) "Remarketing agent" means the person having responsibility for marketing or
27 remarketing commercial paper or bonds with put arrangements, which may

1 include responsibility for making recommendations or determinations as to prices
 2 or interest rates;

3 (27) "Revenues" means:

4 (a) All moneys received by a district with respect to the lease, sublease, or sale,
 5 including installment sale, conditional sale, or sale under a lease-purchase
 6 agreement, of a project;

7 (b) All moneys received by a district under an agreement pursuant to Section 18
 8 of this Act;

9 (c) Any gift or grant received with respect to a project;

10 (d) All moneys received from increment bonds issued in accordance with the
 11 establishment of a local development area under KRS 65.7041 to 65.7083;
 12 and

13 (e) Proceeds of bonds issued under Sections 1 to 18 of this Act to the extent the
 14 use thereof for payment of principal or of premium, if any, or interest on
 15 the bonds is authorized by the district, proceeds from any insurance,
 16 condemnation, or guaranty pertaining to a project or property mortgaged to
 17 secure bonds or pertaining to the financing of a project, and income and
 18 profit from the investment of the proceeds of bonds or of any revenues;

19 (28) "Special funds" means the applicable bond service fund and any accounts and
 20 subaccounts in that fund, any other funds or accounts permitted by, established
 21 under, and identified as a special fund or special account in the bond
 22 proceedings, including any special fund or account established for purposes of
 23 rebate or other requirements under federal income tax laws; and

24 (29) "Transportation improvement district" or "district" means a transportation
 25 improvement district established pursuant to Section 2 of this Act.

26 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 184 IS CREATED TO
 27 READ AS FOLLOWS:

1 (1) A transportation improvement district may be created by the legislative body of a
2 city with a population of at least twenty thousand (20,000), a county, or by a
3 group of up to three (3) contiguous counties. A transportation improvement
4 district shall be governed by a board of trustees appointed as outlined in either
5 subsection (3), (4), (5), or (6) of this section.

6 (2) A transportation improvement district shall be considered:

7 (a) A body both corporate and politic, and the exercise by it of the powers
8 conferred by Sections 1 to 18 of this Act in the financing, construction,
9 maintenance, repair, and operation of a project are and shall be held to be
10 essential governmental functions; and

11 (b) A special purpose governmental entity as defined in KRS 65A.010 and
12 subject to the requirements and limitations in KRS Chapter 65A.

13 (3) A transportation improvement district established by a city shall be governed by a
14 board of trustees consisting of:

15 (a) Five (5) voting members appointed by the legislative body of the city; and

16 (b) One (1) nonvoting member appointed by the regional planning commission
17 for the county.

18 All members appointed under this subsection shall be residents of the city
19 establishing the district. Two (2) of the voting members shall be members of a
20 chamber of commerce in the city.

21 (4) A transportation improvement district established by a single county shall be
22 governed by a board of trustees consisting of:

23 (a) Five (5) voting members appointed by the legislative body of the county;

24 (b) One (1) nonvoting member appointed by the legislative body of the largest
25 city in the county; and

26 (c) One (1) nonvoting member appointed by the regional planning commission
27 for the county.

1 All members appointed under this subsection shall be residents of the county
2 establishing the district. Two (2) of the voting members shall be members of a
3 chamber of commerce in the county.

4 (5) A transportation improvement district established by two (2) counties shall be
5 governed by a board of trustees consisting of:

6 (a) Six (6) voting members, three (3) of whom shall be appointed by the
7 legislative body of each county;

8 (b) One (1) voting member appointed by the board of trustees of the district;

9 (c) Two (2) nonvoting members, one (1) of whom shall be appointed by the
10 legislative body of the largest city in each county; and

11 (d) One (1) nonvoting member appointed by the regional planning commission
12 for the counties making up the district.

13 All members appointed under this subsection shall be residents of one (1) of the
14 counties establishing the district. One (1) of the voting members appointed by
15 each county shall be members of a chamber of commerce located within that
16 county.

17 (6) A transportation improvement district established by three (3) counties shall be
18 governed by a board of trustees consisting of:

19 (a) Nine (9) voting members, three (3) of whom shall be appointed by the
20 legislative body of each county;

21 (b) Three (3) nonvoting members, one (1) of whom shall be appointed by the
22 legislative body of the largest city in each county; and

23 (c) One (1) nonvoting member appointed by the regional planning commission
24 for the counties making up the district.

25 All members appointed under this subsection shall be residents of one (1) of the
26 counties establishing the district. One (1) of the voting members appointed by
27 each county shall be members of a chamber of commerce located within that

1 county.

2 (7) Except for initial appointments by the legislative bodies of cities and counties,
 3 each appointed member of the board shall hold office for a term of four (4) years
 4 but be subject to removal at the pleasure of the authority that appointed the
 5 member. Initial appointments to the board by the legislative body of a city or
 6 county shall be staggered so that no more than two (2) terms expire in any one (1)
 7 year. Except as otherwise provided in this section, any vacancy on the board shall
 8 be filled in the same manner as the original appointment.

9 (8) The voting members of the board shall elect from the entire board membership a
 10 chairperson, vice-chairperson, and secretary-treasurer. A majority of the
 11 statutory number of voting members of the board constitutes a quorum, the
 12 affirmative vote of which is necessary for any action of the district. A vacancy in
 13 the membership of the board shall not impair the right of a quorum to exercise
 14 all the rights and perform all duties of the district.

15 (9) Members of the board shall serve without pay, but shall be reimbursed for
 16 reasonable expenses from the district's budget.

17 (10) A city or county that establishes a district, or a city that is part of the district
 18 established by one (1) or more counties, may make appropriations from moneys
 19 available to them and not otherwise appropriated to pay costs incurred by the
 20 district in the exercise of its functions under Sections 1 to 18 of this Act.

