

**66.111 Tax levy and budget appropriation to pay bond debt charges.**

- (1) After the issuance of bonds, the issuer shall levy a tax in a sufficient amount and appropriate in its annual budget, together with any other moneys available to the issuer, an amount of funds sufficient to pay the debt charges on the bonds.
- (2) If the issuer determines it to be necessary or appropriate, and if not prohibited by other law, proceedings relating to the bonds may contain or provide for any one (1) or more or combination of the following:
  - (a) The pledge to the payment of debt charges and related covenants to levy, charge, collect, deposit, and apply, receipts of the issuer, referred to in this subsection as pledged receipts, including, without limitation, ad valorem property taxes as permitted by law; occupational license fees; insurance premium taxes; excises, utility and service revenues; and any other receipts from taxes, excises, permits, licenses, fines, or other sources of revenue of, or of revenue distributions to, the issuer; and covenants for the establishment, investment, segregation, and maintenance of any funds or reserves in connection with the bonds. No pledge or covenant may be made that impairs the express contract rights of the holders of outstanding bonds of the issuer.
  - (b) Covenants of the issuer and other provisions to protect and safeguard the security and rights of the holders of the bonds and of the providers of any credit enhancement facilities and provisions for defeasance.
  - (c) Rights and remedies of the holders of bonds, in addition to any other rights and remedies under law, but subject to the terms of the proceedings and of any credit enhancement facility.
  - (d) The costs of or payments under credit enhancement facilities may be paid from any moneys of the issuer. The credit enhancement facility may be for the benefit of holders of the particular bonds and of any other bonds of the issuer.
- (3) Moneys and investments held by the issuer or on behalf of the issuer, and all receipts of the issuer, needed and allocated to payment of debt charges or payments by the issuer under credit enhancement facilities, are property of the issuer devoted to essential governmental purposes, and, accordingly shall not be applied to any purpose other than as provided in this chapter and in the legislation authorizing the bonds, and shall not be subject to any order, judgment, lien, execution, attachment, set-off, or counterclaim by any creditor or judgment creditor, as a result of a tort judgment or otherwise, against the issuer other than the holders of the bonds or the provider of the credit enhancement facility who are entitled thereto pursuant to this chapter and the legislation or proceedings.

**Effective:** July 15, 1996

**History:** Created 1996 Ky. Acts ch. 280, sec. 11, effective July 15, 1996.