

58.155 Grant anticipation notes.

- (1) In the case of any public work or public project, in connection with which the Commonwealth of Kentucky, or any department, agency or bureau thereof, or any political subdivision or governmental unit of the Commonwealth of Kentucky ("governmental agency") has applied for and received federal grants-in-aid or is entitled as a matter of law to receipt of federal grants-in-aid which may be applied for the purpose of providing a portion of or all of the funds required for construction and installation of any such public work or public project, such governmental agency may authorize and issue grant anticipation notes payable from grant proceeds when received, and any other assets which may be lawfully pledged by any such governmental agency and which are so pledged.
- (2) Any grant anticipation notes issued pursuant to authority of this section shall be scheduled to mature at such time or times, not to exceed three (3) years from the date of issuance thereof, and shall bear such rate or rates of interest as the governing body of the governmental agency shall determine. Grant anticipation notes may be sold at public sale or pursuant to private, negotiated sale at the election of the governing body of the governmental agency issuing any such grant anticipation notes. Interest on any such grant anticipation notes may be capitalized in grant anticipation note issues for periods not exceeding three (3) years.
- (3) Grant anticipation notes issued pursuant to the authority of this section shall be payable as to principal and interest, if interest is capitalized, from the federal grants in anticipation of which the grant anticipation notes are authorized and issued, and any governmental agency is authorized and empowered to pledge such grant proceeds when received, either as sole security for the repayment of grant anticipation notes, or together with any other assets and revenues of such governmental agency which may be lawfully pledged for such repayment.
- (4) Grant anticipation notes issued pursuant to the authority of this section are hereby declared to be issued for public, governmental purposes and the interest derived thereon shall be exempt from taxation by the Commonwealth and by all political subdivisions of the Commonwealth. Grant anticipation notes shall also be exempt from ad valorem taxation by the Commonwealth or any political subdivision thereof.

Effective: April 9, 1980

History: Created 1980 Ky. Acts ch. 273, sec. 1, effective April 9, 1980.