21 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 184 IS CREATED TO
 22 READ AS FOLLOWS:

23 A transportation improvement district may:

24 (1) Adopt bylaws for the regulation of its affairs and the conduct of its business;

25 (2) Adopt an official seal;

26 (3) Sue and be sued in its own name, plead and be impleaded, provided any actions
 27 against the district shall be brought in the Circuit Court of the county in which

- 1 the principal office of the district is located, or in the Circuit Court of the county
2 in which the cause of action arose, and all summonses, exceptions, and notices of
3 every kind shall be served on the district by leaving a copy thereof at its principal
4 office with the secretary-treasurer;
- 5 (4) Purchase, construct, maintain, repair, sell, exchange, police, operate, or lease
6 projects;
- 7 (5) Issue transportation improvement district revenue bonds for the purpose of
8 providing funds to pay the costs of any project or part thereof;
- 9 (6) Maintain such funds as it considers necessary;
- 10 (7) Direct its agents or employees, when properly identified in writing and after at
11 least five (5) days' written notice, to enter upon lands within its jurisdiction to
12 make surveys and examinations preliminary to the location and construction of
13 projects for the district, without liability of the district or its agents or employees
14 except for actual damage done;
- 15 (8) Make and enter into all contracts and agreements necessary or incidental to the
16 performance of its functions and the execution of its powers under Sections 1 to
17 18 of this Act;
- 18 (9) Employ, retain, or contract for the services of consulting engineers,
19 superintendents, managers, and such other engineers, construction and
20 accounting experts, financial advisers, trustees, marketing, remarketing, and
21 administrative agents, attorneys, and other employees, independent contractors,
22 or agents as are necessary in its judgment and fix their compensation, provided
23 all such expenses shall be payable solely from the proceeds of bonds or from
24 revenues;
- 25 (10) Receive and accept from the federal or any state or local government, including
26 but not limited to any agency, entity, or instrumentality of any of the foregoing,
27 loans and grants for or in aid of the construction, maintenance, or repair of any

1 project, and receive and accept aid or contributions from any source or person of
 2 money, property, labor, or other things of value, to be held, used, and applied
 3 only for the purposes for which such loans, grants, and contributions are made.
 4 Nothing in this subsection shall be construed as imposing any liability on this
 5 state for any loan received by a transportation improvement district from a third
 6 party unless this state has entered into an agreement to accept such liability;

7 (11) Subject to the requirements of Section 5 of this Act, acquire, hold, and dispose of
 8 property in the exercise of its powers and the performance of its duties under
 9 Sections 1 to 18 of this Act; and

10 (12) Do all acts necessary and proper to carry out the powers expressly granted in
 11 Sections 1 to 18 of this Act.

12 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 184 IS CREATED TO
 13 READ AS FOLLOWS:

14 (1) The board of trustees of a transportation improvement district may provide for
 15 the construction, reconstruction, improvement, alteration, or repair of any road,
 16 highway, public place, building, or other infrastructure, if the board determines
 17 that the public improvement will benefit the area where it will be constructed,
 18 reconstructed, improved, altered, or repaired.

19 (2) Contracts for the improvements made under this section may provide that the
 20 improvement may be owned by the district or by the person or corporation
 21 supplying it to the district under a lease.

22 (3) If the board of trustees of a district proposes an improvement described in
 23 subsection (1) of this section, the board shall conduct a hearing on the proposed
 24 improvement. The board shall indicate the area by metes and bounds in which
 25 the public improvement will be made and the area that will benefit from the
 26 improvement.

27 (4) (a) The board of trustees shall fix a day for a hearing on the proposed

- 1 improvement. The secretary-treasurer of the board shall deliver, to each
2 owner of a parcel of land or a lot that the board identifies as benefiting
3 from the proposed improvement, a notice that sets forth the substance of the
4 proposed improvement and the time and place of the hearing on it.
- 5 (b) At least fifteen (15) days before the date set for the hearing, a copy of the
6 notice shall be served upon the owner or left at the owner's usual place of
7 residence, or, if the owner is a corporation, upon an officer or agent of the
8 corporation.
- 9 (c) On or before the day of the hearing, the person serving notice of the
10 hearing shall make return thereon, under oath, of the time and manner of
11 service, and shall file the notice with the secretary-treasurer of the board.
- 12 (d) At least fifteen (15) days before the day set for the hearing on the proposed
13 improvement, the secretary-treasurer shall give notice to each nonresident
14 owner of a lot or parcel of land in the area to be benefited by the
15 improvement by publication once in a newspaper of general circulation in
16 any counties in which this area is located. The publication of the notice
17 shall be verified by affidavit of the printer or other person having
18 knowledge of the publication and shall be filed with the secretary-treasurer
19 of the district on or before the date of the hearing.
- 20 (e) After the public hearing outlined in this subsection, the district shall present
21 the improvement, including all relevant details, along with a summary of
22 the public hearing, to the body or bodies that established the district. Each
23 of those bodies must approve the project prior to the district being able to
24 proceed.
- 25 (5) (a) At the time and place specified in the notice for a hearing on the proposed
26 improvement, the board of trustees of the district shall meet and hear any
27 and all testimony provided by any of the parties affected by the proposed

1 improvement and by any other persons competent to testify.

2 (b) The board or its representatives shall inspect, by an actual viewing, the area
 3 to be benefited by the proposed improvement. The board shall determine the
 4 necessity of the proposed improvement and may find that the proposed
 5 improvement will result in general as well as special benefits.

6 (6) (a) The board may award contracts or enter into a lease agreement for the
 7 construction, reconstruction, improvement, alteration, or repair of any
 8 improvement described in subsection (1) of this section and may issue notes,
 9 bonds, revenue anticipatory instruments, or other obligations, as authorized
 10 by Sections 1 to 18 of this Act, to finance the improvements.

