

66.021 Bonds as negotiable instruments -- Presumption of validity.

- (1) Bonds lawfully authorized and issued by an issuer, subject to applicable provisions for registration or of the proceedings of the issuance, are negotiable instruments.
- (2) Unless a judicial action or proceeding challenging the validity of bonds is commenced by personal service on the chief executive officer of the issuer, prior to the initial delivery of the bonds, the bonds and the proceedings relating to them are incontestable and the bonds shall be conclusively considered to be and to have been issued, secured, entered into, payable, sold, executed, and delivered, and the proceedings relating to them taken, in conformity with all legal requirements, if all of the following apply:
 - (a) They state that they are issued or entered into under or pursuant to authorizing provisions of law and comply on their face with those provisions;
 - (b) They are issued or entered into for a public purpose, as stated in the bonds or the legislation authorizing their issuance, and within any limitations prescribed by law;
 - (c) Their purchase price, if any, has been paid in full; and
 - (d) The transcript of the proceedings contains a statement by the officer having charge of the applicable records, or by the chief executive officer of the issuer, that all the proceedings were held in compliance with law, which statement creates a conclusive presumption that the proceedings were held in compliance with all laws, including, as applicable, KRS 61.800.

Effective: July 15, 1996

History: Created 1996 Ky. Acts ch. 280, sec. 2, effective July 15, 1996.