

65.270 Revenue bonds.

- (1) Whenever any two (2) or more public agencies, as defined in KRS 65.230, enter into an agreement for joint or cooperative action pursuant to the provisions of KRS 65.210 to 65.300, any public agency acting separately or jointly with one (1) or more of any other agencies, may acquire, construct, maintain, add to, and improve the necessary property, real and personal, which is required in order to perform the functions under the agreement, and for the purpose of defraying the costs incident to the performance of the agreement, may borrow money and issue negotiable revenue bonds.
- (2) Any public agency or agencies may borrow money and issue bonds under this section pursuant to an order, resolution, or ordinance of its or their legislative or administrative body or bodies, which order, resolution, or ordinance shall set forth the terms of the agreement in full, the amount of the revenue bonds to be issued, and the maximum rate of interest. In every instance the order, resolution, or ordinance shall provide that the joint or cooperative action is being undertaken pursuant to the provisions of KRS 65.210 to 65.300.
- (3) The bonds may be issued to bear interest at a rate or rates or method of determining rates as the public agency or agencies determines, payable at least annually, and shall be executed in a manner and be payable at times not exceeding thirty (30) years from the date of issuance and at a place or places as the public agency or agencies determines.
- (4) The bonds may provide that they or any of them may be called for redemption prior to maturity, on interest payment dates not earlier than one (1) year from the date of issuance of the bonds.
- (5) Any public agency is empowered to accept donations or gifts to the joint or cooperative action from any source and to accept appropriations and grants to the joint or cooperative action from the federal government or its agencies and appropriations from the state or any county, city, or other political subdivision and, at the option of the public agency or agencies, to pledge any donations, gifts, or appropriations to the payment of revenue bonds issued to finance the cost of a joint or cooperative action.
- (6) Bonds issued pursuant to this section shall be negotiable and shall not be subject to taxation. If any officer whose signature or countersignature appears on the bonds or coupons ceases to be an officer before delivery of the bonds, his signature or countersignature shall be valid and sufficient for all purposes the same as if he had remained in office until delivery. The bonds shall be sold in a manner and upon terms as the public agency or agencies deem best. The bonds shall be payable solely from the revenue derived from the joint or cooperative action and shall not constitute an indebtedness of the state, county, city, or political subdivision. It shall be plainly stated on the face of each bond that it has been issued under the provisions of KRS 65.210 to 65.300.
- (7) All money received from the bonds shall be applied solely for the acquisition, construction, maintenance, improvement, or operation of the joint or cooperative action, and the necessary expense of preparing, printing, and selling the bonds, or to

advance the payment of interest on the bonds during the first three (3) years following the date of the issuance of the bonds.

- (8) Before the issuance of the bonds the public agencies party to the agreement shall, by orders, resolutions, or ordinances of their respective legislative bodies, set aside and pledge the income and revenue of the joint or cooperative action including rents, royalties, fees, and proceeds of sales of property and from rates and charges for services derived or rendered by the joint or cooperative action into a separate and special fund to be used and applied in payment of the cost of the maintenance, operation, and depreciation incident to the joint or cooperative action. The orders, resolutions, or ordinances shall determine and fix the amount of revenue necessary to be set apart and applied to the payment of principal and interest of the bonds, and the proportion of the balance of the income and revenue to be set aside as a proper and adequate depreciation account. The remaining proportion of the balance shall be set aside for the reasonable and proper operation and maintenance of the joint or cooperative action.
- (9) The rents, royalties, fees, rates, and charges for the service or sale of the joint or cooperative action shall be fixed and revised from time to time so as to be sufficient to provide for the payment of interest upon all bonds and to create a sinking fund to pay the principal of the bonds when due, and to provide for the operation and maintenance of the joint or cooperative action and an adequate depreciation account.

Effective: July 15, 1996

History: Amended 1996 Ky. Acts ch. 274, sec. 4, effective July 15, 1996. -- Created 1962 Ky. Acts ch. 216, sec. 5.