11 (b) If the board finds that the improvement will result in general or special
 12 benefits to the benefited area, it may request that the body or bodies that
 13 created the district to establish a local development area in accordance with
 14 KRS 65.7041 to 65.7083 to allow for tax increment financing to help defray
 15 the cost of the project.

16 (c) Costs and expenses may also be paid from the treasury of the district or
 17 from other available sources in amounts the board finds appropriate.

18 ➔SECTION 5. A NEW SECTION OF KRS CHAPTER 184 IS CREATED TO
 19 READ AS FOLLOWS:

20 (1) (a) A transportation improvement district may acquire by purchase, lease,
 21 lease-purchase, lease with option to purchase, appropriation, or otherwise
 22 in the manner and for the consideration it considers proper, any public or
 23 private property necessary, convenient, or proper for the construction,
 24 maintenance, repair, or operation of a project. The district may pledge net
 25 revenues, to the extent permitted by Sections 1 to 18 of this Act with respect
 26 to bonds, to secure payments to be paid by the district under such a lease,
 27 lease-purchase agreement, or lease with option to purchase. Title to real

1 and personal property shall be held in the name of the district.

2 (b) If a district cannot come to terms on any property purchase, the district may
 3 request the city or county that established the district to acquire the property
 4 in accordance with KRS 416.540 to 416.670. Except as otherwise agreed to
 5 by the owner, full compensation shall be paid for public property so taken.

6 (2) This section does not authorize a district to take or disturb property or facilities
 7 belonging to any public utility or to a common carrier engaged in interstate
 8 commerce when the property or facilities are required for the proper and
 9 convenient operation of the public utility or common carrier, unless provision is
 10 made for the restoration, relocation, replication, or duplication of the property or
 11 facilities elsewhere at the sole cost of the district.

12 (3) Except as otherwise provided in Sections 1 to 18 of this Act, disposition of real
 13 property shall be by sale, lease-purchase agreement, lease with option to
 14 purchase, or otherwise in the manner and for the consideration as the district
 15 determines if to a governmental agency, and otherwise in the manner provided in
 16 this section. Disposition of personal property shall be in the manner and for the
 17 consideration as the district determines.

18 ➔SECTION 6. A NEW SECTION OF KRS CHAPTER 184 IS CREATED TO
 19 READ AS FOLLOWS:

20 The board of trustees of a district may:

21 (1) Acquire, by any method other than condemnation, real property in fee simple in
 22 the name of the district in connection with, but in excess of that needed for, a
 23 project;

24 (2) Hold the property for a period of time as the board determines; and

25 (3) Sell at public auction or otherwise, all right, title, and interest of the district in the
 26 property, as the board considers in the best interests of the district; but in no
 27 event shall the property be sold for less than two-thirds (2/3) of its appraised

1 value. Sale at public auction shall be undertaken only after the board advertises
2 the sale in a newspaper of general circulation in the district for two (2) weeks
3 prior to the date set for the sale or as provided in KRS 424.130.

4 ➔SECTION 7. A NEW SECTION OF KRS CHAPTER 184 IS CREATED TO
5 READ AS FOLLOWS:

6 (1) In addition to bonds issued in accordance with KRS 65.7041 to 65.7083, the
7 board of trustees of a transportation improvement district may provide by
8 resolution for the issuance, at one (1) time or from time-to-time, of bonds of the
9 district for the purpose of paying all or any part of the cost of any one (1) or more
10 projects. The bond service charges shall be payable solely from pledged revenues
11 pledged for such payment pursuant to the applicable bond proceedings. The
12 bonds of each issue shall be dated, shall bear interest at a rate or rates or at
13 variable rates, and shall mature or be payable at a time or times, with a final
14 maturity not to exceed thirty (30) years from their date or dates, all as determined
15 by the board in the bond proceedings. The board shall determine the form of the
16 bonds, including any interest coupons to be attached thereto, and shall fix the
17 denomination or denominations of the bonds and the place or places of payment
18 of bond service charges.

19 (2) The bonds shall be signed by the chairperson or vice-chairperson of the board or
20 by the facsimile signature of that officer and the official seal of the district or a
21 facsimile thereof may be affixed thereto or printed thereon and attested by the
22 secretary-treasurer of the district, which may be by facsimile signature. Any
23 coupons attached thereto shall bear the facsimile signature of the chairperson or
24 vice-chairperson of the board. In case any officer whose signature, or a facsimile
25 of whose signature, appears on any bonds or coupons ceases to be the officer
26 before delivery of the bonds, such signature or facsimile shall nevertheless be
27 valid and sufficient for all purposes the same as if the officer had remained in

- 1 office until delivery.
- 2 (3) Subject to the bond proceedings and provisions for registration, the bonds shall
3 have all the qualities and incidents of negotiable instruments. The bonds may be
4 issued in the form or forms as the board determines, including without limitation
5 coupon, book entry, and fully registered form, and provision may be made for the
6 registration of any coupon bonds as to principal alone and also as to both
7 principal and interest, and for the exchange of bonds between forms. The board
8 may sell the bonds by competitive bid on the best bid after advertisement or
9 request for bids or by private sale in the manner and for the price it determines to
10 be for the best interest of the district.
- 11 (4) The proceeds of the bonds of each issue shall be used solely for the payment of
12 the costs of the project or projects for which the bonds were issued, and shall be
13 disbursed in the manner and under the restrictions as the board provides in the
14 bond proceedings.
- 15 (5) Prior to the preparation of definitive bonds, the board may, under like
16 restrictions, issue interim receipts or temporary bonds or bond anticipation notes,
17 with or without coupons, exchangeable for definitive bonds when the bonds have
18 been executed and are available for delivery. The board may provide for the
19 replacement of any mutilated, stolen, destroyed, or lost bonds.
- 20 (6) The provisions of KRS 424.360 shall apply to the bonds issued under this section.
- 21 (7) The bond proceedings shall provide, subject to the provisions of any other
22 applicable bond proceedings, for the pledge to the payment of bond service
23 charges and of any costs of or relating to credit enhancement facilities of all, or a
24 part as the board may determine, of the pledged revenues and the applicable
25 special fund or funds, which pledges may be made to secure the bonds on a parity
26 with bonds theretofore or thereafter issued if and to the extent provided in the
27 bond proceedings. Every pledge, and every covenant and agreement with respect

1 thereto, made in the bond proceedings may in the bond proceedings be extended
2 to the benefit of the owners and holders of bonds and to any trustee and any
3 person providing a credit enhancement facility for those bonds, for the further
4 security for the payment of the bond service charges and credit enhancement
5 facility costs.

