

76.279 Lease of system constructed by metropolitan sewer district -- Renewals -- Revenue bonds of metropolitan district.

- (1) In order to provide for the construction of a comprehensive sewage and sewage treatment system, or storm water and surface drainage system, or both, the sanitation tax district and a metropolitan sewer district may agree in writing that the latter shall construct the system and operate it in consideration that the sanitation tax district lease the system for a term of one (1) year, which term may be renewed. No such system shall include lateral sewers. It may include any other appliance or structure reasonably incident to such a system.
- (2) The sanitation tax district shall have an exclusive option to renew for each year succeeding the original term, but the option shall not grant exclusive renewal options for more than forty (40) years. The method of exercising the exclusive option to renew the lease shall be any method permissible under law which does not have the effect of authorizing or permitting the sanitation tax district to become indebted to an amount exceeding, in any year, the income and revenue provided for such year within the meaning of Section 157 of the Constitution of Kentucky.
- (3) A metropolitan sewer district is authorized to issue bonds secured solely by rentals payable under such a lease to finance construction of the system. Except as provided in the preceding sentence, all matters pertaining to such bonds shall be governed by KRS 76.254 and 76.261.

History: Created 1964 Ky. Acts ch. 33, sec. 43.