220.010 Definitions for KRS 220.010 to 220.540.

As used in KRS 220.010 to 220.540, unless the context otherwise requires:

(1) "Sanitary works," "improvements," "sanitary system" or "sanitary sewers," means any works constructed by a sanitation district in accordance with the purposes of KRS 220.010 to 220.540, as set forth in KRS 220.030.

(2) "Person" means any person, firm, copartnership, association or corporation other than a public corporation.

(3) "Public corporation" means any county, city, school district, water district or drainage district, and any other governmental agency or political subdivision clothed with the power of levying general or special taxes or issuing bonds payable from special funds.

(4) "Land" or "property" means real property.

(5) "Board of directors," "directors" or "board" means the governing body of a sanitation district.

(6) "Sanitation commissioner" or "commissioner" means the commissioner of sanitation districts, as provided for in KRS 220.020.

(7) "District" means a sanitation district authorized by KRS 220.010 to 220.540.

(8) "District area," "within the district," "corporate limits of the district" and similar terms mean that area established to be within the district in accordance with KRS 220.020 to 220.540. No construction subdistrict shall be construed to be within the district area.

(9) "Construction subdistrict bonds and obligations" and like phrases mean any obligation whatsoever that has been incurred by the district because of some function or activity of a construction subdistrict. Such debts are not obligations of the district, and such debts may be paid only from moneys received by the district on account of the construction subdistrict, or from the funds, if any, in the construction subdistrict, or from the funds, if any, in the construction subdistrict reserve fund.

(10) "Construction subdistrict facilities" are all sewage facilities within a construction subdistrict, and all sewage facilities outside the district area which join together two (2) or more construction subdistricts or lead from a construction subdistrict to the district area or lead from a construction subdistrict to a disposal plant or a treatment plant outside the construction subdistrict and outside the district area, and which are not a part of a sewer system of a municipal corporation or a sewer system of a water district organized pursuant to KRS 74.010 to 74.415.

(11) "District facilities" are all facilities of the district as provided for in KRS 220.020 to 220.540.

Effective: July 15, 2008

History: Amended 2008 Ky. Acts ch. 6, sec. 16, effective July 15, 2008. -- Amended 1968 Ky. Acts ch. 152, sec. 126. -- Amended 1966 Ky. Acts ch. 92, sec. 1. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-1.

220.020 Commissioner of sanitation districts -- Power to establish districts.

The secretary of the Environmental and Public Protection Cabinet shall, in addition to his other duties, act as commissioner of sanitation districts, and is vested with jurisdiction, power and authority, when the conditions set forth in KRS 220.010 to 220.520 and certified to by the county board of health are found to exist, to establish sanitation districts within any county of the Commonwealth.

History: Amended 1974 Ky. Acts ch. 74, Art. III, sec. 13(2) and (9). -- Amended 1972 (1st Ex. Sess.) Ky. Acts ch. 3, sec. 30. -- Amended 1962 Ky. Acts ch. 103, sec. 1. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-2.

Legislative Research Commission Note (6/20/2005). 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in 2005 legislation confirming the reorganization of the executive branch. Such a correction has been made in this section.

220.030 Purposes for which sanitation district may be established.

Sanitation districts may be established for any of the following purposes:

(1) To prevent and correct the pollution of streams.

(2) To regulate the flow of streams for sanitary purposes.

(3) To clean and improve stream channels for sanitary purposes.

(4) To provide for the collection and disposal of sewage and other liquid wastes produced within the district; and incident to those purposes and to enable their accomplishment, to construct, with all appurtenances, laterals, trunk sewers, intercepting sewers, siphons, pumping stations, treatment and disposal works, to maintain, operate, and repair these, and do all other things necessary for the fulfillment of the purposes of KRS 220.010 to 220.520.

(5) To provide for the management of onsite sewage disposal systems.

(6) To develop and implement plans for the collection and disposal of storm drainage.

Effective: July 15, 1998

History: Amended 1998 Ky. Acts ch. 234, sec. 3, effective July 15, 1998. -- Amended 1994 Ky. Acts ch. 490, sec. 3, effective July 15, 1994. -- Amended 1980 Ky. Acts ch. 149, sec. 2, effective July 15, 1980. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-3.

220.035 Powers of fiscal court to be stated in ordinance -- Powers of county judges/executive in districts governed by KRS 220.135.

(1) A fiscal court may:

(a) Review and approve, amend, or disapprove proposed district land acquisitions;

(b) Review and approve, amend, or disapprove proposed district construction of capital improvements;

(c) Review and approve, amend, or disapprove proposed service charges or user fees; and

(d) Review and approve, amend, or disapprove the district's proposed budget.

(2) In order to exercise any or all the powers enumerated in subsection (1) of this section, the fiscal court shall adopt a county ordinance explicitly stating which of the powers the fiscal court intends to exercise and setting forth the procedures by which the sanitation district shall submit plans and documentation for review and approval, amendment, or disapproval. The exercise of such powers shall become effective thirty (30) days following the effective date of the ordinance. In the case of districts lying in two (2) or more counties, no fiscal court shall exercise the powers enumerated in subsection (1) of this section until each fiscal court has adopted conforming ordinances stating the powers to be exercised.

(3) In the case of districts lying in two (2) or more counties, the votes of the respective fiscal courts shall be weighted in the same manner as appointments to the district board are apportioned pursuant to KRS 220.140.

(4) In the case of districts governed by the provisions of KRS 220.135, the county judges/executive shall exercise the powers listed in subsection (1) of this section. They shall meet jointly at least once each fiscal year to exercise these powers. Their votes shall be equally weighted. In the case of review and approval of proposed service charges or user fees, a majority of the votes of the county judges/executive shall be required to override the recommendation of the district board of directors.

Effective: July 15, 1998

History: Amended 1998 Ky. Acts ch. 234, sec. 4, effective July 15, 1998. -- Amended 1994 Ky. Acts ch. 490, sec. 2, effective July 15, 1994. -- Created 1984 Ky. Acts ch. 203, sec. 1, effective July 13, 1984.

220.040 Petition necessary to establish district -- Requisites.

(1) Before the commissioner of sanitation districts shall establish a district, a petition, approved as to propriety and necessity by the county board of health of each county affected, shall be filed with the commissioner, containing valid signatures of sixty percent (60%) of those in possession claiming as freeholders within the limits of the territory proposed to be organized into a district.

(2) In determining when sixty percent (60%) of the landowners have signed the petition, the commissioner shall consult with the landowners whose names appear upon the county tax duplicate, which for all purposes of KRS 220.010 to 220.520 shall be prima facie evidence of such ownership. The commissioner shall further require evidence to determine the fact that all signatures on the petition are genuine, and a notification by ordinary mail sent to the respective addresses shown on the petition shall be deemed satisfactory by the commissioner if the petitioner so notified fails to report in writing within ten (10) days that he did not sign the petition. When authorized by ordinance, such a petition may be signed by the governing body of any municipality lying wholly or partly within the proposed district. When so signed by such governing body a petition on the part of the governing body shall fill all requirements of representation upon the petition of the freeholders of the municipality as they appear upon the assessment roll of the municipality, and individuals within the municipality shall not sign the petition. Such a petition may also be filed by any municipality interested in some degree in the improvement, upon proper action by its governing body, except as provided in KRS 220.520.

Effective: July 15, 1982

History: Amended 1982 Ky. Acts ch. 217, sec. 5, effective July 15, 1982. -- Amended 1960 Ky. Acts ch. 195, sec. 1. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-4.

220.050 Contents of petition.

The petition shall contain:

(1) The proposed name of the district, which shall be "Sanitation District No. .... of .... County (or Counties), Kentucky."

(2) The necessity for the proposed work and that it will be conducive to the public health, safety, comfort, convenience or welfare.

(3) A general description of the purpose of the contemplated improvement, and of the territory to be included in the proposed district. The description need not be given by metes and bounds or by legal subdivision but it shall be sufficient if a reasonably accurate description is given of the territory to be organized as a district. The territory may include one (1) or more political subdivisions or portions thereof, and, except as otherwise provided by KRS 220.010 to 220.530, shall not be included wholly within the limits of a single municipality. The territory need not be contiguous if it is so situated that the public health, safety, comfort, convenience and welfare will be promoted by its organization as a single district.

(4) A prayer for the organization of the district.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-5.

220.060 Defects in petition may be corrected -- Joint petitions.

No petition with the requisite number of valid signatures shall be declared void on account of alleged defects, but the commissioner may at any time permit the petition to be amended in form and substance to conform to the facts, by correcting any errors in the description of the territory or in any other particular, but shall not add or deduct area except as provided in KRS 220.080. Several similar petitions or duplicate copies of the same petition for the organization of the same district may be filed and shall together be regarded as one (1) petition. All such petitions filed shall be considered the same as though filed with the first petition placed on file.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-6.

220.070 Security for costs of establishment proceedings.

At the time of filing the petition, or at any time subsequent thereto and prior to the time of the giving of notice by the commissioner, as hereinafter provided, the petitioners shall either file bond with the commissioner with security approved by him, or deposit cash or securities with him in an amount sufficient to pay the costs in the proceedings thereafter involved. If the commissioner at any time during the proceedings is not satisfied that the bond or deposit is sufficient or that the surety on the bond is safe, he may require the execution of an additional bond or the giving of additional surety or an additional deposit within a time to be fixed not less than ten (10) days thereafter, and upon the failure of the petitioners to comply the commissioner may refuse to proceed further and may refuse to organize the district.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-7.

220.080 Boundary of proposed district -- Investigation -- Change -- Inclusion of city property restricted.

(1) When the petition is filed with the commissioner, he shall investigate at once the boundary of the district proposed to be organized, and may, at the cost of the petitioners, cause to be made surveys necessary to establish with reasonable accuracy a boundary that will, in his judgment, accomplish the purpose sought by the creation of the district in a practicable and workable manner, and that will be sufficiently comprehensive to avoid confusion or interference with any other similar district then existing or that may be created. The boundary established by the commissioner need not follow the boundary proposed by the petitioners, but if the boundary established by the commissioner results in a material change from that proposed in the original petition the petitioners shall secure, in case of a larger or smaller area, the signatures of sixty percent (60%) of the freeholders or owners in the area as established by the commissioner.

(2) None of the provisions of KRS 220.010 to 220.520 shall be applicable within the corporate boundary of any city of the first class, nor shall they be binding upon such city or any part thereof, or any land or property within the boundary of such city. The governing body of any city of the first class shall determine by ordinance whether city property lying outside the corporate boundary shall be included in any sanitation district, and whether the city shall bind itself to pay the charges for the services of the district furnished to such land or property.

(3) Should it be found desirable to include in a sanitation district all or a portion of a city of the second or third class, the governing body of such city shall determine by ordinance whether the city or portion thereof shall be included in the district, or whether the city shall bind itself to pay the charges for the services of the district furnished in such area.

History: Amended 1960 Ky. Acts ch. 195, sec. 2. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-8.

220.090 Publication of application to create district.

When sixty percent (60%) of those qualified within the boundary fixed by the commissioner are found to have petitioned for the establishment of a sanitation district, and the commissioner has established the boundaries thereof, the commissioner shall give notice of the application for the creation of the district, by publication pursuant to KRS Chapter 424.

History: Amended 1966 Ky. Acts ch. 239, sec. 167. -- Amended 1960 Ky. Acts ch. 195, sec. 3. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-9.

220.100 Objection to establishment of district -- How made -- Trial -- Appeal.

Any owner of real property in the proposed district who has not signed the original petition for the creation of the district and who wishes to object to the organization of the district shall, within sixty (60) days after the giving of notice by the commissioner, file his petition in the Circuit Court of the county in which the larger part of the proposed district is located, naming the commissioner defendant and setting out in the petition his objections to the organization of the district. The commissioner shall be represented in the Circuit Court by the county attorney and in the Court of Appeals by the Attorney General, and he also may require his defense to be made by the petitioners or some of them. The issues may be made up and the case may be docketed for hearing as in an action for a declaration of rights. The burden of proof shall be upon the plaintiff to show cause why the district should not be organized. If the court renders judgment against the commissioner, judgment shall point out the changes required for the establishment of a district, which, if met by the commissioner, shall authorize the creation of the district. If the changes are not met by the commissioner, the proposed district shall not be organized unless new proceedings are instituted for the creation of a district, but such new proceedings shall not be instituted for a period of six (6) months after the date of judgment. If the court gives judgment against the plaintiff, the commissioner shall organize the district. An appeal shall suspend the judgment until the case has been passed upon by the Court of Appeals and final judgment rendered. Either the plaintiff or the commissioner may appeal from the judgment of the Circuit Court to the Court of Appeals, but the commissioner shall not be required to make any appeal bond. Except as otherwise provided in this section, the pleading and practice shall be the same as in other suits in equity.

