

162.540 Interpretation of terms in KRS 162.120 to 162.300 when applied to KRS 162.520 to 162.620.

Upon receiving a request in writing from a board of education, the authority may, in its discretion, assist such board of education in financing any project by acting in the capacity and manner authorized to be performed by cities under KRS 162.120 to 162.290, and by counties under KRS 162.300. When applied to the authority, KRS 162.120 to 162.300 shall be so read that the following terms and passages have the following respective meanings or interpretations:

- (1) "City" or "county" means "authority";
- (2) "City clerk" or "county clerk" means "secretary or assistant secretary of the authority";
- (3) "Governing body of the city" or "fiscal court" means "authority";
- (4) "Mayor" or "county judge/executive" means "chairman or vice chairman of the authority";
- (5) "Ordinance" in the case of a city, or "resolution" in the case of a county, means a resolution of the authority;
- (6) "Building and appurtenances" means "project" as defined in subsection (4) of KRS 162.520;
- (7) The last sentence of KRS 162.190 shall read, "It shall be plainly stated on the face of each bond that it was or is issued under the provisions of KRS 162.520 to 162.620 (omitting reference to KRS 162.150 to 162.280 as such), and that it does not constitute an indebtedness of the authority or of the Commonwealth";
- (8) KRS 162.200 is modified to permit use of money received from bonds for the additional purpose of paying reasonable expenses incurred in the authorization, advertising, preparation, sale, and delivery of bonds, and may include a fee contracted to be paid to a fiscal agent for financial advice and services if the contract or agreement therefor shall have been approved by the board of education and by the authority;
- (9) As used in KRS 162.140, "lease" shall have the meaning defined in subsection (5) of KRS 162.520, and the same shall be recorded or filed for recording in the office of the county clerk of the county in which the project is situated, as evidenced by a written receipt or acknowledgment of filing issued by such clerk, or by a copy of the lease attested or certified by such clerk as being of record in his office. It shall be the duty of the secretary of the authority to obtain such evidence before delivery of the bonds to a purchaser thereof; but failure to obtain the same shall not affect the validity of the bonds in the hands of any purchaser or holder;
- (10) KRS 162.240 shall not apply; and the following provisions shall govern in lieu thereof:

"One (1) or more depositories and paying agents may be selected and designated by the board of education, subject to the approval of the authority, which approval shall not unreasonably be withheld; but each depository and paying agent shall be a financial institution, within or without the Commonwealth, which is a member of the Federal Deposit Insurance Corporation. All deposits of sinking funds

and of bond proceeds shall continuously be secured by a pledge to the authority of direct obligations of the United States, exclusive of accrued interest, at all times at least equal to the balance on deposit in the fund or account, such securities to be deposited with the authority or held by a trustee or agent designated by the authority; provided, however, in lieu of requiring such security the authority may in its discretion invest, or cause to be invested and reinvested, any moneys in direct obligations of the United States until such time as cash funds may be needed, and the authority may prescribe for the custody and safekeeping of such securities. When cash funds are needed, the authority shall direct the conversion into cash of such securities, or a sufficient portion thereof, and may require that the same be secured until disbursement, as herein provided. All income from such securities shall accrue to the board of education, but may be retained by the authority and credited upon any rental obligation of the board of education under the lease, or applied to supplement bond proceeds if the same should for any reason turn out to be insufficient to defray the costs and expenses of the project."

Effective: July 13, 1990

History: Repealed and reenacted 1990 Ky. Acts ch. 476, Pt. V, sec. 585, effective July 13, 1990. -- Amended 1986 Ky. Acts ch. 23, sec. 13, effective July 15, 1986. -- Amended 1978 Ky. Acts ch. 384, sec. 293, effective June 17, 1978. -- Amended 1976 (1st Extra. Sess.) Ky. Acts ch. 20, sec. 6, effective January 2, 1978. -- Created 1960 Ky. Acts ch. 81, sec. 4, effective June 16, 1960.