

175B.060 Issuance of project revenue bonds -- Use of bond proceeds.

- (1) (a)
 1. An issuing authority may, by resolution, authorize the issuance of project revenue bonds for the purpose of paying the cost of a project.
 2. The principal of and the interest on the project revenue bonds shall be payable solely from the funds provided for the payment.
 3. The bonds of each issue:
 - a. Shall be dated;
 - b. Shall bear interest at a rate or method of determining rates;
 - c. Shall mature at a time not exceeding forty (40) years from their issuance date, as determined by the issuing authority; and
 - d. May be redeemable before maturity, at the option of the issuing authority, at a price and under terms and conditions as may be fixed by the issuing authority prior to the issuance of the project revenue bonds.
 4. The issuing authority shall:
 - a. Determine the form of the bonds;
 - b. Fix the denomination of the bonds; and
 - c. Fix the place of payment of principal and interest, which may be at any bank or trust company within or without the Commonwealth.
- (b)
 1. The project revenue bonds shall be signed by the chairman or other presiding officer of the issuing authority or shall bear that officer's facsimile signature, and the seal of the issuing authority or a facsimile shall be affixed to the project revenue bonds and attested by the secretary of the issuing authority.
 2. If any officer whose signature or a facsimile of whose signature appears on any project revenue bonds ceases to be an officer before the delivery of the project revenue bonds, the signature or facsimile shall be valid and sufficient for all purposes as if the officer had remained in office until the delivery.
 3. All project revenue bonds issued under this chapter shall have all the qualities and incidents of negotiable instruments under the negotiable instruments law of the Commonwealth.
 4. The project revenue bonds shall be issued in registered form.
 5. The issuing authority may sell the project revenue bonds in a manner, either at public or private sale, and for a price as it determines will best carry out the purposes of this chapter.
- (2) (a) The proceeds of the project revenue bonds of each issue shall be used solely for the payment of the cost of the project or projects for which the bonds were issued, and shall be disbursed in a manner and under the restrictions the issuing authority provides in the resolution authorizing the issuance of the project revenue bonds or in the trust agreement securing the project revenue bonds.

- (b) If the proceeds of the project revenue bonds of any issue, by error of estimates or otherwise, are less than the cost of the project or projects, additional project revenue bonds may be issued to provide the amount of the deficit, and, unless otherwise provided in the resolution authorizing the issuance of the project revenue bonds or in the trust agreement securing the project revenue bonds, 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 project revenue bonds first issued.
 - (c) If the proceeds of the project revenue bonds of any issue exceed the cost, the surplus shall be deposited to the credit of the sinking fund required by KRS 175B.040(3)(a) for the project revenue bonds or any account or accounts the issuing authority shall have provided for in the proceedings or trust indenture authorizing and securing the project revenue bonds.
- (3) Project revenue bonds shall be issued in compliance with KRS 42.420 and 45A.840 to 45A.879. Except as provided in KRS 42.420 and 45A.840 to 45A.879, project revenue bonds may be issued under this chapter without obtaining the consent of any local government, department, division, authority, board, bureau, or agency of the Commonwealth, or of the Commonwealth, and without any other proceedings or conditions other than those proceedings or conditions which are specifically required by this chapter.

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