Effective: January 2, 1978

History: Amended 1976 (1st Extra. Sess.) Ky. Acts ch. 14, sec. 210, effective January 2, 1978. -- Amended 1976 Ky. Acts ch. 62, sec. 104. -- Amended 1952 Ky. Acts ch. 84, sec. 57. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-10.

220.110 Declaration and certification of organization -- Status and powers of district -- Corporate name.

(1) If no suit is filed against the commissioner under KRS 220.100, or if suit is filed and final judgment in the Circuit Court or an appeal is in favor of the commissioner, the commissioner shall forthwith declare the district organized into a sanitation district and give it a corporate name, as provided in KRS 220.050, by which in all proceedings it shall thereafter be known. The commissioner shall certify his act to the county clerk of each county in which any part of the district is located, and to the Secretary of State, each of whom shall record the certificate as articles of incorporation. The commissioner shall also certify his act to the county judge/executive of each county in which any part of the district is located. The district shall then be a political subdivision, except as otherwise specifically provided in KRS 220.530, with power to sue and be sued, contract and be contracted with, incur liabilities and obligations, exercise the right of eminent domain, assess, tax, and contract for rentals as herein provided, issue bonds, and do and perform all acts herein expressly authorized and all acts necessary and proper for the carrying out of the purpose for which the district was created, and for executing the powers with which it is invested.

(2) The board of directors of the district may amend the corporate name of the district, but the amendment shall not be effective until certified by the board to the commissioner, the county clerk and county judge/executive of each county in which any part of the district is located, and to the Secretary of State.

Effective: July 15, 1998

History: Amended 1998 Ky. Acts ch. 37, sec. 2, effective July 15, 1998. -- Amended 1988 Ky. Acts ch. 330, sec. 5, effective July 15, 1988. -- Amended 1978 Ky. Acts ch. 384, sec. 356, effective June 17, 1978. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-11.

220.115 Fiscal court procedure for alteration or dissolution of district.

(1) Following a public hearing as provided in subsection (2) of this section, the fiscal court may alter the boundaries of a sanitation district by reducing its area or may dissolve a sanitation district if that sanitation district has for a period of two (2) consecutive years failed to provide the services for which it was established, or if all or a portion of its services can be or have been provided by some other entity. If the sanitation district is located in more than one (1) county, the fiscal court of each county containing a portion of the sanitation district shall vote to dissolve the sanitation district before the dissolution may take effect.

(2) The fiscal court shall schedule a public hearing on the issue of alteration or dissolution and advertise the hearing as provided in KRS 424.130.

(3) At the hearing, the fiscal court shall consider testimony offered at the hearing and any other relevant information including, but not limited to, the following:

(a) Present and projected need for the service by the sanitation district;

(b) Population density of the sanitation district;

(c) Existence of alternate providers of services;

(d) Revenue base of the sanitation district, including but not limited to, assessed valuation, bonding capacity, and user fees; and

(e) Consequences of alteration of the sanitation district's boundaries on the effectiveness and efficiency of the sanitation district.

(4) (a) If the fiscal court determines to dissolve a sanitation district, it shall determine a method to satisfy any legal obligations of the sanitation district that might be affected. Upon satisfaction of its legal obligations, the sanitation district shall be legally dissolved. Any special ad valorem tax imposed by the sanitation district shall be removed from the tax rolls by the county clerk, and any assets of the sanitation district shall be assumed by the county or otherwise transferred by contract to another entity for the purpose of providing service within the area of the sanitation district before dissolution.

(b) If the fiscal court determines to alter the boundaries of the sanitation district, it shall draw the new boundaries of the sanitation district and determine the proportional amount of existing legal obligations of the area that is to be excluded from the sanitation district. Upon satisfaction of the obligations, the new boundaries of the sanitation district shall be legally effective and the affected taxpayers shall be removed from the tax rolls of the sanitation district.

(5) The dissolution procedure described in this section shall provide a means of dissolution of a sanitation district in addition to the dissolution procedure contained in KRS 65.166.

Effective: July 15, 1998

History: Created 1998 Ky. Acts ch. 37, sec. 1, effective July 15, 1998.

220.120 Conclusiveness of certificate.

The certificate establishing the district shall be deemed final and binding upon the real property in the district, and shall finally and conclusively establish the regular organization of the district against all persons except the state upon suit commenced by the Attorney General. The organization of the district shall not be directly or collaterally questioned in any action except as herein expressly authorized.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-14.

220.130 Office and records of district.

The commissioner shall designate in the certificate the place where the office of the district shall be located, which shall be within the corporate limits of the district if practicable. The place may be changed by the board of directors of the district from time to time, by the certification of the change to the county judge/executive and the notation thereof on the records of the court. The records of the district shall have "Sanitation District Records" printed, stamped or written thereon. They shall be kept at the office and shall be open to inspection as are the records of the fiscal court.

Effective: June 17, 1978

History: Amended 1978 Ky. Acts ch. 384, sec. 357, effective June 17, 1978. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 2062g-1, 2062g-12.

220.135 Boundaries of multicounty districts -- Assumption by district of city systems effective July 1, 1995 -- City's option not to be assumed -- Dissolution of municipal subdistricts -- Effects of assumptions and dissolutions -- Uniformity of district rates.

(1) Notwithstanding the provisions of KRS 220.080, the jurisdictional boundaries of a sanitation district organized or operating under KRS Chapter 220 shall be coextensive with the jurisdictional boundaries of the counties it was organized to serve if the district was organized to serve two (2) or more counties, and no other district has been organized to serve the counties. All cities of the second through sixth class located in a county which is part of a sanitation district as described in this section shall be included in the jurisdictional boundaries of the sanitation district.

(2) (a) Effective July 1, 1995, the operational sewer and drainage system of each city located within the jurisdictional boundaries of the district, together with all assets, other than cash accounts, and liabilities of the system, as of January 1, 1994, including but not limited to, sewers, easements, manholes, pumping stations, force mains, and real property, shall become the property, personal and real, of the sanitation district.

(b) If funds in a cash account are in escrow or otherwise contractually connected to a certificate of indebtedness related to the sewer and drainage system, the funds shall become the property of the district. If funds in a cash account are derived from a sewer user fee or sanitation bill surcharge, the city may use them to reduce its obligation to the district created by subsection (5)(a) of this section, or the city may return the funds to the citizens. If the funds in a cash account were generated from a general fund source and are not in escrow or otherwise obligated, the city may retain the funds for its own purposes.

(3) Any city within the jurisdictional boundaries of the district may, before September 1, 1994, state by ordinance its intention not to become a part of the district. In this case, the provisions of subsection (2) of this section shall not apply, and the city shall retain ownership and control of and responsibility for its sewer and drainage system. The city shall be solely responsible for compliance with applicable regulations promulgated by the Environmental and Public Protection Cabinet.

(4) Any municipal subdistrict established prior to July 15, 1994, shall be dissolved effective July 1, 1995, and the assets and liabilities of the subdistrict, as of January 1, 1994, shall become the property, personal and real, of the sanitation district, unless the city, no later than September 1, 1994, provides by ordinance that the municipal subdistrict shall revert to the city. If the city provides for the reversion of the subdistrict to the city, the assets and liabilities of the subdistrict shall become the property, personal and real, of the city. The city shall be solely responsible thereafter for compliance with applicable regulations promulgated by the Environmental and Public Protection Cabinet.

(5) (a) When a municipal subdistrict is dissolved pursuant to subsection (4) of this section, or a city sewer and drainage system is transferred pursuant to subsection (2) of this section, and its assets are transferred to the district, the

city, or municipal subdistrict, shall pay the district fifty percent (50%) of the cost of necessary repairs to its facilities as identified through the district's sanitary sewer inspection program. These costs shall be payable upon completion of the repairs identified by the district, and may be paid by lump sum or in installments over a period of time agreeable to the city or the municipal subdistrict and the district.

(b) A city may continue its sewer maintenance surcharge until the accumulated principal plus interest thereon is sufficient to pay the charges levied by the district pursuant to paragraph (a) of this subsection.

(c) Any county that joins the district after July 15, 1994, may levy sewer surcharges or other fees, which shall be added to the customers' district bill for the purpose of enabling the county to pay pre-existing obligations to the district.

(d) For a period of ten (10) years, the district may grant to each city or county a credit for each new residential customer added which shall not exceed three hundred dollars ($300) against the debt created by subsection (5)(a) of this section, or any other contractual liability pre-existing on June 30, 1994. The district may adopt a general policy establishing a credit of a different amount for each new nonresidential customer added.

(6) (a) After July 15, 1994, no new package sewage treatment plant shall be constructed or begin operation within the jurisdictional boundaries of the district unless the district, after review of the plans for construction and operation of the plant, approves the plans.

(b) After January 1, 1995, no privately owned package sewage treatment plant shall operate within the jurisdictional boundaries of the district unless it has been issued a permit by the district or by the Environmental and Public Protection Cabinet.

(c) On or before January 1, 2000, the district shall assume ownership of all publicly owned package sewage treatment plants within its jurisdictional boundaries, including all assets and liabilities as of January 1, 1994, and all property, real and personal.

(d) The district shall plan for, and when economically feasible, transfer the function of sewage treatment from package plants to central treatment facilities.

(7) (a) Effective July 1, 1995, the district shall be responsible for the planning, construction, improvement, operation, and maintenance of all sewer and drainage facilities under its ownership, including combined sewer overflows, and for compliance with all applicable regulations promulgated by the Environmental and Public Protection Cabinet.

(b) The district shall establish uniform rates for its services throughout its jurisdiction, and district rates shall vary only on the basis of consumption.

Effective: July 15, 1994

History: Amended 1994 Ky. Acts ch. 490, sec. 1, effective July 15, 1994. -- Created 1988 Ky. Acts ch. 330, sec. 1, effective July 15, 1988.

Legislative Research Commission Note (6/20/2005). 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in 2005 legislation confirming the reorganization of the executive branch. Such a correction has been made in this section.

220.140 Board of directors -- Management of district -- Qualifications -- Appointment -- Terms -- Vacancies.

Within twenty (20) days after the commissioner certifies to the county clerk of each county in which the district is located that the district is incorporated, there shall be appointed a board of directors for the district, consisting of three (3) members, which shall control and manage the affairs of the district. If the district lies wholly within a single county, the county judge/executive of that county shall appoint all of the directors. If the district lies within two (2) counties, the county judge/executive of the county in which the greater portion of the population of the district resides may appoint two (2) directors and the county judge/executive of the other county shall appoint the third. If the district lies within more than two (2) counties, the county judges/executive of all the counties shall jointly select the directors, but each one so appointed must reside in a different county. Not less than two (2) of the directors shall be freeholders, and not more than two (2) of them shall belong to or be affiliated with the same political party. If the district is coextensive with the boundaries of two (2) or more counties, four (4) directors shall be appointed by the county judge/executive of the most populous county and two (2) shall be appointed by the county judge/executive of each remaining county. All appointments by county judges/executive shall be subject to the approval of the respective fiscal courts. In a district which is coextensive with the boundaries of two (2) or more counties, not less than two-thirds (2/3) of the directors shall be freeholders. No director shall be in any way associated or connected with the ownership, operation or control of any privately owned public utility operating within the district. The terms of office of the first board of directors shall be two (2), three (3), and four (4) years, respectively, from the date of their appointment, the length of the term of office of each member to be determined by lot at their first meeting, but the individual holding such office shall do so at the pleasure of the county judge/executive by whom he is appointed, and he may be removed without cause, with the approval of the respective fiscal court, by the county judge/executive by whom he was appointed and his unexpired term filled by another appointee of such county judge/executive. After the expiration of the respective terms of office of the first board, each director shall be appointed for a term of four (4) years, subject to the will of the county judge/executive making the appointment. Vacancies resulting from any cause other than expiration of term shall be filled only for the unexpired term. The county judge/executive of the county whose director has completed his term of office or whose office has otherwise been vacated shall fill the vacant office, except that when the district lies within more than three (3) counties, if each county is not represented, vacancies resulting from expiration of term shall be filled in rotation by the county judges/executive of those counties not represented by a director at the time a vacancy occurs. The directors shall at all times be residents of the district, and the office of any director who moves his residence outside the district shall automatically be vacated.

