

**269.010 Issue of refunding bonds for drainage, levee, or reclamation district --
Maturity -- Interest rate -- Exchange of bonds or sale -- Use of proceeds.**

- (1) Whenever the board of drainage commissioners or other governing authority of any drainage, levee, or reclamation district organized under any law of this state finds and declares of record that it is advisable and for the best interests of the property owners of the district to refund any part of the bonded indebtedness of the district, it may issue refunding bonds, payable at any time within forty (40) years from their date as the board or governing authority may determine. The refunding bonds shall not exceed the amount of bonds refunded and interest accrued on the bonds to the date of the refunding bonds. They shall bear interest at a rate or rates or method of determining rates as the board determines and be payable at least annually.
- (2) When issued, refunding bonds may be exchanged for the outstanding bonds if the holders of the bonds agree, or the refunding bonds may be sold for not less than the par value and accrued interest. The proceeds of the sale of the bonds shall be used in the payment of the outstanding bonds and the cost incident to the issuing of the refunding bonds. No refunding bond shall become a valid obligation of the district until an equivalent amount of the bonds refunded have been surrendered and canceled. Until refunding bonds have been issued, the rate of tax or amount of assessment applicable to the bonds to be refunded shall not be reduced.

Effective: July 15, 1996

History: Amended 1996 Ky. Acts ch. 274, sec. 61, effective July 15, 1996. --
Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat.
sec. 2380d-1.