6 (8) The bond proceedings may contain additional provisions as to:

7 (a) The redemption of bonds prior to maturity at the option of the board or of
8 the bondholders or upon the occurrence of certain stated conditions, and at
9 such price or prices and under such terms and conditions as are provided in
10 the bond proceedings;

11 (b) Other terms of the bonds;

12 (c) Limitations on the issuance of additional bonds;

13 (d) The terms of any trust agreement securing the bonds or under which the
14 same may be issued;

15 (e) Any or every provision of the bond proceedings being binding upon the
16 board, state agencies, or other persons as may from time to time have the
17 authority under law to take such actions as may be necessary to perform all
18 or any part of the duty required by the provision;

19 (f) Any provision that may be made in a trust agreement; or

20 (g) Any other or additional agreements with the holders of the bonds, or the
21 trustee therefor, relating to the bonds or the security for the bonds,
22 including agreements for credit enhancement facilities.

23 (9) Any holder of bonds or a trustee under the bond proceedings, except to the extent
24 that the holder's or trustee's rights are restricted by the bond proceedings, may,
25 by any suitable form of legal proceedings, protect and enforce any rights under
26 the laws of this state or granted by the bond proceedings. Those rights include the
27 right to compel the performance of all duties of the board required by Sections 1

1 to 18 of this Act or the bond proceedings; to enjoin unlawful activities; and in the
2 event of default with respect to the payment of any bond service charges on any
3 bonds or in the performance of any covenant or agreement on the part of the
4 board contained in the bond proceedings, to apply to a court having jurisdiction
5 of the cause to appoint a receiver to receive and administer the revenues and the
6 pledged revenues which are pledged to the payment of the bond service charges
7 on the bonds or that are the subject of the covenant or agreement, with full power
8 to pay, and to provide for payment of, bond service charges on the bonds, and
9 with the powers, subject to the direction of the court, as are accorded receivers in
10 general equity cases, excluding any power to pledge additional revenue or
11 receipts or other income, funds, or moneys of the board to the payment of the
12 bond service charges and excluding the power to take possession of, mortgage, or
13 cause the sale or otherwise dispose of any project or other property of the board.
14 (10) Each duty of the board and the board's officers and employees, undertaken
15 pursuant to the bond proceedings, is hereby established as a duty of the board,
16 and of each officer, member, or employee having authority to perform the duty.
17 (11) The board's officers or employees are not liable in their personal capacities on
18 any bonds issued by the board or any agreements of or with the board relating to
19 those bonds.
20 (12) The bonds are lawful investments for banks, savings and loan associations, credit
21 unions, trust companies, trustees, fiduciaries, insurance companies, including
22 domestic for life and domestic not for life, trustees or other officers having
23 charge of sinking and bond retirement or other funds of the state or its political
24 subdivisions and taxing districts, the commissioners of the sinking fund of the
25 state, the Kentucky Workers' Compensation Funding Commission, state-
26 administered retirement systems as defined in KRS 7A.210, and also are
27 acceptable as security for the repayment of the deposit of public moneys.

1 (13) Provision may be made in the applicable bond proceedings for the establishment
 2 of separate accounts in the bond service fund and for the application of such
 3 accounts only to the specified bond service charges pertinent to such accounts
 4 and bond service fund, and for other accounts therein within the general
 5 purposes of the fund.

6 (14) The board may pledge all, or any portion as it determines, of the pledged
 7 revenues to the payment of bond service charges, and for the establishment and
 8 maintenance of any reserves and special funds, as provided in the bond
 9 proceedings, and make other provisions therein with respect to pledged revenues,
 10 revenues, and net revenues as authorized by Sections 1 to 18 of this Act, which
 11 provisions shall be controlling notwithstanding any other provisions of law
 12 pertaining thereto.

13 ➔SECTION 8. A NEW SECTION OF KRS CHAPTER 184 IS CREATED TO
 14 READ AS FOLLOWS:

15 The board of trustees of a transportation improvement district may provide by
 16 resolution for the issuance of bonds of the district, payable solely from pledged
 17 revenues, for the purpose of refunding any bonds then outstanding, including the
 18 payment of related financing expenses and, if considered advisable by the board, for
 19 the additional purpose of paying costs of improvements, extensions, renovations, or
 20 enlargements of any project. The issuance of refunding bonds, the maturities and other
 21 details thereof, the rights of the holders thereof, and the rights, duties, and obligations
 22 of the board in respect to the bonds shall be governed by the provisions of Sections 1 to
 23 18 of this Act insofar as they are applicable and by the applicable bond proceedings.

24 ➔SECTION 9. A NEW SECTION OF KRS CHAPTER 184 IS CREATED TO
 25 READ AS FOLLOWS:

26 (1) Bonds issued by a district do not constitute a debt, or a pledge of the faith and
 27 credit, of the state or of any political subdivision of the state. Bond service

1 charges on outstanding bonds are payable solely from the pledged revenues
2 pledged for their payment as authorized by Sections 1 to 18 of this Act and as
3 provided in the bond proceedings. All bonds shall contain on their face a
4 statement to that effect.