Effective: July 14, 2000

History: Amended 2000 Ky. Acts ch. 150, sec. 1, effective July 14, 2000. -- Amended 1988 Ky. Acts ch. 330, sec. 2, effective July 15, 1988. -- Amended 1956 Ky. Acts ch. 39, sec. 1. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-13.

220.150 Oath and bond of directors.

(1) Each director, before entering upon his official duties, shall take and subscribe to an oath that he will honestly, faithfully and impartially perform the duties of his office, and that he will not be interested in any contract let for the purpose of carrying out any of the provisions of KRS 220.010 to 220.520. The oath shall be filed with the county clerk.

(2) Each director shall give a good and sufficient bond, to be approved by the county judge/executive appointing him, for the faithful and honest performance of his duties and as security for all moneys coming into his hands or under his control. The cost of the bond shall be paid by the district.

Effective: June 17, 1978

History: Amended 1978 Ky. Acts ch. 384, sec. 358, effective June 17, 1978. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-15.

220.160 Quorum -- Action to be by resolution -- Votes to be recorded.

A majority of the directors shall constitute a quorum, and concurrence of the majority in any matter within the duties of the board shall be sufficient for its determination. All actions taken by the directors shall be by resolution, and in each instance the name and vote of each director shall be recorded in the minutes.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-17.

220.170 Officers of board -- Seal -- Records -- Powers -- Compensation -- Regulations -- Resolution of complaints.

(1) The board of directors shall, upon taking oath, elect one (1) of their members as president of the board, and shall select some suitable person as secretary, who need not be a member of the board. The secretary shall serve as treasurer of the district, or the board may select a treasurer. The selection of the secretary and treasurer shall be evidenced on the minutes of the board, with their compensation. They shall serve at the pleasure of the board.

(2) The board shall adopt a seal, and shall keep in a well-bound book a record of all proceedings, minutes of meetings, certificates, contracts, bonds given by employees, and all corporate acts, which shall be open to the inspection of any owner of property in the district as well as all other interested persons.

(3) The board of directors shall be the governing body of the sanitation district and shall exercise all the powers and manage and control all the affairs and property of the district. If the board of a multicounty district governed by the provisions of KRS 220.135 has an executive committee, each county shall have a member on the committee.

(4) The board of directors may prescribe the duties and fix the compensation of all the officers of the district, subject to the limits fixed in this section. No member of the board of directors, except the president, shall receive more than thirty-six hundred dollars ($3,600) per annum. The president shall receive not more than six hundred dollars ($600) per annum in addition to his compensation as a director. The treasurer shall receive not more than nine hundred dollars ($900) and the secretary not more than three hundred dollars ($300) per annum.

(5) The board may adopt all necessary rules and regulations for the proper management and conduct of the business of the board and of the corporation, and for carrying into effect the other objects for which the district was formed. All such rules or regulations shall become effective only upon posting in at least ten (10) public places within the district.

(6) The board of directors of an established district shall develop a procedure to hear, review, and resolve customers' complaints and grievances on any matter for which there is otherwise no requirement in this chapter for a hearing. Upon written request setting forth the basis of the complaint or grievance by the customer, mailed or delivered to the principal office of the district, the secretary of the board of directors shall schedule a hearing for the next regular board of directors' meeting if the meeting is not held within fourteen (14) days of the date of receipt of the request, and shall give the customer at least ten (10) days' written notice of the hearing by mail. If the receipt of the request is within fourteen (14) days of the next regularly scheduled meeting of the board of directors, the hearing shall be held at the regular meeting following the next scheduled meeting. The board of directors shall provide a written response to the customer concerning his complaint within seven (7) days after the conclusion of the hearing unless the customer waives his right to a written response or agrees to a delay.

Effective: July 15, 1994

History: Amended 1994 Ky. Acts ch. 307, sec. 1, effective July 15, 1994; and ch. 490, sec. 6, effective July 15, 1994. -- Amended 1956 Ky. Acts ch. 211, sec. 1, effective May 18, 1956. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 2062g-16, 2062g-18, 2062g-19, 2062g-20.

Legislative Research Commission Note (7/15/94). This section was amended by 1994 Ky. Acts chs. 307 and 490 which do not appear to be in conflict and have been codified together.

220.180 Duties of secretary -- Certified copies of records.

The secretary shall be the custodian of the seal, minutes and records of the district, and shall assist the board of directors in such particulars as the board directs in the performance of its duties. The secretary shall attest, under the seal of the district, such records as are required of him by the provisions of KRS 220.010 to 220.520, or by any person ordering the same, and shall receive for such transcription the same compensation allowed county clerks for copying records. Any portion of the record so certified and attested shall prima facie import verity.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-18.

220.190 Duties of treasurer -- Bond.

The treasurer shall keep an accurate account of all money received or disbursed by the district, make periodic accountings and reports thereof as directed by the board of directors, make regular semiannual accountings, assist any auditors employed by the board to check the financial records of the district, sign all checks or vouchers of the district, deposit all funds received in any bank selected by the board, and perform all other functions as chief financial officer of the district as directed by the board. No check or voucher shall be valid until countersigned by the president of the board. The treasurer shall give a good and sufficient bond to the board for the faithful and honest performance of his duties and as security for all money coming into his hands or under his control. The cost of the bond shall be paid by the district.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-19.

220.200 Employees of district -- Supplies and equipment.

The board of directors may employ an attorney and a chief engineer for the district, who shall hold office at the pleasure of the board and who shall give such bond as is required by the board. The board may employ such other engineers, attorneys, agents and assistants as may be needed, and may prescribe the duties and fix the compensation of all the employees of the district. The board may maintain, furnish and equip an office or offices, and purchase such office supplies, equipment, apparatus, appliances, instruments and tools as are necessary, which, with all other necessary expenditures, shall be taken as a part of the cost of the improvement. The employment of the engineer, attorney and other personnel for the district shall be evidenced on the minutes of the board, with their compensation, and their term of employment shall be at the pleasure of the board.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 2062g-16, 2062g-20.

220.205 Group insurance for employees may be provided.

(1) The board of directors of any sanitation district is authorized to form their employees into a group, or groups, for the purpose of obtaining the advantages of the group plan of life insurance.

(2) The premiums may be paid by the policyholder wholly from funds contributed by the insured employee, by payroll deduction or otherwise; or partly from each. No payment of premiums by the sanitation district shall constitute compensation to an insured employee for the purposes of any statute fixing or limiting the compensation of such an employee. Any premium or other expense incurred by the sanitation district shall be considered a proper cost of administration.

(3) The policy may also provide accidental death and dismemberment insurance and may contain such provisions with respect to the call or classes of employees covered, amounts of insurance for designated classes or groups of employees, terms of eligibility, continuation of insurance after retirement, and such other provisions as the board of directors may approve.

(4) The board of directors is authorized to perform all acts necessary or advisable for the purposes of contracting for and maintaining insurance under the provisions hereof.

History: Created 1964 Ky. Acts ch. 160, sec. 1.

220.210 Duties of chief engineer.

The chief engineer shall be superintendent of all the works and improvements, and shall make a full report to the board of directors each year, or more often if required. He shall make such suggestions and recommendations to the board as he deems proper, and shall advise the board concerning matters pertaining to engineering, design, construction and operation of the sanitation system and district. A copy of his reports shall also be filed with the commissioner of sanitation districts.

History: Amended 1972 (1st Extra. Sess.) Ky. Acts ch. 3, sec. 31. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 2062g-20, 2062g-21.

220.220 Board to prepare plan for improvements.

The board of directors shall cause to be prepared a plan for the improvements for which the district was created. The plan shall include such maps, profiles, plans and other data and descriptions as are necessary to set forth properly the location and character of the work, with estimates of cost and of the property benefited, taken or damaged. In the preparation of the plan, the board may recognize the necessity of future extensions and enlargements that may result from enlargements of the area of the district, in order that the district improvements may be designed to meet properly such increased demands.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-22.

220.230 Other surveys may be used.

If the board of directors finds that any former survey made by any other district or in any other manner is useful for the purposes of the district, the board may take over the data secured for such survey, or such other proceedings as may be useful to it, and if required may pay the reasonable value thereof, which shall not exceed the cost of obtaining the information independently.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-23.

220.240 Plan must be approved by Environmental and Public Protection Cabinet.

Upon the completion of the plan the board of directors shall submit it to the Environmental and Public Protection Cabinet for approval. If the Environmental and Public Protection Cabinet refers the plan back for amendment, the board of directors shall prepare and submit an amended plan. If the Environmental and Public Protection Cabinet rejects the plan, the board of directors shall proceed as provided in KRS 220.220 to prepare another plan. If the Environmental and Public Protection Cabinet approves the plan, a copy of the action of the Environmental and Public Protection Cabinet shall be filed with the secretary of the board of directors and by him incorporated into the records of the district.

History: Amended 1974 Ky. Acts ch. 74, Art. III, sec. 13(2). -- Amended 1972 (1st Extra Sess.) Ky. Acts ch. 3, sec. 32. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-24.

Legislative Research Commission Note (6/20/2005). 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in 2005 legislation confirming the reorganization of the executive branch. Such a correction has been made in this section.

220.250 Plan to be accepted and financing fixed by resolution -- Alterations.

Upon the approval of the official plan by the Natural Resources and Environmental Protection Cabinet the board of directors shall pass a resolution accepting the official plan as final and fixing all financing, taxes and rentals as authorized by KRS 220.010 to 220.520 necessary for the construction, maintenance, and operation required to place the plan in effect. After final resolutions are passed fixing the rates and rentals, no alterations of the plan shall be made except as provided herein and as approved by the Natural Resources and Environmental Protection Cabinet.

History: Amended 1974 Ky. Acts ch. 74, Art. III, sec. 13(2). -- Amended 1972 (1st Extra. Sess.) Ky. Acts ch. 3, sec. 33. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-25.

220.260 Other persons not to install sanitation improvements without approval -- Violation is nuisance.

After the establishment of the district and the organization of the board of directors, no person or public corporation shall install within the district any laterals, trunk lines, interceptors for the collection or discharge of sewage or other liquid waste, treatment or disposal works, until the plans therefor have been submitted to and approved by the board of directors of the district and the Environmental and Public Protection Cabinet. Any installation contrary to the provisions of this section shall constitute a nuisance and shall be abated by injunction upon proper application by anyone aggrieved, including the district, the commissioner, or the Environmental and Public Protection Cabinet.

History: Amended 1974 Ky. Acts ch. 74, Art. III, sec. 13(2). -- Amended 1972 (1st Extra. Sess.) Ky. Acts ch. 3, sec. 34. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-26.

Legislative Research Commission Note (6/20/2005). 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in 2005 legislation confirming the reorganization of the executive branch. Such a correction has been made in this section.

220.270 Power to carry out plan by direct labor or contract.

The board of directors may devise, prepare for, execute, maintain and operate any or all works, or improvements necessary or desirable to complete, maintain, operate and protect the works provided for by the official plan. They may secure and use persons and equipment under the supervision of the chief engineer or other agents, or they may let contracts for such works, either as a whole or in part.

History: Amended 1974 Ky. Acts ch. 386, sec. 48. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-27.

220.280 Powers of board limited -- Private connections -- Type of improvements authorized -- Rights as to public corporations -- Annual audit.

