66.527 Indebtedness of board, how secured -- Refunding of obligations -- Negotiability.

(1) The board may incur indebtedness, buy, lease, rent, sell, operate, manage, accept gifts and grants, and do anything else necessary or proper to obtain for the county in accordance with the board's plan the public improvements described therein. To secure its obligations the board may pledge its assets subject to any prior pledges or charges against them. The board may incur indebtedness the security for the payment of which is a special fund rather than the unencumbered assets of the board. The board may pledge its expected receipts from one or more sources to secure payment of its various debts and obligations. The board may make such covenants and agreements with its creditors as may be necessary or proper to reduce the cost to the board of the indebtedness. Those covenants or agreements may include arrangements for the operation of public improvements by trustees for the benefit of creditors in the event of a default by the board in the timely payment of indebtedness.

(2) In addition to any method of refunding established by covenants in the board's obligations, the board may for any indebtedness refund it in advance of its maturity by borrowing against the same security as pledged for the original indebtedness and substituting as security for the original indebtedness general obligations of the United States or its agencies if (a) the principal and interest of the obligations of the United States (or its agencies) are payable in time and sufficient in amount to defray seasonably and fully the board's outstanding obligation on the original indebtedness, and (b) the net annual interest cost of the indebtedness to the board will be reduced.

(3) Obligations of the board may be made negotiable. Except as otherwise provided herein, the board's obligations shall be in the form established by KRS 58.010 to 58.140.

History: Created 1966 Ky. Acts ch. 232, sec. 7.