

65.7701 Definitions for KRS 65.7703 to 65.7721.

As used in KRS 65.7703 to 65.7721, unless the context otherwise requires:

- (1) "Governmental agency" means any county, urban-county government, consolidated local government, city, taxing district, special district, school district, or other political subdivision of the Commonwealth or body corporate or politic or any instrumentality of the foregoing.
- (2) "Governing body" means the board, council, commission, fiscal court, or other body or group that is authorized by law to act on behalf of a governmental agency.
- (3) "Legislation" means an order, resolution, or ordinance of the governing body.
- (4) "Notes" means notes authorized by KRS 65.7703 to 65.7721 which may be secured by taxes or revenue or taxes and revenue.
- (5) "Revenue" means all funds received by a governmental agency which are not taxes, including but not limited to excises, transfers, service fees, assessments, and occupational license fees.
- (6) "State local debt officer" means the officer so designated in KRS 66.045.
- (7) "Taxes" means taxes properly levied upon real or personal property.

Effective: July 15, 2002

History: Amended 2002 Ky. Acts ch. 346, sec. 35, effective July 15, 2002. -- Amended 1994 Ky. Acts ch. 508, sec. 22, effective July 15, 1994. -- Created 1990 Ky. Acts ch. 76, sec. 1, effective July 13, 1990.

65.7703 Authority to borrow money in anticipation of taxes or revenues -- Notes to be payable only by appropriation.

A governmental agency shall have power and authority, by legislation duly adopted, to borrow moneys from time to time in any fiscal year in anticipation of the receipt of current taxes or revenues, or both, to evidence the obligation by notes, appropriately designated, and to authorize, issue, and sell notes in the manner, and subject to the limitations provided in KRS 65.7703 to 65.7721. Notes shall be payable only from moneys appropriated by the governing body of the governmental agency. The power to borrow from time to time shall include, but not be limited to, the power to make a single authorization and issue and sell portions of the amount of authorized notes whenever desired during the fiscal year.

Effective: July 13, 1990

History: Created 1990 Ky. Acts ch. 76, sec. 2, effective July 13, 1990.

65.7705 Note maximums.

No governmental agency shall authorize or issue notes in any one (1) fiscal year which in the aggregate shall exceed seventy-five percent (75%) of:

- (1) In the case of notes payable solely from and secured by a pledge of taxes, the amount of taxes levied and to be collected for the current fiscal year;
- (2) In the case of notes payable solely from and secured by a pledge of revenues, the amount of revenues anticipated to be collected during the current fiscal year; and
- (3) In the case of notes payable from and secured by a pledge of taxes and revenues, the sum of taxes and revenues anticipated to be collected during the current fiscal year.

Effective: July 13, 1990

History: Created 1990 Ky. Acts ch. 76, sec. 3, effective July 13, 1990.

65.7707 Maturity of notes -- Payment of interest.

Notes payable shall mature on a date determined by the governing body which shall be no later than the last day of the fiscal year in which the notes are issued. Interest on notes from the date thereof shall be payable at their maturity or payable in installments at earlier dates. Interest on the notes may be at a rate, rates or method of determining rates the governing body of the governmental agency unit may determine.

Effective: July 13, 1990

History: Created 1990 Ky. Acts ch. 76, sec. 4, effective July 13, 1990.

65.7709 Time of issuance -- Format.

Notes shall be dated as of a date not more than thirty (30) days after the effective date of the legislation authorizing the notes. Notes shall be issued in the denominations, shall be subject to the rights of prior redemption, shall have the privileges of exchange and registration, shall be dated, shall be in registered or bearer form, with or without coupons, and shall be payable at the place or places, all as the governing body of the governmental agency may determine.

Effective: July 13, 1990

History: Created 1990 Ky. Acts ch. 76, sec. 5, effective July 13, 1990.

65.7711 Notes to be secured by pledge, lien, and charge -- Sinking fund or note retirement fund.

Notes issued in a single fiscal year, shall be equally and ratably secured by the pledge of, security interest in, and a lien and charge on, the taxes or revenues, or both, of the governmental agency specified in the authorizing legislation which are in the process of collection and are to be received during the period when the notes will be outstanding. The pledge, lien, and charge shall be fully perfected as against the governmental agency, all creditors, and all third parties in accordance with the terms of the legislation from and after the delivery of the notes until the notes are paid in full. The legislation may establish one (1) or more sinking funds or note retirement funds and provide for periodic or other deposits therein, and may contain such covenants or other provisions as the governmental agency shall determine. In every case, the taxes and revenues pledged shall be those taxes and revenues which are the subject of appropriation for the current fiscal year. The holders or owners of notes may be given the right to have the notes continually secured by the faith and credit of the governmental agency, and each note shall bear on its face a statement to that effect and to the effect that the right of payment on the note is limited to the taxes or revenues pledged under the legislation of the governmental agency authorizing the notes.

Effective: July 13, 1990

History: Created 1990 Ky. Acts ch. 76, sec. 6, effective July 13, 1990.

65.7713 Enforcement of pledge, lien, and charge -- Payment of notes.

The holder of the notes may enforce a pledge of, security interest in, and lien and charge on, the taxes or revenues, or both, of the governmental agency against all state and local public officials in possession of any of the taxes or revenues at any time which may be collected directly from the official upon notice by the holder for application to the payment of a note as and when due or for deposit in the applicable sinking fund or note retirement fund at the times and in the amounts specified in the note. Any state or local public official in possession of any taxes or revenues which are pledged shall make payment, against receipt therefor, directly to the holder of the notes and shall be discharged from any further liability or responsibility for taxes or revenues. If the payment is a payment in full of the notes, it shall be made against surrender of the notes to the state or local public official for delivery to the governmental agency in the case of payment in full, otherwise it shall be made against production of the notes for notation thereon of the amount of the payment.

Effective: July 13, 1990

History: Created 1990 Ky. Acts ch. 76, sec. 7, effective July 13, 1990.

65.7715 Estimate of revenues available for securing notes.

Prior to each authorization of notes, authorized officers of the governmental agency shall make an estimate of the taxes or revenues, or both, whichever is to secure the payment of the notes, which are estimated to be received during the period when the notes will be outstanding. The estimate shall take due account of the past and anticipated collection experience of the governmental agency and of current economic conditions. The estimate shall be certified by the officer as of a date not more than thirty (30) days prior to the effective date of the legislation authorizing the notes.

Effective: July 13, 1990

History: Created 1990 Ky. Acts ch. 76, sec. 8, effective July 13, 1990.

65.7717 Sale -- Award to be made by legislation.

Notes may be sold at public, private, or invited sale as the governing body of the governmental agency may determine. Any public sale shall be advertised and conducted in the manner and subject to the conditions provided for a public sale of bonds pursuant to KRS Chapter 424. The governing body of the governmental agency shall award the notes by legislation to specified purchasers at a specified price.

Effective: July 13, 1990

History: Created 1990 Ky. Acts ch. 76, sec. 9, effective July 13, 1990.

65.7719 Repealed, 2008.

Cathline at repeal: Notification of prescribed note information to state local debt officer.

History: Amended 1994 Ky. Acts ch. 508, sec. 23, effective July 15, 1994. -- Created 1990 Ky. Acts ch. 76, sec. 10, effective July 13, 1990.

65.7721 Short title.

KRS 65.7701 to 65.7721 may be cited as the Short-term Borrowing Act.

Effective: July 13, 1990

History: Created 1990 Ky. Acts ch. 76, sec. 11, effective July 13, 1990.