(1) The powers of the board of directors shall be limited to the construction, maintenance and operation of such works as are necessary to carry out the purposes of the district in improvement of sanitation, as set forth in KRS 220.030. The board shall not permit house and users' connections at the cost of the district, and every connection shall be made under the supervision of the district. No house or users' connection shall be made unless and until the house or user is provided with an adequate water supply.

(2) In order to effect the proper collection and disposal of sewage and other liquid wastes produced within the district, to promote the public health, comfort, convenience and welfare, and to accomplish all other purposes of the district, the board may clean out, straighten, alter, deepen or otherwise improve any stream, watercourse or body of water receiving sewage or other liquid wastes and located in or out of the district; fill up any abandoned or altered stream, watercourse or body of water located in or out of the district; construct and maintain laterals, trunk sewers, intercepting sewers, siphons, pumping stations, treatment and disposal works and improvements deemed necessary to accomplish the purposes of the district and construct, preserve, operate or maintain such works in or out of the district; construct connections to the works of the district for the delivery thereto of sewage and other liquid wastes; incorporate with the works of the district or otherwise utilize any public sewers, drains or other sewerage improvements either without modifications or with repairs, modifications or changes deemed necessary; construct any and all of the works and improvements across or through any public or private property in or out of the district; hold, encumber, control, acquire by donation, purchase or condemnation, and construct, own, lease, use and sell, any real or personal property, or any easement necessary for rights-of-way or locations for the works and improvements of the district, or for any necessary purpose, or for obtaining or storing material to be used in constructing and maintaining the works and improvements.

(3) KRS 220.010 to 220.540 shall not limit or interfere with the right of public corporations to install, maintain and operate sewerage systems as otherwise permitted by law, but the board of directors shall have full power and authority in the construction and maintenance of improvements for the purposes of the district to serve the area included within the district, and the board of directors may require the use of the improvements of the district by persons and public corporations included within the district and for which the improvements were installed.

(4) The board of directors shall have an annual audit made by a certified public accountant, copies of which shall be filed with the Secretary of State and with the county judge/executive of the county or counties in which the sanitation district is located.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-28.

220.285 Power to provide sewer service outside district.

The board of directors of a sanitation district may make contracts or other arrangements to provide for the collection, disposal and treatment of sewage and other liquid wastes produced outside of the district, as the board of directors may determine; provided, however, that this does not authorize a sanitation district to provide sewer service within a city of the first class except with permission of the board of aldermen of such city.

Effective: June 16, 1960

History: Created 1960 Ky. Acts ch. 71, sec. 1, effective June 16, 1960.

220.290 Contracts for work, material and supplies -- How let.

All contracts for work, material or supplies that may exceed one thousand dollars ($1,000) shall be advertised for bids by publication pursuant to KRS Chapter 424 within the district where the work is to be done or the materials or supplies used. The contract shall be let to the lowest and best bidder who shall give bond with approved and ample surety for the faithful performance of the contract. The notice shall specify the general nature of the bid sought, the time and date bids are to be received, and where and how more specific information can be obtained. The contract shall be in writing, in duplicate, and shall be accompanied by or refer to plans and specifications for the work to be done, prepared by the chief engineer. The plans and specifications shall be made and considered a part of the contract. The contract shall be adopted by the board and signed by its president and by the contractor, and shall become a part of the records of the district.

History: Amended 1968 Ky. Acts ch. 152, sec. 127. -- Amended 1966 Ky. Acts ch. 239, sec. 168. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-30.

220.300 Real property may be acquired by district.

The district may acquire by gift, devise, bequest, grant or purchase solely from the funds provided under the authority of KRS 220.010 to 220.520, such real property and interests therein as are necessary to accomplish its purpose, upon terms, privies or considerations deemed reasonable by the board of directors and agreed upon by the board and the owner. Title to all property acquired by the board shall be taken in the corporate name of the district.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-31.

220.310 Condemnation.

The board of directors may, by resolution reciting the need, order the condemnation for the district of any real property or interest therein that may, in the opinion of the board, be necessary for the proposed construction of any structure authorized by KRS 220.010 to 220.520, and any property taken for a public use may again be taken by the district if necessary. Proceedings for condemnation shall be conducted in the manner prescribed in the Eminent Domain Act of Kentucky. No payment or award in any condemnation proceedings or for the cost or expense of such proceedings shall be made except from the funds provided under the authority of KRS 220.010 to 220.520.

Effective: October 1, 1942

History: Amended 1976 Ky. Acts ch. 140, sec. 93. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-32.

220.320 Regulations as to use and construction of works and improvements -- Enforcement -- Penalties and damages.

Where necessary in order to secure the best results from the construction, operation and maintenance of the works and improvements of the district or construction subdistricts and to prevent their damage from misuse, the board of directors may make and enforce regulations pertaining to the use by persons and public corporations of the works and improvements of the district or construction subdistricts. Such regulations may prescribe the design, construction and use of sewers within the district or construction subdistricts and the manner in which connections to laterals, trunk sewers, intercepting sewers and to other works of the district or construction subdistricts shall be made, may prevent the unnecessary pollution of any watercourse or supply within the district or construction subdistricts and may prohibit the discharge into such sewers of any wastes deemed detrimental to the works and improvements of the district or construction subdistricts. Such regulations shall have no effect until approved by the Environmental and Public Protection Cabinet. The board may recover by civil action from any person or public corporation violating such regulations, a sum not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) for each offense, together with costs. The directors may enforce by mandamus or otherwise all necessary and authorized regulations made by them, and may remove any improper construction or close any connections made improperly or in violation of the regulations. Any person or public corporation willfully failing to comply with the regulations shall be liable for damages caused by such failure and for the cost of renewing any construction damaged or destroyed.

History: Amended 1974 Ky. Acts ch. 74, Art. III, sec. 13(2). -- Amended 1972 (1st Extra. Sess.) Ky. Acts ch. 3, sec. 35. -- Amended 1966 Ky. Acts ch. 92, sec. 29. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-33.

Legislative Research Commission Note (6/20/2005). 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in 2005 legislation confirming the reorganization of the executive branch. Such a correction has been made in this section.

220.322 Disconnections, reconnections, and relocations of water inflows -- Powers of board -- Use of funds -- Fees -- Responsibility of property owner.

(1) Notwithstanding any other provision of this chapter, the board of directors of the district may adopt rules requiring owners of property within the district whose property is served by a connection of sewers maintained and operated by the district or whose sewers are connected to interceptor sewers maintained and operated by the district to:

(a) Disconnect storm water inflows to sanitary sewers maintained and operated by the district and not operated as a combined sewer, or to connections with these sewers;

(b) Disconnect nonstorm water inflows to storm water sewers to the extent the sewers are maintained and operated by the district and not operated as a combined sewer, or to connections with these sewers;

(c) Reconnect or relocate any disconnected inflows in compliance with rules and regulations of the district and applicable building codes, health codes, or other relevant law or administrative regulation.

(2) Any inflow required to be disconnected under a rule adopted pursuant to this chapter shall constitute a nuisance subject to injunctive relief and abatement pursuant to this chapter, or as otherwise permitted by law.

(3) The board of directors of a district may expend district funds, and other moneys from state or federal sources to the extent permitted by their terms, loans, or grants, for either of the following:

(a) The cost of disconnections, reconnections, or relocations required by rules adopted pursuant to this chapter, performed by district personnel or persons under contract with the district;

(b) Payments to the property owner or a contractor hired by the property owner pursuant to a competitive process for the cost of disconnections, reconnections, or relocations required by rules adopted pursuant to this chapter after the board of directors has approved the work to be performed and after the district has received from the property owner a statement releasing the district from all liability in connection with the disconnections, reconnections, or relocations.

(4) Except as provided in subsection (6) of this section, the board of directors of the district shall require in its rules regarding disconnections, reconnections, or relocations of sewers the reimbursement of moneys expended pursuant to subsection (3) of this section. This shall be done by the district assessing a charge to the property owner in the amount of the payment made pursuant to subsection (3) of this section for immediate payment or payments in installment with interest as determined by the board of directors not to exceed ten percent (10%). The payments may be billed as a separate item and in addition to any other fees charged to that owner for the usage of the sewers as may be required by the district. The board of directors may approve installment payments for a period of not more than fifteen (15) years. Charges not paid when due may cause the board of directors to compel

payment in the manner authorized in this chapter and the rules and regulations of the district.

(5) The district may specify the maximum amount of the cost of any disconnection, reconnection, or relocation required pursuant to subsection (1) of this section that may be paid by the district for each affected parcel of property without requiring reimbursement. The board of directors shall determine the maximum amount for each qualifying parcel that does not need to be reimbursed.

(6) Disconnections, reconnections, or relocations required under this section performed by a contractor under contract with the property owner shall not be subject to competitive bidding laws of the Commonwealth of Kentucky.

(7) Property owners shall be responsible for maintaining any improvements made to private property to reconnect or relocate disconnected inflows pursuant to this section unless a recorded public easement, dated prior to January 1, 1994, exists requiring maintenance by a city, county or sanitation district.

(8) No provisions of this section shall apply to any municipal customer of the district which as of January 1, 1998, owns, operates, and maintains a separate storm sewer utility, provided the utility is adequately funded and performs at a level that is equal to or greater than the storm water facilities of the district capitalized. All these municipal customers shall only be responsible for the cost of that municipal facility.

Effective: July 15, 1998

History: Created 1998 Ky. Acts ch. 234, sec. 2, effective July 15, 1998.

220.330 Removal or adjustment of obstructions.

Any person or public corporation having buildings, structures, works, conduits, mains, pipes, tracks or other physical obstructions in, over or upon the public streets, lanes, alleys or highways that interfere with or impede the progress of construction, maintenance or repair of the works of the district shall, upon reasonable notice from the board of directors, promptly shift, adjust, accommodate or remove the obstruction to meet the exigencies occasioning such action. Upon failure of any person or public corporation to make such changes the board may do so. The reasonable cost and expense of such damage shall be met by the district.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-34.

220.340 Stream and rain gages -- Surveys and scientific examinations.

The board of directors may establish and maintain stream gages and rain gages, and may make such surveys and examinations of rainfall, stream flow and other scientific and engineering subjects as are necessary and proper for the purpose of the district. The board may issue reports of its findings.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g--35.

220.350 Contracts for assistance with governments, governmental agencies and others -- Operations in adjoining states.

The board of directors may enter into contracts or other arrangements with the United States government or any department thereof, with persons and public corporations, with the government of this or any other state and with sewerage, drainage, conservation, conservancy or other improvement districts in this or any other state, for cooperation or assistance in constructing, maintaining, using and operating the works of the district or the waters thereof, or for making surveys and investigations or reports thereon. The board may purchase, lease or acquire land or other property in adjoining states in order to secure outlets or for other purposes of KRS 220.010 to 220.520, and may let contracts or spend money for securing such outlets or other works in adjoining states.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-36.

220.360 Taxes for preliminary expense.

The board of directors, as soon as duly appointed and qualified, may levy one (1), two (2), or three (3) annual taxes, which taxes need not be in successive years, or not more than fifteen cents ($0.15) upon each one hundred dollars ($100) of assessed valuation of property within the district, to be used for the purpose of paying the expenses of organization, surveys and plans, and for other incidental expenses that may be necessary up to the time money is received from the sale of bonds. This tax shall be certified to the auditors of the various counties and by them to the respective treasurers of their counties. The tax shall be based upon the last preceding assessment for state and county purposes, its collection shall conform to the collection of taxes for counties, and the same provisions concerning the nonpayment of taxes shall apply. The tax shall be added by the county clerk to the next state and county tax bill following the levy of the tax by the board of directors, and shall be collected concurrently with the state and county taxes. Neither the property valuation administrator nor the county clerk shall be entitled to any additional compensation for the services rendered in connection with the listing of the property for taxation nor shall the sheriff receive any additional compensation for the collection of the tax.

Effective: June 17, 1978

History: Amended 1978 Ky. Acts ch. 384, sec. 359, effective June 17, 1978. -- Amended 1974 Ky. Acts ch. 308, sec. 41. -- Amended 1954 Ky. Acts ch. 3, sec. 1. -- Amended 1948 Ky. Acts ch. 116, sec. 1. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-37.

