65.7711 Notes to be secured by pledge, lien, and charge -- Sinking fund or note retirement fund.

Notes issued in a single fiscal year, shall be equally and ratably secured by the pledge of, security interest in, and a lien and charge on, the taxes or revenues, or both, of the governmental agency specified in the authorizing legislation which are in the process of collection and are to be received during the period when the notes will be outstanding. The pledge, lien, and charge shall be fully perfected as against the governmental agency, all creditors, and all third parties in accordance with the terms of the legislation from and after the delivery of the notes until the notes are paid in full. The legislation may establish one (1) or more sinking funds or note retirement funds and provide for periodic or other deposits therein, and may contain such covenants or other provisions as the governmental agency shall determine. In every case, the taxes and revenues pledged shall be those taxes and revenues which are the subject of appropriation for the current fiscal year. The holders or owners of notes may be given the right to have the notes continually secured by the faith and credit of the governmental agency, and each note shall bear on its face a statement to that effect and to the effect that the right of payment on the note is limited to the taxes or revenues pledged under the legislation of the governmental agency authorizing the notes.

Effective: July 13, 1990

History: Created 1990 Ky. Acts ch. 76, sec. 6, effective July 13, 1990.