

67A.922 Power to issue bonds.

- (1) A parking authority shall have power to issue bonds from time to time under this chapter. An authority shall also have power to issue refunding bonds for the purpose of paying or retiring bonds previously issued by it. An authority may issue bonds on which the principal and interest are payable:
 - (a) Exclusively from the income and revenues of the project or projects financed from the proceeds of such bonds; or
 - (b) Exclusively from such income and revenues together with grants and contributions from the federal, state, or urban-county government, or other sources. Any such bonds may be additionally secured by a mortgage, deed of trust, or other lien or encumbrance on the property, including pledges of tax increments as allowed by law in the project or projects financed from the proceeds of such bonds.
- (2) Neither the members of the board of commissioners of an authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. The bonds and other obligations of an authority shall so state on their face that such bonds and obligations issued under this section shall not be a debt of the urban-county government, state or any political subdivision thereof, within the meaning of any constitutional or statutory debt limitation or restriction and neither the urban-county government, state nor any political subdivision thereof shall be liable thereon, nor, in any event, shall such bonds or obligations be payable out of any funds or properties other than those of said authority, except as provided by contract.
- (3) Bonds of an authority shall be authorized by resolution of its board of commissioners. Such bonds may be issued in one or more series, each of which may be separately secured, and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates, be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption, with or without premium, as such resolution, its trust indenture or mortgage may provide.
- (4) The bonds may be sold at less than par, and shall be sold at public sale held after notice has been given by publication pursuant to KRS Chapter 424, except that payment for any portion of a project may be made in bonds, provided, however, that: (a) any such transaction shall be approved by the price advisory council before its consummation; (b) such exchange is valid and legal pursuant to regulations of the Internal Revenue Service.
- (5) The bonds may be sold with provision that they bear no interest, or only nominal interest, for a period of years, after which they may bear greater interest; and provision may be made for the capitalization of interest for periods not in excess of five (5) years. More than one (1) project may be established within the same project area, and each such project may be financed with a different issue or bonds with differing security. Each of said bond issues may be designed to meet standards

required under federal statutes or regulations pertaining to the issuance of tax-exempt bonds; provided, however, that nothing herein shall be deemed to prohibit the issuance of any series of bonds, the interest on which may not be exempt from federal income tax.

- (6) In case any of the members or officers of the authority whose signatures appear on any bonds, coupons, notes or other obligations shall cease to be such members or officers before the delivery of such bonds, coupons, notes or other obligations, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if they had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds, coupons, notes or other obligations issued pursuant to this chapter shall be fully negotiable except as limited by their terms.
- (7) In any suit, action or proceedings involving the validity or enforceability of any bonds of an authority or the security therefor, any such bonds reciting in substance that they have been issued by the agency to aid in financing a project shall be conclusively deemed to have been issued for a project and said project shall be conclusively deemed to have been planned, approved, located, and carried out in accordance with the purposes and provisions of KRS 67A.910 to 67A.928.
- (8) In connection with the issuance of bonds, an authority in addition to its other powers, shall have the power:
 - (a) To pledge all or any part of its gross or net revenue to which its right then exists or may thereafter come into existence;
 - (b) To encumber, by mortgage, deed of trust, or otherwise, all or any part of its real or personal property;
 - (c) To covenant against pledging all or any part of its revenues, or against encumbering all or any part of its real or personal property to which its right or title then exists or may thereafter come into existence or against permitting or suffering any lien on such revenues or property; to covenant with respect to its sale, leasing, or other disposition of any project or any part thereof; and to covenant as to what other, or additional debts or obligations may be incurred by it;
 - (d) To covenant as to the bonds to be issued and as to the issuance of such bonds in escrow or otherwise, and as to the use and disposition of the proceeds thereof; to provide for the replacement of lost, destroyed or mutilated bonds, to covenant against extending the time for the payment of its bonds or interest thereon; and to redeem the bonds, and to covenant for their redemption and to provide the terms and conditions thereof;
 - (e) To covenant as to the amounts to be charged in the sale or lease of properties in a project or projects the amount to be raised from revenue each year or other period of time and as to the use and disposition to be thereof; to create or to authorize the creation of special funds for moneys held for development or other costs, debt service, reserves, or other purposes, and to covenant as to the use and disposition of the money held in such funds;

- (f) To prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given.

Effective: June 19, 1976

History: Created 1976 Ky. Acts ch. 287, sec. 15, effective June 19, 1976.