

67A.882 Bids -- Apportionment of costs -- Alternative payment methods and funding -- Refunds by urban-county government.

- (1) Proposals for the construction of the project shall be solicited upon the basis of submission of sealed, competitive bids after advertisement by publication pursuant to KRS Chapter 424, following adoption of the ordinance of determination and expiration of the permissive litigation period, or alternatively, the conclusion of litigation in a manner favorable to the project.
- (2) After all costs of the project have been determined upon the basis of the construction bidding, the costs shall be apportioned among the owners of benefited property pursuant to the method of assessment previously determined in the ordinance of initiation and the ordinance of determination. However, in determining the apportionment of individual costs for purposes of affording to the owners of benefited property the privilege of paying the assessment levies in full on a lump-sum basis, the urban-county government shall exclude amounts required for the creation of the debt service reserve fund, capitalized interest costs, and any bond discount which the government may allow in connection with the sale of bonds to provide funds for the costs of construction not paid initially by the owners of benefited properties on a lump-sum basis.
- (3) The owners of benefited property shall be notified in writing of the exact amount levied against their individual properties, which amount may, at the option of each owner, be paid in full on a lump-sum basis within thirty (30) days. Such owners shall be notified that in the event they exercise the option to pay in full on a lump-sum basis and in the event any refund of lump-sum payments or of interest earned on lump-sum payments is subsequently made, it shall be paid to the owners of the benefited properties for which lump-sum payments have been made as determined at the date the appropriate ordinance under either KRS 67A.894 or subsection (5) of this section is adopted. The statement submitted to such owners of benefited property shall additionally advise such owners that in the event such owners do not elect to pay the special improvement benefit assessment in full within the period of thirty (30) days from receipt, the urban-county government shall issue bonds pursuant to KRS 67A.871 to 67A.894 for the purpose of providing the cost of construction of the project, including the debt service reserve fund, if paid from bond proceeds, capitalized interest costs, any bond discount, together with all other costs, as the term is defined in KRS 67A.871(5). The owners of the benefited property shall further be advised that bonds and the interest thereon shall be amortized by annual improvement benefit assessment levies against all benefited properties which have not made lump-sum payments in accordance with the method of apportionment provided by the ordinance of initiation and the ordinance of determination.
- (4) At the conclusion of the thirty (30) day permissive lump-sum payment period, the urban-county council shall determine the aggregate principal amount of improvement benefit assessments paid in full by owners of benefited property; shall order the deposit of the moneys in a trust account the principal of which shall be used solely to pay the costs of construction of the project; shall aggregate all unpaid

improvement benefit assessments for purposes of determining the principal amount of bonds to be issued by the government to provide the costs of the project; shall compute the debt service reserve fund in respect to the bonds, if the fund is to be capitalized from bond proceeds; shall determine the bond discount and capitalized interest which shall be applicable to the issue of bonds; and shall proceed to complete the financing of the costs of construction of the project through the adoption of the ordinance of bond authorization as provided in KRS 67A.883 and the sale of bonds authorized pursuant thereto.

- (5) If an urban-county government has taken steps under KRS 67A.871 to 67A.893 to provide for, construct and finance any project, and finally determines, by appropriate ordinance, that the project is essentially completed, the legislative body of the urban-county government may, in its discretion, refund any part, or all, of the interest earned on lump-sum payments, pro rata, to the current owners of the benefited properties which paid on a lump-sum basis, as determined at the date the ordinance determining the project is essentially completed is adopted.

Effective: June 20, 2005

History: Amended 2005 Ky. Acts ch. 85, sec. 95, effective June 20, 2005. -- Amended 1982 Ky. Acts ch. 334, sec. 1, effective July 15, 1982. -- Created 1976 Ky. Acts ch. 371, sec. 12, effective March 30, 1976.