5 (2) All expenses incurred in carrying out Sections 1 to 18 of this Act shall be payable
6 solely from revenues provided under Sections 1 to 18 of this Act. Sections 1 to 18
7 of this Act do not authorize the board of trustees of a district to incur
8 indebtedness or liability on behalf of or payable by the state or any political
9 subdivision of the state.

10 ➔SECTION 10. A NEW SECTION OF KRS CHAPTER 184 IS CREATED TO
11 READ AS FOLLOWS:

12 (1) In the discretion of the board of trustees of a transportation improvement district,
13 any bonds may be secured by a trust agreement between the board and a
14 corporate trustee, which may be any trust company or bank having the powers of
15 a trust company within or without the state but authorized to exercise trust
16 powers within this state.

17 (2) Any trust agreement may pledge or assign the revenues to be received, but shall
18 not convey or mortgage any project or any part thereof. Any trust agreement or
19 other bond proceedings may contain provisions for protecting and enforcing the
20 rights and remedies of the bondholders as are reasonable and proper and not in
21 violation of law, including covenants setting forth the duties of the board in
22 relation to the acquisition of property, the construction, maintenance, and repair
23 of the project or projects in connection with which the bonds are authorized and
24 the custody, safeguarding, application of all moneys, and provisions for the
25 employment or retention of the services of consulting engineers in connection
26 with the construction, maintenance, or repair of the project or projects. Any bank
27 or trust company incorporated under the laws of this state which may act as

1 depository of the proceeds of bonds or of revenues may furnish such
2 indemnifying bonds or may pledge such securities as are required by the board.
3 Any such trust agreement may set forth the rights and remedies of the
4 bondholders and of the trustee, may restrict the individual right of action by
5 bondholders as is customary in revenue bond trust agreements of public bodies,
6 and may contain other provisions as the board considers reasonable and proper
7 for the security of the bondholders. All expenses incurred in entering into or
8 carrying out the provisions of any trust agreement may be treated as a part of the
9 cost of the project or projects.

10 ➔SECTION 11. A NEW SECTION OF KRS CHAPTER 184 IS CREATED TO
11 READ AS FOLLOWS:

12 Revenues derived from each project of a transportation improvement district in
13 connection with which any bonds are outstanding shall be first applied to pay the cost
14 of the construction, maintenance, and repair of the project and to provide such
15 reserves therefor as are provided for in the bond proceedings authorizing the issuance
16 of those outstanding bonds, and otherwise as provided by the board of trustees of the
17 district, and the balance of the pledged revenues shall be set aside, at regular intervals
18 as are provided in the bond proceedings, in a bond service fund which is hereby
19 pledged to and charged with the payment of the bond service charges on any
20 outstanding bonds as provided in the applicable bond proceedings. The pledge shall be
21 valid and binding from the time the pledge is made. The revenues and the pledged
22 revenues thereafter received by the board shall immediately be subject to the lien of the
23 pledge without any physical delivery thereof or further act, and the lien of such pledge
24 shall be valid and binding as against all parties having claims of any kind in tort,
25 contract, or otherwise against the board, whether or not the parties have notice thereof.
26 The bond proceedings by which a pledge is created need not be filed or recorded except
27 in the records of the board. The use and disposition of moneys to the credit of a bond

1 service fund shall be subject to the applicable bond proceedings. Except as is otherwise
2 provided in the bond proceedings, a bond service fund shall be a fund for all such
3 bonds, without distinction or priority of one (1) over another.

4 ➔SECTION 12. A NEW SECTION OF KRS CHAPTER 184 IS CREATED TO
5 READ AS FOLLOWS:

6 All moneys received by the board of trustees of a transportation improvement district
7 under Sections 1 to 18 of this Act, whether as proceeds from the sale of bonds, as
8 revenues, or otherwise, are to be held and applied solely as provided in Sections 1 to 18
9 of this Act and in any applicable bond proceedings. The bond proceedings shall
10 provide that any officer to whom, or any bank or trust company to which, revenues or
11 pledged revenues are paid shall act as trustee of the moneys and hold and apply them
12 for the purposes thereof, subject to applicable provisions of Sections 1 to 18 of this Act
13 and the bond proceedings.

14 ➔SECTION 13. A NEW SECTION OF KRS CHAPTER 184 IS CREATED TO
15 READ AS FOLLOWS:

16 Any holder of bonds issued and outstanding under Sections 1 to 18 of this Act, or any
17 of the coupons appertaining thereto, and the trustee under any trust agreement, except
18 to the extent the rights given by Sections 1 to 18 of this Act may be restricted or
19 modified by the bond proceedings, may by suit, action, mandamus, or other
20 proceedings, protect and enforce any rights under the laws of the state or granted
21 under Sections 1 to 18 of this Act or the bond proceedings, and may enforce and
22 compel the performance of all duties required by Sections 1 to 18 of this Act or the
23 bond proceedings, to be performed by the board of trustees of a transportation
24 improvement district or any officer of the board.

