

96A.120 Permissible types of financing.

For the purposes of acquiring or otherwise establishing one (1) or more transit systems, or parts thereof, or for the purpose of adding to, extending, operating, or improving one (1) or more mass transportation systems owned or to be acquired or established, or for any combination of these purposes, an authority may, in addition to other methods permitted by law, resort to financing according to any of the following financing methods, or any combination thereof, to the extent not inconsistent, one with another:

- (1) Upon determination of its financing needs, an authority, by resolution of its board, may request the public body responsible for its creation and establishment, or any one (1) or more of the public bodies if there be more than one (1):
 - (a) To appropriate and pay over to the authority all or any part of the amount determined to be necessary; or
 - (b) To provide the amount determined to be necessary, or any part thereof, from the proceeds of general obligation bonds of the public body or public bodies, in which event the governing body or governing bodies of the public body or public bodies may, in its or their discretion, take action as may be required by the Constitution and applicable statutes of the Commonwealth to submit to the voters thereof, at one (1) or more elections to be held for that purpose, a proposal or proposals that the issuance of general obligation bonds be approved and authorized, and if so approved and authorized, the general obligation bonds may be issued and the proceeds may be appropriated to the authority in the manner requested;
- (2) An authority may issue revenue bonds in its own name, payable solely from its income and revenues, and not constituting or purporting to constitute an indebtedness of the authority or of any other public body within the meaning of debt-limiting provisions of the Constitution and applicable statutes of the Commonwealth, in the manner and in accordance with the procedures set forth in KRS 58.010 to 58.170, inclusive, and KRS 61.390, subject to any interest rate limitations which may be applicable as provided by law;
- (3) An authority may issue its mortgage bonds, as authorized by statute and may make provision for obtaining revenues for the payment of the principal of and interest thereon, and for the payment of costs of operating and maintenance, and for the accumulation of reserves for renewals, replacements, extensions, and improvements, and for debt service reserves, by leasing any mass transportation system owned by the authority, or to be acquired or established by the authority, or, if there be more than one (1) mass transportation system, by leasing the same individually or in any combination, to one (1) or more public bodies, whether or not the public bodies, or any of them, shall have participated in the creation and establishment of the authority. Any lease shall be a written instrument, executed by the authority as lessor, and by one (1) or more public bodies, as a lessee or lessees, for a period of one (1) year, which may be from the date of the mortgage bonds, or from the date of acquisition or other establishment of the mass transit system or systems, with exclusive options to the lessee or lessees to renew the same thereafter,

from year to year, upon the rentals and other terms and provisions as will provide to the authority annual sums sufficient to provide for the purposes of this subsection;

- (4) General obligation bonds issued for the benefit of an authority, or revenue bonds or mortgage bonds issued by an authority may, in the discretion of the parties involved in the issuance, be refinanced, whether at maturity or upon prior redemption in accordance with the terms, by the issuance of bonds, according to any of the financing plans herein authorized.

Effective: July 15, 1996

History: Amended 1996 Ky. Acts ch. 274, sec. 63, effective July 15, 1996. -- Amended 1980 Ky. Acts ch. 342, sec. 4, effective July 15, 1980. -- Created 1970 Ky. Acts ch. 243, sec. 13.