

**96.300 Ability of board of waterworks to borrow money -- Issuance of bonds --
Limitation of indebtedness.**

The board of waterworks may borrow money for the purpose of meeting any of the obligations of the waterworks corporation and for current expenses of the board. In addition, the board may, after the commissioners of the sinking fund have by resolution consented, issue the bonds of the waterworks corporation or issue bonds for the refunding of bonds of the waterworks corporation, and these bonds may be issued and may be secured by the revenues of the waterworks corporation; by a mortgage upon the rights, privileges, franchises, and property of the corporation; or by both. The bonds may be issued in denominations, with maturities, bear interest, and be payable, as may be in the best interest of the waterworks corporation as determined by the board with the consent of the commissioners of the sinking fund and as otherwise required by the laws of the Commonwealth. No indebtedness, bonded or otherwise, may be authorized or consented to if, as a result of that borrowing, the waterworks corporation's net aggregate debt service on all outstanding indebtedness in any one year, multiplied by one and three-tenths (1.3), will exceed the corporation's net income, determined in accordance with generally accepted accounting principles, for the fiscal year immediately preceding the borrowing.

Effective: July 14, 1992

History: Amended 1992 Ky. Acts ch. 72, sec. 1, effective July 14, 1992. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 3024a-9.