25 ➔SECTION 14. A NEW SECTION OF KRS CHAPTER 184 IS CREATED TO
26 READ AS FOLLOWS:

27 The exercise of the powers granted by Sections 1 to 18 of this Act is in all respects for

1 *the benefit of the people of the state, for the increase of their commerce and prosperity,*
2 *and for the improvement of their health and living conditions. As the construction,*
3 *maintenance, and repair of projects by a transportation improvement district constitute*
4 *the performance of essential governmental functions, the district shall not be required*
5 *to pay any state or local taxes or assessments upon any project, or upon revenues or*
6 *any property acquired or used by the district under Sections 1 to 18 of this Act, or upon*
7 *the income therefrom. The bonds issued under Sections 1 to 18 of this Act, their*
8 *transfer, and the income therefrom, including any profit made on the sale thereof,*
9 *shall at all times be free from taxation within the state.*

10 ➔SECTION 15. A NEW SECTION OF KRS CHAPTER 184 IS CREATED TO
11 READ AS FOLLOWS:

12 *The Transportation Cabinet may undertake a demonstration project to study, develop,*
13 *and demonstrate ways to facilitate public-private cooperation and flexibility in*
14 *financing, constructing, maintaining, or operating transportation projects. In so doing,*
15 *it may take all steps necessary and appropriate to facilitate the efforts of a*
16 *transportation improvement district established in accordance with Sections 1 to 18 of*
17 *this Act. Such steps may include advising and providing technical assistance to the*
18 *district and may also include designating Transportation Cabinet engineers to serve as*
19 *the cabinet's agent to review project designs and determine if they meet state and*
20 *federal specifications.*

21 ➔SECTION 16. A NEW SECTION OF KRS CHAPTER 184 IS CREATED TO
22 READ AS FOLLOWS:

23 *It is hereby found and determined that surface transportation projects undertaken*
24 *pursuant to Sections 1 to 18 of this Act are essential and will contribute to the*
25 *improvement of the prosperity, health, safety, and welfare of the people of a*
26 *transportation improvement district and to all of the state, and that it is in the public*
27 *interest and a proper public purpose for a transportation improvement district to*

1 acquire, construct, enlarge, improve, equip, sell, lease, lease-purchase, exchange, or
2 otherwise dispose of property, structures, and other facilities for such transportation
3 projects. It is further found and determined that the exercise of the authority granted
4 by Sections 1 to 18 of this Act is consistent with and will promote industry, commerce,
5 distribution, and research activity in the state. Sections 1 to 18 of this Act, being
6 necessary for the prosperity, health, safety, and welfare of the state and its people, shall
7 be liberally construed to effect their purposes.

8 ➔SECTION 17. A NEW SECTION OF KRS CHAPTER 184 IS CREATED TO
9 READ AS FOLLOWS:

10 Notwithstanding any other statute to the contrary, the approval, consent, or
11 cooperation of a political subdivision is not required for a transportation improvement
12 district project that involves constructing or improving a highway that runs through
13 the territory of the political subdivision and connects to a highway that is part of the
14 interstate system.

15 ➔SECTION 18. A NEW SECTION OF KRS CHAPTER 184 IS CREATED TO
16 READ AS FOLLOWS:

17 (1) The legislative body of a county may enter into an agreement with a
18 transportation improvement district of a contiguous county for the district to
19 undertake a project that is located wholly or partially within that county, provided
20 that the legislative body of the county that created the transportation
21 improvement district shall be required to enter into the agreement.

22 (2) No transportation improvement district shall undertake a project that is located
23 wholly or partially within a county that did not create the transportation
24 improvement district except pursuant to an agreement entered into in accordance
25 with this section, a project being undertaken by two (2) or more transportation
26 improvement districts, or as otherwise provided by law.

27 ➔Section 19. KRS 65.7045 is amended to read as follows:

1 As used in KRS 65.7041 to 65.7083:

- 2 (1) "Activation date" means the date established any time within a two (2) year period
3 after the commencement date. The activation date is the date on which the time
4 period for the pledge of incremental revenues shall commence. The governing body
5 may extend the two (2) year period to no more than four (4) years upon written
6 application by the agency requesting the extension. To implement the activation
7 date, the agency that is a party to the local participation agreement or the local
8 development area agreement shall notify the governing body that created the
9 development area or local development area;
- 10 (2) "Agency" means:
- 11 (a) An urban renewal and community development agency established under
12 KRS Chapter 99;
- 13 (b) A development authority established under KRS Chapter 99;
- 14 (c) A nonprofit corporation;
- 15 (d) A housing authority established under KRS Chapter 80;
- 16 (e) An air board established under KRS 183.132 to 183.160;
- 17 (f) A local industrial development authority established under KRS 154.50-301
18 to 154.50-346;
- 19 (g) A riverport authority established under KRS 65.510 to 65.650;~~[-or]~~
- 20 (h) **A transportation improvement district established under Sections 1 to 18 of**
21 **this Act; or**
- 22 **(i)** A designated department, division, or office of a city or county;
- 23 (3) "Arena" means a facility which serves primarily as a venue for athletic events, live
24 entertainment, and other performances, and which has a permanent seating capacity
25 of at least five thousand (5,000);
- 26 (4) "Authority" means the Kentucky Economic Development Finance Authority
27 established by KRS 154.20-010;

- 1 (5) "Brownfield site" means real property, the expansion, redevelopment, or reuse of
2 which may be complicated by the presence or potential presence of a hazardous
3 substance, pollutant, or contaminant;
- 4 (6) "Capital investment" means:
- 5 (a) Obligations incurred for labor and to contractors, subcontractors, builders, and
6 materialmen in connection with the acquisition, construction, installation,
7 equipping, and rehabilitation of a project;
- 8 (b) The cost of acquiring land or rights in land within the development area on the
9 footprint of the project, and any cost incident thereto, including recording
10 fees;
- 11 (c) The cost of contract bonds and of insurance of all kinds that may be required
12 or necessary during the course of acquisition, construction, installation,
13 equipping, and rehabilitation of a project which is not paid by the contractor
14 or contractors or otherwise provided;
- 15 (d) All costs of architectural and engineering services, including test borings,
16 surveys, estimates, plans, specifications, preliminary investigations,
17 supervision of construction, and the performance of all the duties required by
18 or consequent upon the acquisition, construction, installation, equipping, and
19 rehabilitation of a project;
- 20 (e) All costs that are required to be paid under the terms of any contract for the
21 acquisition, construction, installation, equipping, and rehabilitation of a
22 project; and
- 23 (f) All other costs of a nature comparable to those described in this subsection;
- 24 (7) "City" means any city, consolidated local government, or urban-county government;
- 25 (8) "Commencement date" means:
- 26 (a) The date on which a local development area agreement is executed; or
27 (b) The date on which a local participation agreement is executed;

