

58.540 Power to issue revenue bonds for particular purposes -- Interim financing.

- (1) The authority may provide for the issuance of revenue bonds to pay all or any part of the cost of the acquisition of the properties of Churchill Downs or expenses incident thereto referred to in KRS 58.510, or any part thereof or interest therein, and secure the payment thereof by a lien on the properties acquired with the proceeds of the bonds. The bonds shall bear interest at such rate not exceeding ten percent (10%) per annum and shall mature at such time not exceeding fifteen (15) years from their date, as may be provided by the authority, and may be made redeemable before maturity, at the option of the authority, at a price not less than the face amount thereof and accrued interest thereon. The proceeds of the bonds shall be used solely for the payment of the cost of the acquisition of Churchill Downs or expenses incident thereto, and shall be disbursed in such manner and under such restrictions, if any, as the authority may provide in the proceedings authorizing the issuance of the bonds or in the trust indenture securing the same.
- (2) Notwithstanding KRS Chapter 56, the authority, in addition to the revenue bonds originally issued for the acquisition of Churchill Downs or expenses incident thereto as provided for in subsection (1) of this section, may issue revenue bonds payable solely from the charges, revenues, rentals and other funds pledged for their payment, for the purpose of paying all or any part of the cost of the acquisition of additional property, the reconstruction of improvements or the erection of additional improvements, but such revenue bonds shall be subordinate to the revenue bonds issued for the original acquisition of Churchill Downs or expenses incident thereto.
- (3) Notwithstanding KRS Chapter 56, the authority, in addition to the revenue bonds originally issued for the acquisition of Churchill Downs or expenses incident thereto as provided for in subsection (1) of this section, and for the acquisition of additional property, the reconstruction of improvements or the erection of additional improvements provided for in subsection (2) of this section, may issue revenue bonds payable solely from the charges, revenues, rentals and other funds pledged for their payment, for the purpose of paying all or any part of the cost of further developing the museum at Churchill Downs and establishing a facility for the exhibition of prior Kentucky Derby and other important races held at Churchill Downs as aforesaid, but such revenue bonds shall be subordinate to any then outstanding previously issued revenue bonds.
- (4) The authority may agree to or establish any method of interim financing by the authority during the acquisition of additional property, the reconstruction of improvements or the erection of additional improvements hereinbefore provided for and in developing the museum at Churchill Downs and establishing a facility for the exhibition of prior Kentucky Derby and other important races held at Churchill Downs as aforesaid, with borrowed funds from any bank, trust company, or banking institution, such borrowings to be paid from earnings or through the sale of revenue bonds before, during or at completion of such project, but such revenue bonds shall be subordinate to any then outstanding previously issued revenue bonds; and the interest rates, maturities and other provisions shall be such as the authority may at the time of issuance deem to be proper.

- (5) If the proceeds of the bonds of any issue, by error of estimates or otherwise, shall be less than the cost for which issued, additional bonds may in like manner be issued to provide the amount of the deficit, and, unless otherwise provided in the proceedings authorizing the issuance of the bonds or in the trust indenture securing the same, shall be deemed to be of the same issue and shall be entitled to payment from the same fund without preference or priority of the bonds first issued. If the proceeds of the bonds of any issue exceed such cost, the surplus shall be deposited to the credit of the sinking fund for such bonds or any account therein as the authority shall have provided in the proceedings or trust indenture authorizing and securing the bonds.
- (6) Prior to the preparation of definitive bonds, the authority may, under like restrictions, issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds have been executed and are available for delivery. The authority may also provide for the replacement of any bonds that become mutilated or are destroyed or lost.

Effective: June 17, 1978

History: Created 1978 Ky. Acts ch. 111, sec. 5, effective June 17, 1978.