

## **66.011 Definitions for chapter.**

As used in this chapter, unless otherwise expressly provided:

- (1) "Bonds" means bonds, notes, commercial paper, and other instruments in writing, authorized by or issued pursuant to or in accordance with this chapter, to evidence an obligation to repay or guarantee the repayment of money borrowed, or to pay interest by, or to pay at any future time other money obligations.
- (2) "Capitalized interest" means all or a portion of the interest payable on bonds from their date to a date stated or provided for in the proceedings, which interest is to be paid from the proceeds of the bonds.
- (3) "Credit enhancement facilities" means letters of credit; lines of credit; stand-by, contingent, or firm bond purchase agreements; insurance, or surety arrangements; guarantees, and other arrangements that provide for direct or contingent payment of bonds; interest or redemption premium on bonds, for security or additional security in the event of nonpayment or default in respect of bonds, or for making payment of bonds; interest or redemption premium on bonds to and at the option and on demand of the holders of bonds or at the option of the issuer or upon certain conditions occurring under put or similar arrangements, or for otherwise supporting the credit or liquidity of bonds; and includes credit, reimbursement, marketing, remarketing, indexing, carrying, interest rate hedge, and subrogation agreements, and other agreements and arrangements for payment and reimbursement of the person providing the credit enhancement facilities and the security for that payment and reimbursement.
- (4) "Debt charges" means the principal, including any mandatory sinking fund deposits, interest, and any redemption premium, payable on bonds as the payments come due and are payable and any charges related to credit enhancement facilities. The use of "debt charges" for this purpose does not imply that any particular obligations constitute debt within the meaning of the Kentucky Constitution or other laws.
- (5) "Financing costs" means all costs and expenses relating to the issuance and carrying costs of bonds including charges related to credit enhancement facilities which are not debt charges.
- (6) "Floating indebtedness" means the amount by which the total of all expenditures by an issuer in any fiscal year exceeds the total of all funds and receipts of the issuer for that fiscal year which are available to the issuer for the purpose of funding those expenditures, but only to the extent that the governing body of the issuer made good-faith estimates of expenditures and funds and receipts available to fund those expenditures and the short-fall in available funds and receipts was due to unforeseeable circumstances or events.
- (7) "Fully-registered bonds" means bonds in certificated or uncertificated form, registered as to both principal and interest in the name of the owner.
- (8) "Interest" or "interest equivalent" means those payments or portions of payments, however denominated, that constitute or represent consideration for forbearing the collection of money, or for deferring the receipt or payment of money to a future time.

- (9) "Issuer" means a county, city, urban-county, charter county, or other taxing district, and for purposes of making any determinations required under this chapter, may include an authorized representative of the issuer.
- (10) "Governing body" means the legislative authority of the issuer.
- (11) "Legislation" means an ordinance or resolution passed by a governing body.
- (12) "Mandatory sinking fund redemption requirements" means amounts required by proceedings to be deposited in a sinking fund for the purpose of paying, by mandatory redemption prior to stated maturity, the principal of bonds that is due and payable in a subsequent year or fiscal year.
- (13) "Net indebtedness" means the principal amount of outstanding bonds of an issuer as determined in accordance with KRS 66.031.
- (14) "Notes" means bonds that mature no later than five (5) years from the date they are issued.
- (15) "Obligation" means instruments in writing, which are not bonds within the meaning of this chapter, that evidence an obligation to repay money borrowed, or to pay interest by, or to pay at any future time other money obligations, including, without limitation, installment sale, lease, lease purchase, or similar agreements, which obligations bear interest or an interest equivalent.
- (16) "Outstanding," referring to bonds, means bonds that have been issued, delivered, and paid for, except any of the following:
  - (a) Bonds canceled upon surrender, exchange, or transfer, or upon payment or redemption;
  - (b) Bonds in replacement of which or in exchange for which other bonds have been issued; or
  - (c) Bonds for the payment, or redemption or purchase for cancellation prior to maturity, of which sufficient moneys or investments, in accordance with the applicable legislation or other proceedings or any applicable law, by mandatory sinking fund redemption requirements, or otherwise, have been deposited, and credited in a sinking fund or with a trustee or paying or escrow agent, whether at or prior to their maturity or redemption, and, in the case of bonds to be redeemed prior to their stated maturity, notice of redemption has been given or satisfactory arrangements have been made for giving notice of that redemption, or waiver of that notice by or on behalf of the affected bond holders has been filed with the issuer or its agent.
- (17) "Public project" means any property, asset, or improvement certified by the governing body, which certification is conclusive, as being for a public purpose and having an estimated life or period of usefulness of one (1) year or more, and includes, but is not limited to, real estate, buildings, and personal property, equipment, furnishings, and site improvements, and reconstruction, rehabilitation, renovation, installation, improvement, enlargement, and extension of property, assets, or improvements so certified as having an estimated life or period of usefulness of one (1) year or more and is to be used for a public purpose.

- (18) "Person" or "persons" means political and corporate entities, societies, communities, the public generally, individuals, partnerships, and joint stock companies.
- (19) "Proceedings" means the legislation, certifications, notices, orders, sale proceedings, trust agreements or indentures, mortgages, leases, lease-purchase agreements, assignments, credit enhancement facility agreements, and other agreements, instruments, and documents, as amended and supplemented, providing for the terms and conditions applicable to, or providing for the security or sale or award of, bonds, and includes the provisions set forth or incorporated in those bonds and proceedings.
- (20) "Refund" means to provide for the payment of debt charges and expenses related to that payment at or prior to retirement by purchase, call for redemption, payment at maturity, or otherwise, outstanding obligations of an issuer or its instrumentality, including, without limitation, bonds.
- (21) "Register" means the books kept and maintained for registration, exchange, and transfer of registered bonds.
- (22) "Self-supporting obligations" means obligations issued for the purpose of paying costs of public projects to the extent that receipts of the issuer, other than the proceeds of taxes levied by that issuer, derived from or with respect to that public project or the operation of the public project being financed, or the enterprise, system, or category of public project of which the public project being financed is part, are estimated by the governing body or a representative of the governing body to be sufficient to pay the current expenses of that operation or of that public project, enterprise, or system and the debt charges payable from those receipts on obligations issued for that public project.
- (23) "Sinking fund" means a fund established for the management of moneys to be used for the retirement of outstanding bonds.
- (24) "State local debt officer" as used in this chapter and other provisions of law, means the commissioner, Department for Local Government or the commissioner's agent designated in writing.
- (25) "Taxing district" means an issuer, other than a county, city, urban-county, or charter county authorized to levy ad valorem taxes within the meaning of Section 157 of the Constitution of Kentucky which is not a school district.
- (26) "Tax-supported lease" means a lease entered into under KRS 65.942 to 65.956 in which the lessee has agreed to levy and collect taxes to make lease payments.

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