- 1 (9) "Commonwealth" means the Commonwealth of Kentucky;
- 2 (10) "County" means any county, consolidated local government, charter county, unified
3 local government, or urban-county government;
- 4 (11) "Debt charges" means the principal, including any mandatory sinking fund deposits,
5 interest, and any redemption premium, payable on increment bonds as the payments
6 come due and are payable and any charges related to the payment of the foregoing;
- 7 (12) "Development area" means an area established under KRS 65.7049, 65.7051, and
8 65.7053;
- 9 (13) "Economic development projects" means projects which are approved for tax
10 credits under Subchapter 20, 22, 23, 24, 25, 26, 27, 28, 34, or 48 of KRS Chapter
11 154;
- 12 (14) "Establishment date" means the date on which a development area or a local
13 development area is created. If the development area, local development area,
14 development area plan, or local development area plan is modified or amended
15 subsequent to the original establishment date, the modifications or amendments
16 shall not extend the existence of the development area or local development area
17 beyond what would be permitted under KRS 65.7041 to 65.7083 from the original
18 establishment date;
- 19 (15) "Governing body" means the body possessing legislative authority in a city or
20 county;
- 21 (16) "Increment bonds" means bonds and notes issued for the purpose of paying the costs
22 of one (1) or more projects, or grant or loan programs as described in subsection
23 (30)(c) of this section, in a development area or a local development area;
- 24 (17) "Incremental revenues" means the amount of revenues received by a taxing district,
25 as determined by subtracting old revenues from new revenues in a calendar year
26 with respect to a development area, a project within a development area, or a local
27 development area;

- 1 (18) "Issuer" means a city, county, or agency issuing increment bonds;
- 2 (19) "Local development area" means a development area established under KRS
3 65.7047;
- 4 (20) "Local development area agreement" means an agreement entered into under KRS
5 65.7047;
- 6 (21) "Local participation agreement" means the agreement entered into under KRS
7 65.7063;
- 8 (22) "Local tax revenues" means:
- 9 (a) Revenues derived by a city or county from one (1) or more of the following
10 sources:
- 11 1. Real property ad valorem taxes;
- 12 2. Occupational license taxes, excluding occupational license taxes that
13 have already been pledged to support an economic development project
14 within the development area; and
- 15 3. The occupational license fee permitted by KRS 65.7056; and
- 16 (b) Revenues derived by any taxing district other than school districts or fire
17 districts from real property ad valorem taxes;
- 18 (23) "Low-income household" means a household in which gross income is no more
19 than two hundred percent (200%) of the poverty guidelines updated periodically in
20 the Federal Register by the United States Department of Health and Human
21 Services under the authority of 42 U.S.C. sec. 9902(2);
- 22 (24) "Mixed-use" has the same meaning as in KRS 154.30-060;
- 23 (25) "New revenues" means the amount of local tax revenues received by a taxing
24 district with respect to a development area or a local development area in any
25 calendar year beginning with the year in which the activation date occurred;
- 26 (26) "Old revenues" means the amount of local tax revenues received by a taxing district
27 with respect to a development area or a local development area during the last

1 calendar year prior to the commencement date. If the governing body determines
2 that the amount of local tax revenues received during the last calendar year prior to
3 the commencement date does not represent a true and accurate depiction of
4 revenues, the governing body may consider revenues for a period of no longer than
5 three (3) calendar years prior to the commencement date, so as to determine a fair
6 representation of local tax revenues;

7 (27) "Outstanding" means increment bonds that have been issued, delivered, and paid for
8 by the purchaser, except any of the following:

9 (a) Increment bonds canceled upon surrender, exchange, or transfer, or upon
10 payment or redemption;

11 (b) Increment bonds in replacement of which or in exchange for which other
12 increment bonds have been issued; or

13 (c) Increment bonds for the payment, redemption, or purchase for cancellation
14 prior to maturity, of which sufficient moneys or investments, in accordance
15 with the ordinance or other proceedings or any applicable law, by mandatory
16 sinking fund redemption requirements, or otherwise, have been deposited, and
17 credited in a sinking fund or with a trustee or paying or escrow agent, whether
18 at or prior to their maturity or redemption, and, in the case of increment bonds
19 to be redeemed prior to their stated maturity, notice of redemption has been
20 given or satisfactory arrangements have been made for giving notice of that
21 redemption, or waiver of that notice by or on behalf of the affected bond
22 holders has been filed with the issuer or its agent;

23 (28) "Planning unit" means a planning commission established pursuant to KRS Chapter
24 100;

25 (29) "Project" means any property, asset, or improvement located in a development area
26 or a local development area and certified by the governing body as:

27 (a) Being for a public purpose; and

1 (b) Being for the development of facilities for residential, commercial, industrial,
2 public, recreational, or other uses, or for open space, including the
3 development, rehabilitation, renovation, installation, improvement,
4 enlargement, or extension of real estate and buildings; and

5 (c) Contributing to economic development or tourism;

6 (30) "Redevelopment assistance," as utilized within a development area, includes the
7 following:

8 (a) Technical assistance programs to provide information and guidance to
9 existing, new, and potential businesses and residences;

10 (b) Programs to market and promote the development area and attract new
11 businesses and residents;

12 (c) Grant and loan programs to encourage the construction or rehabilitation of
13 residential, commercial, and industrial buildings; improve the appearance of
14 building facades and signage; and stimulate business start-ups and expansions;

