

96.544 Issuance of bonds -- Use of proceeds of bonds -- Disposition of surplus revenue -- Bond procedure.

- (1) Except where an election has been held and the proposition has been defeated, any city may borrow money and issue negotiable bonds, but only after an ordinance has been adopted specifying the proposed undertaking, the amount of bonds to be issued, and the maximum rate of interest the bonds are to bear. The ordinance shall further provide that the proposed system, with necessary appurtenances thereto, is to be acquired pursuant to the provisions of KRS 96.541 to 96.546. Any bonds issued under the provisions of KRS 96.541 to 96.546 shall be payable solely from the revenue derived from the operation of the artificial gas system, and shall not constitute an indebtedness of the city within the meaning of the Constitution.
- (2) Money received from bonds issued as provided in subsection (1) of this section may be used to advance the expense of operation and maintenance for one (1) month after the establishment of the system. If a surplus is accumulated, from revenue, in the operation and maintenance fund equal to the cost of maintaining and operating the artificial gas system during the remainder of the calendar, operating or fiscal year, as may be provided by ordinance on or before issuance of the bonds, the legislative body of the city may at any time transfer the excess to the depreciation account to be used for any improvements or additions to the system.
- (3) Except as provided in subsection (2) of this section, all of the provisions of KRS 96.380 to 96.500 shall be applicable to proceedings under KRS 96.541 to 96.546.

History: Created 1946 Ky. Acts ch. 68, sec. 4.