

353.408 Issuance of bonds for benefit of authority.

- (1) Bonds shall be issued by a gas acquisition authority pursuant to KRS 65.270 and this section, provided that, notwithstanding the provisions of KRS 65.270 or any other provision of law, the authority:
 - (a) May issue notes in anticipation of the issuance of bonds, issue bonds for one (1) or more projects and purposes, and issue bonds to refund bonds previously issued;
 - (b) May issue bonds in one (1) or more series that mature not more than forty (40) years from their date and are subject to redemption or tender for purchase by the owners thereof at such times, upon such terms and at such prices as are set forth in the proceedings authorizing their issuance;
 - (c) May issue and secure its bonds pursuant to a bond resolution, trust indenture, or other security instrument approved by its governing body, establish and fund from bond proceeds or its revenues and reserves as it shall deem necessary or desirable, and enter into such covenants and agreements with the owners of the bonds as shall be necessary to secure the same;
 - (d) May sell its bonds at public or private sale in such manner, at such price, and upon such terms as shall be determined by its governing body;
 - (e) May, in connection with its bonds, enter into contracts for bond insurance, surety bonds, bond ratings, letters of credit, and other forms of credit enhancement, lines of credit, trustee and paying agent services, standby bond purchase agreements and other liquidity facilities, and bond remarketing agreements, reimbursement agreements, interest rate swap, exchange, cap, or collar contracts, forward delivery contracts, all as approved by its governing body; and
 - (f) Shall take all actions necessary to authorize, issue, and secure its bonds, and no actions shall be required to be taken under KRS 65.270 by the municipal utilities that created the authority.
- (2) Bonds issued by a gas acquisition authority shall be fully negotiable for all purposes. Any lien, pledge, or other security interest created by an authority to secure its obligations is valid, binding, perfected, and enforceable on and after the effective date of the bond resolution, trust indenture, or other security instrument under which it is created, and no physical delivery, filing, or recording shall be required to perfect the same under the Uniform Commercial Code or otherwise. An authority may, but shall not be required to, publish any of its proceedings in connection with the issuance of bonds.
- (3) Bonds issued by a gas acquisition authority shall constitute an obligation of only the authority, shall be payable solely from the property, revenue, and income pledged for their payment, and shall not constitute an indebtedness, liability, or obligation of the municipal utilities that created the authority, the Commonwealth, or any political subdivision thereof other than the authority.

Effective: July 15, 2008

History: Created 2008 Ky. Acts ch. 159, sec. 5, effective July 15, 2008.