

99.430 Bonds, notes, and obligations of the agency.

- (1) Any agency shall have power to issue revenue bonds from time to time at its discretion for any of its corporate purposes under KRS 99.330 to 99.510. An agency shall also have power to issue refunding bonds for the purpose of paying or retiring bonds previously issued by it. An agency may issue revenue bonds on which the principal and interest are payable:
 - (a) Exclusively from the income and revenues of the redevelopment project or projects financed from the proceeds of the bonds; or
 - (b) Exclusively from the income and revenues together with grants and contributions from the federal government or other sources. Any bonds may be additionally secured by a mortgage, deed of trust, or other lien or encumbrance on the property in the redevelopment project or projects financed from the proceeds of the bonds.
- (2) Neither the members of an agency or any person executing the bonds shall be liable personally on the bonds by reason of the issuance of the bonds. The bonds and other obligations of an agency (and the bonds and obligations shall so state on their face) issued under this section shall not be a debt of the city, the county, the State, or any political subdivision of the State within the meaning of any constitutional or statutory debt limitation or restriction and neither the city, the county, the State, nor any political subdivision of the State shall be liable, nor in any event shall the bonds or obligations be payable out of any funds or properties other than those of the agency.
- (3) Bonds of an agency shall be authorized by its resolution. The bonds may be issued in one (1) or more series and shall bear a date or dates, mature at a time or times, bear interest at a rate or rates or method of determining rates, be in a denomination or denominations, be in form, either coupon or registered, carry conversion or registration privileges, have rank or priority, be executed in a manner, be payable in a medium of payment, at a place or places, and be subject to the terms of redemption (with or without premium) as the resolution, its trust indenture, or mortgage may provide.
- (4) The bonds may be sold at public sale held after notice has been given by publication pursuant to KRS Chapter 424. The bonds, however, may be sold to the federal government at private sale without advertisement.
- (5) In case any of the members or officers of the agency whose signatures appear on any bonds, coupons, notes, or other obligations shall cease to be members or officers before the delivery of the bonds, coupons, notes, or other obligations, the signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if they had remained in office until delivery of the bonds. Any provision of any law to the contrary notwithstanding, any bonds, coupons, notes, or other obligations issued pursuant to KRS 99.330 to 99.510 shall be fully negotiable.
- (6) In any suit, action, or proceedings involving the validity or enforceability of any bonds of an agency or their security, any bonds reciting in substance that they have been issued by the agency to aid in financing a redevelopment project shall be

conclusively deemed to have been issued for a redevelopment project and the project shall be conclusively deemed to have been planned, approved, located, and carried out in accordance with the purposes and provisions of KRS 99.330 to 99.510.

- (7) In connection with the issuance of bonds, an agency, in addition to its other powers, shall have power:
 - (a) To pledge all or any part of its gross or net revenue to which its right then exists or may thereafter come into existence;
 - (b) To encumber (by mortgage, deed of trust, or otherwise) all or any part of its real or personal property in the redevelopment project;
 - (c) To covenant against pledging all or any part of its revenues, or against encumbering all or any part of its real or personal property, to which its right or title then exists or may thereafter come into existence or against permitting or suffering any lien on revenues or property; to covenant with respect to its sale, leasing, or other disposition of any redevelopment project or any part of the project; and to covenant as to what other or additional debts or obligations may be incurred by it;
 - (d) To covenant as to the bonds to be issued and as to the issuance of the bonds in escrow or otherwise, and as to the use and disposition of the proceeds of the bonds; to provide for the replacement of lost, destroyed, or mutilated bonds, to covenant against extending the time for the payment of its bonds or interest on the bonds; and to redeem the bonds, and to covenant for their redemption and to provide the terms and conditions of the bonds;
 - (e) To covenant as to the amounts to be charged in the sale or lease of properties in a redevelopment project or projects, the amount to be raised from revenue each year or other period of time, and as to the use and disposition to be made of this amount; to create or to authorize the creation of special funds for moneys held for redevelopment or other costs, debt service, reserves, or other purposes, and to covenant as to the use and disposition of the money held in special funds;
 - (f) To prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which consent may be given;
 - (g) To covenant as to the use of any or all of its real or personal property; and to covenant as to the maintenance of its real and personal property, its replacement, the insurance to be carried, and the use and disposition of insurance moneys;
 - (h) To covenant as to the rights, liabilities, powers, and duties arising upon the breach of any covenant, condition, or obligation; and to covenant and prescribe as to events of default and terms and conditions upon which any or all of its bonds or obligations shall become or may be declared due before maturity, and as to the terms and conditions upon which a declaration and its

consequences may be waived;

- (i) To vest in a trustee or trustees or the holders of bonds or any proportion of them the right to enforce the payment of the bonds or any covenant securing or relating to the bonds; to vest in a trustee or trustees the right, in the event of a default by an agency, to take possession of any redevelopment project or part of the project, and to collect the rents and revenues arising or due the agency in connection with the project, and to dispose of the moneys in accordance with the agreement of the agency with the trustee; to provide for the powers and duties of a trustee or trustees and to limit the liabilities of the trustees; and to provide the terms and conditions upon which the trustee or trustees or the holders of bonds or any proportion of them may enforce any covenant or rights securing or relating to the bonds; and
 - (j) To exercise all or any part or combination of the powers granted; to make covenants other than and in addition to the covenants expressly authorized of like or different character; to make the covenants and to do any and all the acts and things as may be necessary or convenient or desirable in order to secure its bonds, or, in the discretion of the agency, except as otherwise provided in KRS 99.330 to 99.510, as will tend to make the bonds more marketable notwithstanding that the covenants, acts, or things may not be enumerated within this section.
- (8) The bonds, notes, and other obligations of an agency are declared to be issued for an essential public and governmental purpose, and together with interest and income from the bonds, notes, and other obligations shall be exempt from all taxes.
- (9) Notwithstanding any restrictions on investments contained in any laws of this Commonwealth, the Commonwealth and all public officers, municipal corporations, political subdivisions, and public bodies; all banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, and other persons carrying on a banking business; all insurance companies, insurance associations and other persons carrying on an insurance business; and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in any bonds or other obligations issued by an agency, as defined by KRS 99.340, or issued by any community or other public body in the United States, when the bonds and other obligations are secured by a contract for financial assistance to be paid by the United States government or any of its agencies, and the bonds, and other obligations shall be authorized security for all public deposits; it being one (1) of the purposes of KRS 99.330 to 99.510 to authorize any persons, firms, corporations, associations, political subdivisions, bodies, and officers, public or private, to use any funds owned or controlled by them including (but not limited to) sinking, insurance, investment, retirement, compensation, pension, and trust funds, any funds held on deposit, for the purchase of any bonds or other obligations; provided, however, that nothing contained in KRS 99.330 to 99.510 shall be construed as relieving any person, firm, or corporation from any duty of exercising reasonable

care in selecting securities.

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History: Amended 1996 Ky. Acts ch. 274, sec. 28, effective July 15, 1996. -- Amended 1966 Ky. Acts ch. 239, sec. 102. -- Created 1950 Ky. Acts ch. 119, sec. 12.