220.370 Borrowing money for preliminary expense.

To facilitate the preliminary work and payment of that work, the board of directors may borrow money for the district at a rate or rates or method of determining rates as they may determine, and may issue and sell, or deliver directly to its creditors, negotiable warrants signed for the district by the members of the board of directors. The board may pledge the preliminary tax authorized by KRS 220.360, less a reasonable allowance for interest, after the tax has been levied, for the repayment of the warrants. If any warrant is presented for payment and is not paid for want of funds in the Treasury, that fact, with the date of refusal to pay, shall be indorsed on the back of the warrant, and the warrant shall then draw interest at the rate or rates or method of determining rates set out in this section until there is money on hand, derived from the tax levy, sufficient to pay the amount of the warrant with interest.

Effective: July 15, 1996

History: Amended 1996 Ky. Acts ch. 274, sec. 53, effective July 15, 1996. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-38.

220.380 Bonds may be issued by district -- Applicability of KRS 107.010 to 107.220.

(1) To defray the cost of organizing the district and the preliminary expense after organization, and for the purpose of acquiring any sanitary works authorized by KRS 220.010 to 220.520, and any appurtenances or extensions thereto, either by purchase or construction, the district through its board of directors may borrow money and issue negotiable bonds, which shall be known as "Sanitation District Bonds" and shall be so engraved or printed on their face following the name of the issuing district. No such bonds shall be issued until authorized by resolution specifying the purpose for which the funds are to be used and the proposed undertaking, the amount of bonds to be issued and the maximum rate of interest the bonds are to bear. The resolution shall further provide that the sanitary works, appurtenances or extensions are to be acquired pursuant to the provisions of KRS 220.010 to 220.520.

(2) The district may use the authority and procedures granted to incorporated municipalities by KRS 107.010 to 107.220 to accomplish its purposes pursuant to subsection (1) of this section. When applied to sanitation districts, terms used in KRS 107.010 to 107.220 shall be construed to mean the following: "city" means "district"; "ordinance" means "resolution"; "clerk" means "secretary" or "secretary-treasurer"; "governing body" means "board of directors"; and "mayor" means "president of the board of directors." The provisions of this subsection shall not repeal or reduce any existing rights or duties of the district but shall constitute an additional method of financing.

Effective: July 15, 1994

History: Amended 1994 Ky. Acts ch. 490, sec. 4, effective July 15, 1994. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 2062g-1, 2062g-39.

220.390 Interest rate on bonds -- Time and place of payment.

Bonds authorized under the provisions of KRS 220.380 to 220.520 may be issued bearing interest determined by the procedures set forth in KRS 58.430, and shall be executed in such manner and be payable at such time, not exceeding forty (40) years from the date thereof, and at such place or places, as the board of directors shall determine.

Effective: July 15, 1994

History: Amended 1994 Ky. Acts ch. 490, sec. 5, effective July 15, 1994. -- Amended 1968 Ky. Acts ch. 110, sec. 23. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-40.

220.400 Negotiability of bonds -- Tax exemption -- Signature -- How sold -- Not a debt.

Bonds issued under the provisions of KRS 220.380 to 220.520 shall be negotiable and shall not be subject to taxation. If any officer whose signature appears on the bonds or coupons ceases to be an officer before delivery of the bonds, his signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until delivery. The bonds shall be sold in a manner and upon terms as the board of directors deem for the best interest of the district. The bonds shall be payable solely from the revenue funds derived from the rentals from services rendered by the district to the inhabitants, as provided in KRS 220.510, and shall not constitute an indebtedness of the district within the meaning of the Constitution. It shall be plainly stated on the face of each bond that it has been issued under the provisions of KRS 220.010 to 220.520, and that it does not constitute an indebtedness of the district within the meaning of the Constitution.

Effective: July 15, 1996

History: Amended 1996 Ky. Acts ch. 274, sec. 54, effective July 15, 1996. -- Amended 1968 Ky. Acts ch. 110, sec. 24. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-41.

220.410 Use of proceeds of bonds.

All money received from any bonds issued pursuant to KRS 220.380 to 220.520 shall be applied solely for the purposes set forth in KRS 220.030 and 220.380, except that the money may be used also to advance the payment of interest on the bonds during the first three (3) years following the date of the bonds.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-42.

220.420 Bondholders' lien -- Enforcement.

There shall be a statutory mortgage lien upon all property of the sanitation district in favor of the holders of the bonds and coupons, to secure payment of the bonds and coupons. The sanitary works constructed or acquired by the board of directors, together with any extensions and appurtenances thereto, shall remain subject to the lien until the payment in full of the principal and interest of the bonds. Any holder of the bonds or coupons may by proper proceedings protect and enforce the lien, and may by proper proceedings, including mandamus, compel the performance of all duties required by KRS 220.010 to 220.520, including the making and collection of sufficient rates, the segregation of the income and revenue and the application thereof. The venue of such action shall be in the county in which the district or its largest area lies.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 2062g-42, 2062g-43.

220.430 Receiver in case of default.

If there is any default in the payment of the principal or interest of any of the bonds, any court having general equity jurisdiction may appoint a receiver to administer the property of the district on behalf of the district, with power to charge and collect rates sufficient to provide for the payment of any of the bonds or obligations outstanding against the property and for the payment of the operating expenses, and to apply the income and revenue in conformity with KRS 220.010 to 220.520 and the resolution referred to in KRS 220.380.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-44.

220.440 Sinking, operating and depreciation funds to be provided.

At or before the issuance of the bonds, the board of directors of the district shall, by resolution, set aside and pledge the revenue derived from services rendered by its sanitary works into a separate and special fund to be used and applied in the payment of the cost, maintenance, operation and depreciation of the works. The resolution shall definitely fix and determine the amount of revenue necessary to be set apart and applied to the payment of the principal and interest of the bonds, and the proportion of the balance of the revenue to be set aside as a proper and adequate depreciation fund. The remaining portion of the balance shall be set aside for reasonable and proper operation and maintenance of the works, except as provided in KRS 220.450. The rates to be charged for the service from the works shall be fixed and revised from time to time, in accordance with the provisions of KRS 220.510, so as to be sufficient to provide for the payment of interest upon all bonds and to create a sinking fund to pay the principal due, to provide for the operation and maintenance of the works, and to provide an adequate depreciation account.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-45.

220.450 Use of surplus in operating fund.

If a surplus is accumulated in the operation and maintenance fund equal to the cost of maintaining and operating the works of the district during the remainder of the calendar, operating or fiscal year, as may be provided by the resolution required by KRS 220.440, and the cost of maintaining and operating the works during the succeeding like calendar, operating or fiscal year, any excess over that amount may be transferred at any time by the board of directors to the depreciation account to be used for improvements, extensions or additions to the works.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-46.

220.460 Use of depreciation fund -- Investment.

The funds accumulated in the depreciation account shall be expended in balancing the depreciation in the works of the district or in making new construction, extensions or additions. Any such accumulations may be invested by the board of directors in the manner authorized by statute for other trust funds. The income from such investments shall be carried in the depreciation account.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-47.

220.470 Refunding bonds.

The district may issue new bonds for the purpose of providing funds for the payment of any outstanding bonds, in accordance with the procedure prescribed for the issuance of the original bonds. The refunding bonds shall be secured to the same extent and shall have the same source of payment as the bonds that are refunded.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-49.

220.480 Additional bonds to complete original project.

If the board of directors finds, prior to completion of the sanitary works already begun, that the bonds originally authorized will be insufficient to accomplish the purpose desired, additional bonds of like standing with the original issue may be authorized and issued subject to the same procedure.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-50.

220.490 Original issue may include bonds for additions and improvements.

Any sanitation district acquiring any works pursuant to the provisions of KRS 220.010 to 220.520 may, at the time of issuing the bonds for such acquisition, authorize the issuance of additional bonds for extensions and permanent improvements to be placed in escrow and to be negotiated from time to time as proceeds for that purpose are necessary. Such bonds, when so negotiated, shall have equal standing with the bonds of the same issue.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-51.

220.500 Subsequent issue of bonds for additions and improvements.

A sanitation district acquiring any sanitary works under the provisions of KRS 220.010 to 220.520 may provide for the extension, addition or improvement of the works by an additional issue or issues of bonds, in the same manner as for the original bonds. Such bonds shall be junior in standing to the bonds of the original issue, and shall constitute a second lien upon the revenues of the district, secured by a second statutory mortgage lien upon the property of the district, and an additional bond and interest payment fund shall be established by resolution at the time of the issuance of such second lien bonds. Any surplus of funds that would otherwise be placed in the depreciation account shall be placed in the bond and interest payment fund for the payment of the principal and interest of such second lien bonds. The rates for services charged to the users of the works of the district may be increased to provide the additional revenue necessary to amortize such second lien bonds.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-52.

220.510 Charges for sewer service -- Collection by action -- Cutting off water service if sewer service charges not paid -- Contracts with large users -- Administration of revenue.

(1) The board of directors shall, by resolution, determine the rates and compensation or rentals to be charged for the use of the sanitary works. The board of directors may provide for a sewer service charge to be imposed and collected, beginning at the time the plan for the improvement has been approved by the Environmental and Public Protection Cabinet and work is begun on plans and specifications for the improvement. The rates shall at all times be reasonable, taking into account the cost of the works, the cost of operation and maintenance, and the amount necessary for the amortization of the bonds issued to finance the works. The same schedule of rates and charges shall apply to all users of the same class. The rates shall be binding upon all users of the system. The board may alter and revise the rates in its discretion. In case of failure of any user to pay for services rendered, the board may compel payment and may enjoin further use until the payment is made, or it may institute an action in any court having jurisdiction for the recovery of charges for services rendered, or the board may, by a notice in writing, signed by its chairman or any member of said board, notify the municipality, or person, firm, or corporation, which furnishes water to the user's premises, to shut off the water service to said user's premises, until such time as all delinquent charges, plus a reasonable charge for turning off and on the water service, against said user, are paid in full. Upon receipt of such notice in writing, the municipality, or the person, firm, or corporation, which furnishes water to the said user's premises shall immediately shut off and discontinue the water service to the said user's premises. Upon full payment of such account, plus a reasonable charge for turning off and on the water service, the chairman, or any member of said board, shall notify the said municipality, person, firm, or corporation, which furnishes water to said user, that the account is paid in full, including such reasonable charge for turning off and on the water service, and that the said water service can again be provided to said user's premises. The board of directors shall promptly pay to such municipality, person, firm, or corporation, such fee or charge collected for turning off and on such water service. The board may enter into contracts with public corporations or other large users of sewer services. The board may provide by resolution any provisions and stipulations it deems necessary for the administration of the revenue of the district, and for the security of the bondholders.

(2) No moneys received on account of the existence or operation of construction subdistricts shall be used for the payment of district obligations, and no other moneys received by the district shall be used for the payment of construction subdistrict bonds or obligations. Except as provided in the preceding sentence the use of all moneys of the district received from any and all sources is hereby limited exclusively and shall be devoted solely to the payment of all obligations of the district and board created by KRS 220.010 to 220.540, and no funds from any sources authorized by KRS 220.010 to 220.540 shall be diverted to any other purposes than those in KRS 220.010 to 220.540 set forth, except that the district shall pay from district area revenues an equitably allocable share of the cost of

constructing and operating any nondistrict area facilities to which sewage from the district area is diverted in order to relieve district facilities from excessive sewage and costs described in KRS 220.561 but otherwise paid for.

Effective: October 1, 1942

History: Amended 1974 Ky. Acts ch. 74, Art. III, sec. 13(2). -- Amended 1972 (1st Extra. Sess.) Ky. Acts ch. 3, sec. 36. -- Amended 1966 Ky. Acts ch. 92, sec. 2. -- Amended 1954 Ky. Acts ch. 3, sec. 2. -- Amended 1948 Ky. Acts ch. 117, sec. 1. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 2062g-29, 2062g-53.

Legislative Research Commission Note (6/20/2005). 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in 2005 legislation confirming the reorganization of the executive branch. Such a correction has been made in this section.

