

177.730 Bonds for park purposes and bonds for highways, bridges and tunnels to have separate sources of payment of principal and interest -- Provisions for levying taxes as required by the Constitution.

All of said 1960 bonds shall, as aforesaid, be direct general obligation bonds of the Commonwealth and shall be issued with an irrevocable pledge of the full faith, credit, resources and unlimited taxing power of the Commonwealth, but in accordance with the mandatory requirement of Section 50 of the Constitution of the Commonwealth there shall be levied and collected, annually, taxes sufficient to pay the interest stipulated, and to discharge the debt within thirty (30) years, as follows:

- (1) In order to provide for the payment of the stipulated interest, and to discharge within thirty (30) years, the indebtedness to be evidenced by the ten million dollars (\$10,000,000) of 1960 bonds to be issued for acquisition, development and improvement of state parks and for development and improvement of existing state parks, there shall be levied and collected annually so long as any of such bonds are outstanding and unpaid, taxes of the Commonwealth upon all real property, tangible personal property, and intangible personal property from time to time subject to taxation by the Commonwealth, at rates not less than the rates now imposed by law or rates so adjusted as not in any event to jeopardize the prompt payment of principal of and interest on said bonds when due and payable. All proceeds of such taxes, to the extent necessary for payment of the principal of and interest on the ten million dollars (\$10,000,000) of 1960 bonds designated for state park purposes, as and when such principal and interest, respectively, shall become due and payable, are hereby appropriated for that purpose; and such amount thereof shall in each year be set aside in the State Treasury in the "Park Bond Sinking Fund," hereby created, and shall be held therein and disbursed and used upon order of the State Treasurer solely for the purpose of paying the principal of and interest on said bonds when and where due and payable, until all of said bonds, or such lesser amount thereof as may have been issued within thirty (30) years from date of first issue shall have been paid in full. In each year, after setting aside such prescribed amount into the park bond sinking fund, the remainder of the proceeds of said identified taxes shall be available for any proper general fund purposes of the Commonwealth without restriction. Moneys from time to time set aside and deposited in said park bond sinking fund, as hereinabove provided, may be invested by the State Investment Commission from time to time in United States government securities which mature, or are subject to redemption at the option of the holder, at or before the various times when cash funds will be required for payment of the maturing principal of and interest on said identified bonds; and income received from such securities shall be retained in the said park bond sinking fund and may be taken into consideration in the next ensuing annual determination of the amount of such tax proceeds required to be set aside into the said fund as hereinabove provided.
- (2) In order to provide for the payment of the stipulated interest, and to discharge within thirty (30) years the indebtedness to be evidenced by the ninety million dollars (\$90,000,000) of 1960 bonds to be issued for the construction of highways, bridges and tunnels there shall be levied and collected, annually, taxes of the

Commonwealth for the benefit of the state road fund in the form of license, excise taxes and fees relating to registration, operation and use of vehicles on public highways and excise taxes, use and license fees and taxes relating to gasoline and other motor fuels consumed upon the public highways in the Commonwealth, at rates not less than the rates now imposed by law or at rates so adjusted as to produce for the road fund not less than the amount now derived from all such sources. Subject to certain prior vested rights hereinafter enumerated, all proceeds of such taxes, to the extent necessary for payment of the principal of and interest on the ninety million dollars (\$90,000,000) of 1960 bonds designated for the highways, bridges and tunnels, as and when such principal and interest, respectively, become due and payable, are hereby appropriated for that purpose; and such amount thereof shall in each year be set aside in the State Treasury into the "Highway Bond Sinking Fund of 1960," hereby created within the state road fund, and shall be held therein and disbursed and used upon order of the State Treasurer solely for the purpose of paying the principal of and interest on said identified bonds when and where due, until all of said bonds, or such lesser amount thereof as may have been issued within such period of thirty (30) years, shall have been paid in full; provided, however, moneys in said fund may be invested pending disbursement as in the case of moneys in the park bond sinking fund as herein above provided. In setting aside moneys from the proceeds of such taxes and fees into the highway bond sinking fund of 1960, due regard shall be had for any and all vested rights in and to such proceeds existing in favor of (a) the holders of general obligation bonds of the Commonwealth heretofore or hereafter issued and outstanding pursuant to KRS 177.580 to 177.630, as authorized and approved by the voters at the general election on November 6, 1956, (b) the holders of revenue bonds issued for constructing the turnpike between Louisville and Elizabethtown, Kentucky, as provided in this chapter and in a certain trust agreement made in connection with the issuance of said bonds, including recognition of the commitment of the Commonwealth to pay the cost of maintaining, repairing and operating said turnpike, (c) the holders of revenue bonds issued for the construction of certain bridges as set forth in KRS Chapter 180 and in certain trust indentures securing such bridge revenue bonds, including the commitment of the Commonwealth to pay the cost of operating and maintaining such bridges, (d) the holders of valid contracts of the Department of Highways which are in existence on the respective dates any bonds are issued pursuant to KRS 177.700 to 177.820, and (e) the right of the several counties of the Commonwealth to receive distribution of certain revenues for the respective county road funds as provided in KRS 47.020. The right is reserved to the Commonwealth to provide in the future for the construction of additional turnpikes and bridges and financing the same by issuing revenue bonds; and in all such instances the Commonwealth shall have the right to create for the security and source of payment of such revenue bonds a first and prior pledge of and lien upon any and all revenues identified as being generated by such respective projects. In each year, after setting aside into the 1960 highway bond sinking fund the amount herein prescribed, and after due recognition of the rights enumerated above, the remainder of the proceeds derived from such taxes and fees may be expended and used for any lawful and

proper purposes of the state road fund as otherwise permitted by the Constitution and laws of the Commonwealth.

Effective: June 16, 1960

History: Created 1960 Ky. Acts ch. 106, sec. 5, effective June 16, 1960.