

96.184 Revenue bonds.

- (1) The board at any time may issue and sell revenue bonds to finance improvements or extensions of the plant, or the board, after the original cost of the property shall have been fully paid and satisfied, may, in its sole discretion, issue, sell, and pledge its revenues to secure the payment of revenue bonds the proceeds of which are to be used to finance the acquisition, construction, maintenance, improvement, addition to, and operation of "public projects" as defined in KRS 96.182, or for the purpose of purchasing, paying, retiring, guaranteeing the payment of, or underwriting revenue bonds issued by the city or any agency of the city to finance the acquisition, construction, maintenance, improvement, addition to, and operation of a public project, and sell refunding bonds for the purpose of providing for the payment of any outstanding bonds.
- (2) Bonds issued pursuant to KRS 96.171 to 96.188 may be issued in one or more series, may bear a date or dates, may mature at a time or times, not exceeding forty (40) years from their respective dates, may be in a denomination or denominations, may be in a form, either coupon or registered, may carry registration and conversion privileges, may be executed in a manner, may be payable in a medium of payment, at a place or places, may be sold in blocks, may be subject to terms of purchase or redemption of all or any of the bonds before maturity in a manner and at a price or prices as may be fixed by the board by resolution prior to the sale of the bonds.
- (3) All revenue bonds issued pursuant to the provisions of KRS 96.171 to 96.188 in the hands of bona fide holders shall have all the qualities and incidents of negotiable instruments under the law merchant. All bonds shall be sold to the highest responsible bidder at the time and place as fixed by the board in the notice of sale of the bonds, which notice shall have been advertised by publication pursuant to KRS Chapter 424. The board shall receive written, sealed, competitive bids, which shall be publicly opened and read at the time and place specified in the notice of sale. The board may reject all bids and readvertise.
- (4) No holder or holders of any revenue bonds issued under KRS 96.171 to 96.188 shall have the right to compel any exercise of taxing power of the municipality to pay the bonds or the interest on the bonds. Each bond issued under KRS 96.171 to 96.188 shall recite in substance that the bond, including interest on the bonds, is payable solely from the revenues pledged to the payment of the bond, and that the bond does not constitute a debt of the municipality within the meaning of any statutory or constitutional provision or limitation.
- (5) Any holder or holders of bonds issued pursuant to KRS 96.171 to 96.188 shall have the right, in addition to all other rights:
 - (a) By action in court, to enforce his or their rights against the board, and any other proper officer, agent, or employee, including, but without limitation, the right to require the board, and any proper officer, agent, or employee of the board, to fix and collect rates and charges adequate to carry out any agreement as to, or pledge of, revenues from the plant, and to require the board and any officer, agent, or employee of the board, to carry out any other covenants or agreements and to perform its and their duties under KRS 96.171 to 96.188.

- (b) By action in equity, to enjoin any act or thing which may be unlawful or a violation of the rights of the holder of bonds.
- (6) If there is a default in the payment of the principal or interest of any bonds issued pursuant to KRS 96.171 to 96.188, any court having jurisdiction may, upon the petition of the holders of not less than twenty-five percent (25%) of the outstanding bonds, appoint a receiver to administer the electric plant on behalf of the board, with power to charge and collect rates sufficient to provide for the payment of any bonds or obligations outstanding against the plant and for the payment of the operating expenses and to apply the income and revenues in conformity with KRS 96.171 to 96.188.
- (7) All bonds issued pursuant to KRS 96.171 to 96.188, bearing the signatures of officers in office on the date of the signing of the bonds, shall be valid and binding obligations, notwithstanding that before the delivery and payment of the bonds, any or all the persons whose signatures appear on the bonds shall have ceased to be members of the board issuing the same. The resolution of the board authorizing the issuance of the bonds shall contain a recital that the revenue bonds are issued pursuant to KRS 96.171 to 96.188, which recital shall be prima facie evidence of their validity and of the regularity of their issuance.
- (8) Bonds may be issued under KRS 96.171 to 96.188 without respect to the provisions of any laws requiring the prior approval of any court, commission, board, or regulatory authority.
- (9) All moneys received from the sale and issuance of bonds shall be used solely for the purpose for which the bonds were issued, except that any premium received for the bonds may be used for the payment of interest and principal of the bonds.

Effective: July 15, 1996

History: Amended 1996 Ky. Acts ch. 274, sec. 18, effective July 15, 1996. -- Amended 1966 Ky. Acts ch. 239, sec. 91. -- Amended 1954 Ky. Acts ch. 249, sec. 2. -- Created 1946 Ky. Acts ch. 212, sec. 16.