15 (d) Programs to obtain a reduced interest rate, down payment, or other improved
16 terms for loans made by private, for-profit, or nonprofit lenders to encourage
17 the construction or rehabilitation of residential, commercial, and industrial
18 buildings; improve the appearance of building facades and signage; and
19 stimulate business start-ups and expansions;

20 (e) Local capital improvements, including but not limited to the installation,
21 construction, or reconstruction of streets, lighting, pedestrian amenities, public
22 utilities, public transportation facilities, public parking, parks, playgrounds,
23 recreational facilities, and public buildings and facilities;

24 (f) Improved or increased provision of public services, including but not limited
25 to police or security patrols, solid waste management, and street cleaning;

26 (g) Provision of technical, financial, or other assistance in connection with:

27 1. Applications to the Energy and Environment Cabinet for a brownfields

- 1 assessment or a No Further Remediation Letter issued pursuant to KRS
2 224.1-450; or
- 3 2. Site remediation by means of the Voluntary Environmental Remediation
4 Program to remove environmental contamination in the development
5 area, or lots or parcels within it, pursuant to KRS 224.1-510 to 224.1-
6 532; and
- 7 (h) Direct development by a city, county, or agency of real property acquired by
8 the city, county, or agency. Direct development may include one (1) or more
9 of the following:
- 10 1. Assembly and replatting of lots or parcels;
11 2. Rehabilitation of existing structures and improvements;
12 3. Demolition of structures and improvements and construction of new
13 structures and improvements;
14 4. Programs of temporary or permanent relocation assistance for businesses
15 and residents;
16 5. The sale, lease, donation, or other permanent or temporary transfer of
17 real property to public agencies, persons, and entities both for profit and
18 nonprofit; and
19 6. The acquisition and construction of projects;
- 20 (31) "Service payment agreement" means an agreement between a city, county, or issuer
21 of increment bonds or other obligations and any person, whereby the person agrees
22 to guarantee the receipt of incremental revenues, or the payment of debt charges, or
23 any portion thereof, on increment bonds or other obligations issued by the city,
24 county, or issuer;
- 25 (32) "Special fund" means a special fund created under KRS 65.7061 in which all
26 incremental revenues shall be deposited;
- 27 (33) "Taxing district" means any city, county, or special taxing district other than school

1 districts and fire districts;

2 (34) "Tax incentive agreement" means an agreement entered into under KRS 154.30-
3 070;

4 (35) "Termination date" means:

5 (a) For a development area, a date established by the ordinance creating the
6 development area that is no more than twenty (20) years from the
7 establishment date. If a tax incentive agreement for a project within a
8 development area or a local participation agreement relating to the
9 development area has a termination date that is later than the termination date
10 established in the ordinance, the termination date for the development area
11 shall be extended to the termination date of the tax incentive agreement, or
12 local participation agreement. However, the termination date for the
13 development area shall in no event be more than forty (40) years from the
14 establishment date;

15 (b) For a local development area, a date established by the ordinance creating the
16 local development area that is no more than twenty (20) years from the
17 establishment date, provided that if a local development area agreement
18 relating to the local development area has a termination date that is later than
19 the termination date established in the ordinance, the termination date for the
20 local development area shall be extended to the termination date of the local
21 development area agreement;

22 (c) For a local participation agreement, a date that is no more than twenty (20)
23 years from the activation date. However, the termination date for a local
24 participation agreement shall in no event be more than forty (40) years from
25 the establishment date of the development area to which the local participation
26 agreement relates; and

27 (d) For a local development area agreement, a date that is no more than twenty

1 (20) years from the activation date. However, the termination date for a local
2 development area agreement shall in no event be more than forty (40) years
3 from the establishment date of the local development area to which the
4 development area agreement relates; and

5 (36) "University research park" means land owned by a public university that has been
6 designated by the public university as being primarily for the development of
7 projects and facilities to support high-tech, pharmaceutical, laboratory, and other
8 research-based businesses, including projects and facilities to support and
9 complement the development of high-tech, pharmaceutical, laboratory, and other
10 research-based businesses.

11 ➔Section 20. KRS 416.670 is amended to read as follows:

12 (1) Development shall be started on any property which has been acquired through
13 condemnation within a period of eight (8) years from the date of the deed to the
14 condemnor or the date on which the condemnor took possession, whichever is
15 earlier, for the purpose for which it was condemned. The failure of the condemnor
16 to so begin development shall entitle the current landowner to repurchase the
17 property at the price the condemnor paid to the landowner for the property. The
18 current owner of the land from which the condemned land was taken may reacquire
19 the land as aforementioned.

20 (2) Any condemnor who fails to develop property acquired by condemnation or who
21 fails to begin design on highway projects pursuant to KRS Chapter 177 within a
22 period of eight (8) years after acquisition, shall notify the current landowner of the
23 provisions of subsection (1) of this section. If the current landowner refuses to
24 purchase property described in this section, public notice shall be given in a manner
25 prescribed in KRS Chapter 424 within thirty (30) days of the refusal, and the
26 property shall be sold at auction. Provided, however, that this section shall not
27 apply to property acquired for purposes of industrial development pursuant to KRS

1 Chapter 152 *or a project of a transportation improvement district under Sections*
2 *1 to 18 of this Act.*

3 (3) If there are two (2) or more current owners of the land from which the condemned
4 land was taken because the remaining land was subdivided, and if they have a
5 common boundary with the condemned land, the condemned land shall be
6 reacquired by allowing all owners of a parcel of the remaining land with a common
7 boundary and from which the condemned land was taken to offer sealed bids for the
8 condemned land within thirty (30) days of notification by the condemnor. The
9 condemnor shall accept the highest and best sealed bid equal to or greater than the
10 price paid at the time of condemnation. If there are no sealed bids or if all sealed
11 bids are below the original price paid by the condemnor for the property, the
12 property shall be sold at auction.