220.515 Charges to users for acquisition, construction, or establishment of facilities.

The district may establish a surcharge or other rate, fee, or charge to be made applicable to users in areas where facilities are to be acquired, constructed, or established, and to amortize part or all of the costs thereof, in addition to the charge authorized by KRS 220.510. The surcharges, rates, fees, or charges shall be determined on the basis of one (1) or more of the factors stated in KRS 220.510, and may include, at the discretion of the district, a finance charge not to exceed ten percent (10%). In carrying out any rate, fee, or charge classification, the district shall follow the procedures set forth in KRS 220.593(2).

Effective: July 15, 1998

History: Created 1998 Ky. Acts ch. 234, sec. 1, effective July 15, 1998.

220.520 Governmental units may be charged for service.

The reasonable cost and value of any services rendered to a city, county, school district or other municipal corporation by the district may be charged to the city, county, school district or other municipal corporation and shall be paid for monthly, as the service accrues, from current funds or the proceeds of taxes. The funds so paid shall be accounted for in the same manner as other revenues of the district.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-48.

220.530 Annexation of district or part of district by city.

Where a city having existing sewers constructed and maintained by general tax funds of the city annexes an entire sanitation district, the city shall be bound for all the debts and liabilities, and be the owner of all the property and rights, of the district, the users of sewers in the district shall be relieved from any further rentals and obligations, and the district shall thereupon be automatically dissolved. If only a portion of a sanitation district is annexed, the city shall be the owner of all the sewers within the annexed portion, the amount of the existing debts and liabilities for which the city shall be bound shall be in such proportion as the amount of rentals within the territory annexed bears to the amount of rentals in the entire district, the city shall in the same proportion contribute its proportionate share to the cost of the operation and maintenance of a sewer disposal plant or system as long as such plant or system is used by the property within the annexed area, and the users of sewers in the annexed portion shall be relieved from any further rentals or obligations to the district. Any city annexing a portion of a sanitation district may furnish sewage disposal for the portion of the district annexed and discontinue the use of the district's sewage disposal plant or system, in which event the city shall be relieved from any further contribution towards the cost of operation or maintenance of the district's plant or system.

History: Amended 1966 Ky. Acts ch. 255, sec. 283, effective June 16, 1966. -- Reenacted and amended 1948 Ky. Acts ch. 118, sec. 1. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-54.

220.535 Petition for annexation of territory to district.

When the board of directors of a district in a county not containing a city of the first class desires to annex territory to the district, it shall cause to be filed with the commissioner a petition setting forth a reasonably accurate description of the territory proposed to be annexed, together with a statement of the reasons constituting the necessity for annexation of the territory. No such petition shall be declared void on account of alleged defects, but the commissioner may at any time permit amendments in form and substance to conform to the facts, by correcting any errors in the description of the territory or in any other particular.

Effective: June 17, 1954

History: Created 1954 Ky. Acts ch. 1, sec. 1, effective June 17, 1954.

220.536 Investigation and establishment of territorial boundaries -- Inclusion of city -- Notice to residents of territory -- Annexation by multicounty district.

(1) When a petition for annexation of territory to a district is filed with the commissioner, he shall investigate at once the boundary of the territory proposed to be annexed, and may, at the cost of the district, cause to be made surveys necessary to establish with reasonable accuracy a boundary that will, in his judgment, accomplish the purpose sought by annexation of the territory in a practicable and workable manner, and that will be sufficiently comprehensive to avoid confusion or interference with any other similar district then existing or that may be created. The boundary established by the commissioner need not follow the boundary proposed by the district.

(2) Should it be found desirable to include in the territory to be annexed by a district all or a portion of a city of the second, third, fourth, fifth or sixth class, the governing body of such city shall determine by ordinance whether the city or portion thereof shall be included in the district, or whether the city shall bind itself to pay the charges for the services of the district furnished in such area.

(3) When the boundaries of the territory proposed to be annexed have been fixed by the commissioner as prescribed in subsection (1) of this section, he shall give notice of the application for annexation of the territory by publication pursuant to KRS Chapter 424.

(4) If a multicounty district proposes to annex the unincorporated territory of another contiguous county, and the fiscal court of the contiguous county expresses by resolution its approval of the annexation, then the commissioner shall accept the boundaries of the proposed annexation.

Effective: July 15, 1988

History: Amended 1988 Ky. Acts ch. 330, sec. 3, effective July 15, 1988. -- Amended 1966 Ky. Acts ch. 239, sec. 169. -- Created 1954 Ky. Acts ch. 1, sec. 2.

220.537 Procedure for protest against proposed annexation.

Owners of real property in the territory proposed to be annexed who wish to object to the annexation of the territory to the district shall, within thirty (30) days after the giving of notice by the commissioner, file a petition, signed by twenty-five percent (25%) of the freeholders in the territory proposed to be annexed, in the Circuit Court of the county in which the larger part of the territory proposed to be annexed is located, naming the commissioner, or in the case of annexation pursuant to KRS 220.536(4) naming the district, as defendant and setting out in the petition their objections to the annexation of the territory. The commissioner or district shall be represented in the Circuit Court by the county attorney and in the Court of Appeals by the Attorney General, and he also may require his defense to be made by the district. The issues may be made up and the case may be docketed for hearing as in an action for a declaration of rights. The burden of proof shall be upon the plaintiffs to show cause why the territory, or any portion of it, should not be annexed to the district. If the court renders judgment against the commissioner or district, the judgment shall point out the changes required for annexation of the territory, which, if met by the commissioner or district, shall authorize annexation of the territory. If the proposed changes are not met by the commissioner or district, the territory shall not be annexed unless new proceedings are instituted in the manner prescribed by KRS 220.535 and 220.536, but such new proceedings shall not be instituted for a period of six (6) months after the date of judgment. If the court gives judgment against the plaintiffs, the board of directors may annex the territory. An appeal shall suspend the judgment until the case has been passed upon by the Court of Appeals and final judgment rendered. Either the plaintiffs or the commissioner or district may appeal from the judgment of the Circuit Court to the Court of Appeals, but the commissioner or district shall not be required to make any appeal bond. Except as otherwise provided in this section, the pleading and practice shall be the same as in other suits in equity.

Effective: July 15, 1988

History: Amended 1988 Ky. Acts ch. 330, sec. 4, effective July 15, 1988. -- Amended 1976 (1st Extra. Sess.) Ky. Acts ch. 14, sec. 211, effective January 2, 1978. -- Amended 1976 Ky. Acts ch. 62, sec. 105. -- Created 1954 Ky. Acts ch. 1, sec. 3.

220.540 Effect of sanitation district law on other statutes.

No proceedings except as provided in KRS 220.010 to 220.530 shall be required for the acquisition of sanitary works or the issuance of bonds under those sections, notwithstanding any contrary provision in the general laws of the state or the charter of any city that may be included within a district organized under those sections, and to that extent those sections shall be construed to authorize an additional and alternate method of acquiring sanitary works and not as including, altering, amending or repealing any other statute.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2062g-55.

220.550 Renumbered as KRS 224.190.

Subsequently renumbered as KRS 224.18-760, effective 1991.

220.551 Renumbered as KRS 224.195.

Subsequently renumbered as KRS 224.18-780, effective 1991.

220.552 Renumbered as KRS 224.200.

Subsequently renumbered as KRS 224.18-785, effective 1991.

220.553 Construction subdistrict established -- Petition -- Procedure -- Judicial review.

(1) The district may establish a construction subdistrict when twenty-five percent (25%) or more of the freeholders of land sought to be included in the construction subdistrict file their petition with the district. The petition shall describe the territory intended to be included in the construction subdistrict and the sewer and drainage conditions and facilities existing in this territory. The territory of the construction subdistrict may be noncontiguous to other territory of the district. Tenants in common, joint tenants with or without right of survivorship, and tenants by the entireties shall be deemed one (1) freeholder or property owner.

(2) When the petition is filed with the district, said district shall give notice of the filing by publication pursuant to KRS Chapter 424. Within thirty (30) days after the publication, any resident or freeholder of the proposed construction subdistrict may file objections and the district shall set the case for hearing within thirty (30) days. If the district finds that the establishment of the construction subdistrict is reasonably necessary for the public health, convenience and comfort of the residents of the subdistrict, it shall make an order establishing the construction subdistrict, and designating it by name and number.

(3) If the district finds that the construction subdistrict is not necessary, it may dismiss the petition. If the district finds that any part of the proposed territory will not be benefited, it may strike such part. If the district strikes a certain portion of the area, the signature of the freeholders of that portion shall not be counted in determining whether the necessary twenty-five percent (25%) have petitioned for the creation of the subdistrict. A copy of the order of the board establishing a construction subdistrict shall be published in accordance with KRS Chapter 424.

(4) An order of the district rejecting or dismissing the petition shall be deemed a final order of the district appealable to the Circuit Court under the procedure set forth in KRS 220.563 within sixty (60) days. Appeals to the Circuit Court from the order establishing a construction subdistrict or striking or refusing to strike any territory from a construction subdistrict shall be made only as provided in KRS 220.563, and only after following the procedures required in KRS 220.563.

History: Created 1966 Ky. Acts ch. 92, sec. 3.

220.554 Construction subdistrict not to include nonconsenting city or district.

The construction subdistrict shall not include the whole or any part of any incorporated city, sanitation district, sewer construction district, or that part of a water district in which the water district has exercised its power to establish sanitary sewage facilities pursuant to KRS 74.407 to 74.415 except with the consent of the legislative or managing board of such city or district. With such consent, the property owners of such city or district will be considered as freeholders of the construction subdistrict.

Effective: July 15, 2008

History: Amended 2008 Ky. Acts ch. 6, sec. 17, effective July 15, 2008. -- Created 1966 Ky. Acts ch. 92, sec. 4.

220.555 Engineering survey of construction subdistrict -- Assessment of benefits -- Notice.

(1) The district board shall, before entering upon any construction work in any construction subdistrict or any contracts therefor, have an engineering survey made of the territory within the construction subdistrict and report to the district board as to plans for sewer or drainage construction or both and as to the estimated cost thereof, with recommendations as to whether or not such construction is technically and economically feasible.

(2) The district shall add to the engineering report a classification of benefit to property to permit assessment of real estate pursuant to KRS 220.571, 220.575, 220.583 and 220.585 if the district seeks to finance construction under one of those sections. The district shall cause notice of the proposed assessment to be mailed by first-class mail to every affected freeholder at his last known address prior to publication under subsection (1) of KRS 220.561.

History: Created 1966 Ky. Acts ch. 92, sec. 5.

220.557 Engineering report filed, when.

The report described in KRS 220.555 shall be made and filed within one (1) year of an order made under KRS 220.553 which establishes the construction subdistrict or the order made under KRS 220.553 shall be deemed to have been one dismissing the petition and it shall be deemed to have been dismissed at the end of the one (1) year period.

Effective: June 17, 1978

History: Amended 1978 Ky. Acts ch. 384, sec. 76, effective June 17, 1978. -- Created 1966 Ky. Acts ch. 92, sec. 6.

220.560 Renumbered as KRS 224.205.

Subsequently renumbered as KRS 224.18-710, effective 1991.

220.561 Notice of hearing -- Publication -- Order of construction and assessment.

(1) When the report described in KRS 220.555 is prepared, a copy shall be filed with the secretary-treasurer of the district who shall, within forty (40) days, cause notice of the filing of same and a notice of where the report is available for public inspection to be published pursuant to KRS Chapter 424. The notices shall state the time, date and place for a public hearing on the report. Any affected property owner may appear at the hearing. The district may appoint a hearing officer to conduct hearings, take testimony, and report the hearing to the district board.

(2) Following the hearing the district shall make and publish an order describing the construction plan in general, setting forth the assessment method adopted, if any, the parcels assessed, provision if any for application of KRS 107.140(d), which relates to doing equity with respect to persons paying immediately and those who may be assessed later for extensions, and any other matters the district may see fit to include in the order.

History: Created 1966 Ky. Acts ch. 92, sec. 7.

220.563 Appeal from order of establishment or assessment -- Procedure.

Within sixty (60) days after the final publication of an order made under KRS 220.553, which dismisses a petition for creation of a construction subdistrict or within sixty (60) days after final publication of an order made under KRS 220.561 any person who would have been qualified to sign a petition described in KRS 220.553 may appeal such order of the district to the Circuit Court for the county in which the proposed construction subdistrict is located. All matters appealed from shall be tried de novo and as an equitable action. Decisions of the Circuit Court may be appealed to the Court of Appeals.

Effective: June 17, 1978

History: Amended 1978 Ky. Acts ch. 384, sec. 77, effective June 17, 1978. -- Amended 1976 Ky. Acts ch. 62, sec. 106. -- Created 1966 Ky. Acts ch. 92, sec. 8.

220.565 District may construct or contract for construction -- No debts incurred until assessment final.

The district may carry out the plan itself or contract with others for construction of the sewerage facilities. The district shall incur no debts or obligations, aside from engineering study and administrative costs, on account of the construction subdistrict until an order made under KRS 220.561 is final and no longer appealable.

History: Created 1966 Ky. Acts ch. 92, sec. 9.

220.567 Combined methods of financing.

The district may adopt any combination of the financing methods for construction subdistricts authorized by KRS 220.571, 220.575, 220.577, 220.583, 220.585 and 220.587, which are fair and equitable to the residents and freeholders of the construction subdistrict and which protect and preserve the rights of holders of subdistrict bonds and obligations already issued or to be issued with respect to the construction subdistrict. The method or methods adopted need not be uniform for all portions of the construction subdistrict, but may be based upon reasonable classification of the realty in the various portions.

History: Created 1966 Ky. Acts ch. 92, sec. 10.

220.570 Renumbered as KRS 224.210.

Subsequently renumbered as KRS 224.18-715, effective 1991.

220.571 Assessment of costs -- Lien -- Payment -- Effect of nonpayment.

For facilities designed to serve the construction subdistrict the district may, pursuant to KRS 220.555, adopt a method of assessment of benefited property on the basis of acreage or any other equitable basis set forth in the order and notify property owners affected by one (1) publication in a newspaper of general circulation in the county of the costs apportioned and the amounts assessed and levied on the various tracts of land liable for the payment. From that date the assessment shall constitute a lien against the property. The landowner may pay the assessment in full at any time within thirty (30) days after notice of assessment; provided, however, that if assessments are levied in accordance with KRS 107.010 to 107.220 the assessment cannot be paid in full within thirty (30) days. Every property owner not paying the full amount of his assessment within thirty (30) days shall be presumed to have consented to the issuing of sewer or drainage construction bonds. Liens may be recorded in any manner that any other statutory lien can be recorded.

History: Created 1966 Ky. Acts ch. 92, sec. 11.

220.573 Priority of construction subdistrict assessment liens -- Enforcement.

(1) Assessment liens imposed by KRS 220.553 to 220.613 are prior to all other liens except liens for taxes and other assessment liens already attached.

(2) Assessment liens may be enforced pursuant to KRS 426.005 and 426.006.

Effective: June 17, 1978

History: Amended 1978 Ky. Acts ch. 384, sec. 78, effective June 17, 1978. -- Created 1966 Ky. Acts ch. 92, sec. 12.

220.575 Bonds if assessments not paid -- Term -- Payment of assessments in installments.

(1) If all construction subdistrict assessments are not paid in full by thirty (30) days after notice of assessments, the district may issue bonds for the amount of the unpaid assessment, and shall give notice that it proposes to issue bonds, giving the amount of bonds to be issued, and the time they will become payable.

(2) At the expiration of thirty (30) days after the publication, the district may divide the unpaid assessments into not more than forty (40) annual installments, which shall draw interest at a rate or rates or method of determining rates as the district determines, payable at least annually, from thirty (30) days after the date of publication. The bonds shall mature in series to correspond with the installments into which the unpaid assessments are divided, and shall draw interest at the rate or rates or method of determining rates, payable at least annually, as the district determines, and be payable at some place to be designated by the district. The bonds shall be for the exclusive use and benefit of the construction and shall designate on the face the name of the construction subdistrict and the purpose for which they were issued.

(3) The district, in dividing the unpaid assessments into installments, shall fix the time of payment, and each landowner shall pay the installments, due on his land, with interest due on that installment and deferred installments, to the district on or before the time fixed by the district for the maturity of the installment.

(4) For purposes of KRS 220.595 assessments described in this section shall be deemed rates, rentals, or charges. Assessments may also be enforced by civil action.

(5) Bonds issued pursuant to this section are construction subdistrict bonds and obligations and are not obligations of the district.

Effective: July 15, 1996

History: Amended 1996 Ky. Acts ch. 274, sec. 55, effective July 15, 1996. -- Created 1966 Ky. Acts ch. 92, sec. 13.

220.577 Revenue bonds of construction subdistrict -- Procedure -- Contents.

(1) The district is authorized and empowered to issue negotiable, interest bearing, construction subdistrict bonds which shall not be an obligation of the district; construction subdistrict revenue bonds shall be secured solely by the revenues pledged by KRS 220.593 and by moneys, if any, in the construction subdistrict reserve fund authorized by KRS 220.593. Construction subdistrict bonds can be issued to obtain funds for the building, installation, or acquisition of construction subdistrict facilities or for refunding construction subdistrict bonds of the same construction subdistrict. Notwithstanding the foregoing two (2) sentences construction subdistrict bonds can be served by assessments.

(2) Construction subdistrict bonds shall be authorized by resolution of the board, shall bear a date or dates, shall mature at a time or times, not exceeding forty (40) years from their respective dates, bear interest at a rate or rates or method of determining rates, be payable annually or more often, be in a form, wholly registered, registered as to principal with bearer coupon, or bearer with coupon, carry the registration privileges, be executed in a manner, be payable 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 or resolutions may require. Construction subdistrict bonds shall be sold at public sale for a price or prices as the board determines.

(3) Any resolution or resolutions authorizing any bonds pursuant to this section may contain provisions, which shall be a part of the contract with the holders of the bonds, concerning:

(a) A pledge of or a security interest in the revenue derived from the construction subdistrict;

(b) The amounts to be raised in each year by rates, rentals, and charges, and their use and disposition;

(c) The setting aside of reserves or sinking funds and their regulation and disposition;

(d) Limitations on the right of the district to restrict and regulate the use of the subdistrict facilities;

(e) Limitations on the purposes to which the proceeds of sale of any issue of bonds to be issued with respect to the same construction subdistrict may be applied;

(f) Limitations on the issuance of additional bonds for the same construction subdistrict; and

(g) The procedure, if any, by which the term of any contract with bondholders may be amended or be abrogated, and amount of the bonds the holders of which must give consent thereto, and the manner in which consent may be given.

(4) Construction subdistrict bonds shall not constitute an obligation or indebtedness of the district or of any city or county, and it shall be stated plainly on the face of each construction subdistrict bond that it has been issued under the provisions of KRS

220.553 to 220.613 and that it does not constitute an obligation or indebtedness of the district or any city or county. All construction subdistrict bonds issued may be issued without vote of the voters and without any other proceedings or happenings of any other condition or things than those proceedings, conditions, and things which are specified and required by KRS 220.553 to 220.613. Construction subdistrict bonds shall be signed in the name of the district by the chairman or vice chairman of the board, attested by the signature of the secretary-treasurer, with corporate seal of the district attached. The bonds may also be executed pursuant to KRS 61.390.

Effective: July 15, 1996

History: Amended 1996 Ky. Acts ch. 274, sec. 56, effective July 15, 1996. -- Amended 1978 Ky. Acts ch. 384, sec. 79, effective June 17, 1978. -- Created 1966 Ky. Acts ch. 92, sec. 14.

220.580 Renumbered as KRS 224.010.

220.581 Refunding of bonds secured by assessments.

If bonds have been issued for any construction subdistrict secured entirely or partially by the right to levy an assessment as provided by KRS 220.571 to 220.583, 220.591 to 220.601, and 220.607 to 220.613 and such bonds are redeemed prior to maturity, bonds to refund same may be issued secured solely by the revenue of said system in the manner provided in KRS 220.577.

History: Created 1966 Ky. Acts ch. 92, sec. 15.

220.583 Financing may be arranged as in cities -- Construction of terms from KRS Chapter 107.

(1) In the financing of a construction subdistrict the district may use the authority and procedure granted to incorporated municipalities by KRS 107.010 to 107.220. When applied to construction subdistricts, terms used in KRS 107.010 to 107.220 shall be construed to mean the following: "city" means "sanitation district"; "ordinance" means "resolution"; "clerk" means "secretary-treasurer of district"; "governing body" means "sanitation district board"; and "mayor or chairman of board of directors" means "chairman of sanitation district board." Bonds issued pursuant to this section are construction subdistrict bonds and obligations secured by assessments.

(2) The provisions of subsection (1), permitting financing subdistrict construction under the provisions of KRS 107.010 to 107.220, shall not repeal or reduce any existing rights or duties of the district, but shall constitute an additional method of financing.

History: Created 1966 Ky. Acts ch. 92, sec. 16.

220.585 Financing by apportionment warrants.

After the creation of a construction district under the provisions of KRS 220.553 to 220.561, the board may, if the board deems it feasible, instead of issuing bonds as provided in KRS 220.575, issue apportionment warrants, using the procedures after assessment set out in KRS 184.150 to 184.250, "road district" being read as "sanitation district," "board of directors" being read as "sanitation district board" and the reference to roads being read as reference to sewers and treatment plants.

Effective: June 17, 1978

History: Amended 1978 Ky. Acts ch. 384, sec. 80, effective June 17, 1978. -- Created 1966 Ky. Acts ch. 92, sec. 17.

220.587 Financing methods temporarily inadequate -- Procedure -- Contracts.

(1) If the district finds as a fact that the methods of financing sewer facilities within a construction subdistrict provided for in KRS 220.553 to 220.613 will be inadequate, uneconomic, or unduly burdensome to the residents to be initially served, the district may contract with one (1) or more persons to construct or cause to be constructed a sewer system within the construction subdistrict or to advance or loan money to the district for the construction of a sewer system within the construction subdistrict. The sewer system constructed will be the property of the construction subdistrict and will be a construction subdistrict facility. When the district finds that one (1) or more financing methods for construction subdistricts established by KRS 220.553 to 220.613, excluding this section, have become feasible, the district may adopt such method or methods to raise the money to pay for the construction of sewer facilities within the construction subdistrict or to pay the loan.

(2) The contract may be made prior to the making of an order establishing the construction subdistrict. The contract may require that one (1) or more persons agree to buy construction subdistrict bonds to be issued pursuant to KRS 220.577 in an amount specified, which shall be sufficient to finance the construction of the sewer system. The maximum price and yield of the bonds shall be stated in the contract. Such contract shall not prevent the district from selling the bonds to a lower bidder.

(3) All contracts made pursuant to this section shall be in writing and shall contain a covenant that this section shall prevail over any contrary feature of the contract.

(4) The General Assembly declares that the public policy of the Commonwealth will not be offended merely because a contract or loan made pursuant to this section is privately negotiated or because it is made without competitive bidding.

(5) Bonds sold to one (1) or more contracting parties pursuant to subsection (2) shall be endorsed to disclose the nature of the sale. Such bonds, no matter who the holder or owner, shall never be eligible to have any payment made on their account pursuant to KRS 220.593(6).

Effective: June 17, 1978

History: Amended 1978 Ky. Acts ch. 384, sec. 81, effective June 17, 1978. -- Created 1966 Ky. Acts ch. 92, sec. 18.

220.590 Renumbered as KRS 224.020.

Subsequently renumbered as KRS 224.70-100, effective 1991.

220.591 Default on revenue bonds -- Trustee appointed -- Actions by trustee, receiver, powers.

(1) The holders in aggregate principal amount of twenty percent (20%) of any class of construction subdistrict bonds authorized by KRS 220.577 may ex parte move a judge of the Circuit Court of the county containing the construction subdistrict to appoint a trustee to represent all of the holders of the same class of bonds when the facts described in paragraph (b) of subsection (2) have occurred.

(2) The judge shall appoint a trustee (which may be corporate) upon a showing that:

(a) Movants in fact are holders of twenty percent (20%) or more of the aggregate principal amount of the affected class of the bonds;

(b) Movants claim that there has been a default exceeding thirty (30) days in the payment of interest or principal on the bonds, that the district has failed to comply with the provisions of KRS 220.553 to 220.613 relating to construction subdistrict bonds, or that the district has breached a contract with the holders of the bonds;

(c) Movants have filed in the office of the county clerk of the county containing the district an instrument in the nature of a notice of action against the district which instrument states that movants have applied to have a trustee appointed pursuant to this section and which names the affected construction subdistrict.

(3) The trustee may, or upon written request of any twenty percent (20%) in aggregate principal amount of his bondholder beneficiaries shall, file an action in his name against the district; the action shall seek all remedies, including but not limited to mandamus, prohibition, judgment against a special fund or funds injunction, and declaratory judgment, needed to preserve and enforce the rights of the bondholders. The action shall be filed in the Circuit Court of the county containing the district.

(4) The rights of bondholders include, but are not limited to, the right to:

(a) Require the district to collect from the construction subdistrict rates, rentals, and charges adequate to pay principal and interest on the bonds;

(b) Require the district to perform all lawful agreements with the bondholders;

(c) Require the district to account to the bondholders as if it were trustee of an express trust for their benefit;

(d) Have the district enjoined from doing any acts or things which may be unlawful or in violation of the rights of the bondholders;

(e) Have all bonds of the affected class declared due and payable.

(5) Any trustee, whether or not all bonds have been declared due and payable, shall be entitled as of right, upon application to the Circuit Court, to the appointment of a receiver, who may enter upon and take possession of the construction subdistrict facilities, or any part thereof, and operate and maintain the same, and collect and receive all rentals, rates, other charges and revenues of the construction subdistrict payable after commencement of the receivership. The receiver shall deposit such moneys in a separate account and apply them as the court directs. In any suit, action, or proceeding, by the trustee, the fees, counsel fees, and expenses of the trustee and

of the receiver, if any, shall constitute disbursements taxable as cost. All costs and disbursements allowed by the court shall be a first charge on any revenue derived from the construction subdistrict facilities. Such trustee shall, in addition to the foregoing, have and possess all the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of the bondholders in the enforcement and protection of their rights.

Effective: June 17, 1978

History: Amended 1978 Ky. Acts ch. 384, secs. 82 and 360, effective June 17, 1978. -- Created 1966 Ky. Acts ch. 92, sec. 19.

Legislative Research Commission Note. This section was amended by two sections of ch. 384 of Acts 1978 which do not appear to be in conflict and have been compiled together.

220.593 Rate schedule for construction subdistrict -- Notice -- Objections -- Purposes -- Trust fund for revenue bonds.

(1) The district is authorized to establish a schedule of rates, rentals, and charges to be collected from all real property within a construction subdistrict served by construction subdistrict facilities. This schedule shall be in addition to the charge authorized by KRS 220.510. This schedule shall be determined for each construction subdistrict on the basis of one (1) or more of the factors stated in KRS 220.510.

(2) Before final adoption of such a schedule the district shall give notice of it pursuant to KRS Chapter 424. The first notice shall be dated as of the date of the first publication; that notice shall state that the proposed or revised schedule of rates, rentals, and charges will remain open for inspection in the office of the district for thirty (30) days from the date in the notice, and that any person claiming to be aggrieved by the proposed schedule may file written objections to it with the district. The district shall examine and hear any and all such objections, may modify the proposed schedule, and shall adopt and establish a final schedule within sixty (60) days after the date of the first notice.

(3) Such schedule shall be established and revised from time to time so as to produce revenues for the construction subdistrict sufficient:

(a) For the payment of all construction subdistrict bonds and obligations except those payable from assessments,

(b) For the payment of all costs and expenses of operating and maintaining the construction subdistrict which expenses shall include, but not be limited to, an equitable portion of the wages, salaries, and fees of officers and employees of the district,

(c) For the payment to the district of an amount which represents an equitable allocation of the cost of district facilities used, directly or indirectly, by the construction subdistrict if there is such a use,

(d) To meet all or part of reasonably foreseeable future need for trunk, main, connecting sewers and any other facilities necessary to link the construction subdistrict facilities to the district facilities, or, where such linkage is not feasible, to link the construction subdistrict facilities to and dispose of the sewage in a treatment plant serving at least one (1) other construction subdistrict,

(e) For the payment of an equitable portion, not to exceed twice the amount required by paragraph (b), of any amount necessary to establish and maintain a fund created by subsection (6), and

(f) For the payment of all cost of renewals and replacements of construction subdistrict facilities.

(4) Any and all portions of expenses, salaries, wages and fees necessary or incident to improvements for which bonds are issued may be paid from bond proceeds.

(5) The rates, rentals, and charges authorized by this section need not be the same for all real property within the construction subdistrict but may be based upon any reasonable classification.

(6) The district may create a fund which the district shall hold in trust to guarantee payment of construction subdistrict bonds authorized by KRS 220.577. As trustee of such fund, the district, to the extent of any payment made from it, shall have all the rights of bondholders against the construction subdistrict revenues. Bondholders' current rights shall prevail, however, over the fund's rights. The fund shall not exceed ten percent (10%) of the principal amount of the bonds outstanding under KRS 220.577. Payment from the fund shall not exceed fifteen percent (15%) of the unpaid principal amount of any bond in default. If the principal amount of the bonds outstanding becomes less than ten (10) times the amount in the fund, any excess in the fund (beyond the maximum amount authorized) shall be transferred to a separate special fund to be spent, when deemed advisable by the board, for construction, improvement, maintenance, or operation of sewerage or drainage facilities which will benefit the construction subdistricts which have contributed to the fund.

History: Created 1966 Ky. Acts ch. 92, sec. 20.

220.595 Cut off of water supply of user in construction subdistrict.

The district is granted the same authority relative to the cutting off of the water supply of its delinquent users within a construction subdistrict as is contained in KRS 220.510 relative to other territory under the jurisdiction of the district. Delinquents include persons or users who have failed to make timely payment of any assessment authorized by KRS 220.553 to 220.613, or any payment required by KRS 220.591.

Effective: June 17, 1978

History: Amended 1978 Ky. Acts ch. 384, sec. 83, effective June 17, 1978. -- Created 1966 Ky. Acts ch. 92, sec. 21.

220.597 Operating and maintenance costs of subdistrict system, how paid.

Sewers constructed by construction subdistricts shall be operated and maintained by the district and payment for the actual cost, including overhead and administrative costs, shall be paid by the district from funds of the construction subdistricts. Where sewer systems constructed by construction subdistricts are connected to the district facilities an equitable proportionate charge for treatment of sewage at the district sewage treatment plant or plants shall also be transferred from the accounts of the construction subdistrict to the district.

History: Created 1966 Ky. Acts ch. 92, sec. 22.

220.600 Renumbered as KRS 224.030.

220.601 Property of district, bonds and income therefrom exempt from tax.

The establishment, financing and operation of a construction subdistrict by the district are in all respects in the interest of public health and for a public purpose. In so doing the district performs a governmental function in the exercise of the powers conferred upon it, and it shall be required to pay no taxes or assessments upon any property owned or acquired by it, or upon its activities in the operation and maintenance of its subdistrict facilities. Construction subdistrict bonds and the income therefrom are exempt from taxation.

History: Created 1966 Ky. Acts ch. 92, sec. 23.

220.603 Procedure for annexation to subdistricts.

After the creation of a construction subdistrict under the provisions of KRS 220.553 to 220.613, the board of the sanitation district may, if it deems it advisable, use the authority and procedures granted to sanitation districts by KRS 220.535 to 220.537 to annex territory to a subdistrict.

Effective: June 17, 1978

History: Amended 1978 Ky. Acts ch. 384, sec. 84, effective June 17, 1978. -- Created 1966 Ky. Acts ch. 92, sec. 24.

220.605 Sewage systems may become construction subdistricts, when -- Incorporated in district, when.

A sewage system owned by any municipality, political subdivision, or any other entity, public or private, may be made a construction subdistrict or incorporated into the district area by the board under the conditions of this section.

(1) Any such system may be made a construction subdistrict only when:

(a) Express, written consent of all bondholders and secured creditors has been obtained;

(b) The governing body or owner of such district or system has consented in writing; and

(c) The board has determined that the policy of KRS 220.010 to 220.540 will best be served by making such district or system a construction subdistrict.

(2) When such district or system has been made a construction subdistrict under subsection (1), KRS 220.553 to 220.575 and KRS 220.583 to 220.587 shall not apply to it.

(3) Any such system may be incorporated by the board into the district areas only when:

(a) All debts of the system have been paid or an amount of either money or securities lawful as investments under KRS 386.020 has been laid aside to pay them by the governing body or owner of such district or system;

(b) The governing body or owner of such system has consented in writing;

(c) The board has determined that the policy of KRS 220.010 to 220.540 will best be served by incorporating such district or system into the district area.

Effective: June 17, 1978

History: Amended 1978 Ky. Acts ch. 384, sec. 85, effective June 17, 1978. -- Created 1966 Ky. Acts ch. 92, sec. 25.

220.607 Winding up of construction subdistrict affairs, when, effect.

The district shall wind up the affairs of a construction subdistrict and incorporate it into the district area only when:

(1) The board finds that such action would best serve the policy of KRS 220.010 to 220.540.

(2) There is not outstanding any bonds issued pursuant to KRS 220.611(2) if the proceeds of such bond issue have been used, are being used, or will be used to construct trunk, main, or intercepting sewers which, directly or indirectly, connect the construction subdistrict to either the district facilities or to a treatment plant, disposal plant, or outlet sewer also serving, directly or indirectly, another construction subdistrict.

(3) The construction subdistrict has no outstanding obligations.

(4) The construction subdistrict has paid for its equitably allocable share of the capital costs of, and is connected to, directly or indirectly either:

(a) The district facilities; or

(b) A treatment plant, disposal plant, or outfall sewer and any trunk, main or intercepting sewers built to connect at least two (2) construction subdistricts to such treatment or disposal plant, or outfall sewer.

History: Created 1966 Ky. Acts ch. 92, sec. 26.

220.610 Renumbered as KRS 224.040.

220.611 Bonds of several construction subdistricts -- Purposes, effect.

(1) The district may issue for one (1) or more construction subdistricts bonds to finance construction of trunk, main, connecting sewers and any other facilities necessary to which, directly or indirectly, connect one (1) or more of such construction subdistricts to either the district facilities or to a treatment plant, disposal plant, or outfall sewer which also serves, directly or indirectly, at least one (1) other construction subdistrict. Such bonds may also be used to finance construction of a treatment plant, disposal plant, or outfall sewer of the type described in the preceding sentence.

(2) Bonds issued pursuant to subsection (1) shall be construction subdistrict obligations for all construction subdistricts for which they are issued.

(3) Except as provided in this section, bonds authorized by subsection (1) shall be governed by KRS 220.577 and 220.591. Such bonds shall be construction subdistrict bonds within the meaning of paragraph (a) of subsection (3) of KRS 220.593. They shall not be considered construction subdistrict bonds within the meaning of subsection (6) of KRS 220.593.

History: Created 1966 Ky. Acts ch. 92, sec. 27.

220.613 Revenue bonds alternate method of financing.

The provisions of KRS 220.577, 220.581 and 220.611, providing for financing with revenue bonds, shall not repeal nor reduce any existing rights or duties of the district, but shall constitute an additional and alternate method of financing.

History: Created 1966 Ky. Acts ch. 92, sec. 28.

220.620 Renumbered as KRS 224.050.

220.630 Renumbered as KRS 224.060.

Subsequently renumbered as KRS 224.70-110, effective 1991.

220.640 Renumbered as KRS 224.080.

220.650 Renumbered as KRS 224.100.

Subsequently renumbered as KRS 224.01-060, effective 1991.

220.660 Renumbered as KRS 224.130.

Subsequently renumbered as KRS 224.73-100, effective 1991.

220.990 Renumbered as KRS 224.990.