

103.215 Alternative procedure for issuance of bonds.

- (1) As an alternative to the procedures set forth in KRS 103.200 to 103.285, inclusive, any city or county, for the purpose of financing the acquisition of an industrial building, may issue negotiable bonds pursuant to KRS 103.200 to 103.285 under one (1) of the following methods in lieu of fee simple ownership:
 - (a) Loan the proceeds from the sale of such bonds to any person to finance the acquisition of such industrial building facilities;
 - (b) Sell such industrial building facilities to any person pursuant to agreement; or
 - (c) Lease such industrial building facilities from any person and sublease same to such person.

In the event of use of such alternative financing procedure, such bonds shall not constitute an indebtedness of such city or county within the meaning of the Constitution of Kentucky, but shall be payable as to principal and interest solely from the revenues derived from payments, repayments, or sublease payments made by such person to such city or county in respect of such loan, sale, or sublease.

- (2) In the event that an alternate procedure authorized by this section is to be utilized in the financing of an industrial building:
 - (a) The provisions of KRS 103.200 to 103.285, inclusive, shall apply, except that the proceedings and procedures therein described shall contemplate and authorize a transaction in the form of:
 1. A loan of the proceeds from the sale of such bonds by such city or county to any person for the acquisition of such industrial building;
 2. A sale of such industrial building to any person pursuant to agreement; or
 3. A lease of such industrial building from any person and sublease of same to such person; and
 - (b) The loan, sale, lease, and sublease and any agreement or contract with respect thereto may include such provisions as such city or county shall deem appropriate to effect the securing of the financing undertaken in respect of such industrial building, including, but not by way of limitation:
 1. The pledge of the general credit of any such person;
 2. The making of guarantees to an indenture trustee or to such city or county in respect of amortization of such bonds by any such person;
 3. The creation of liens or security interests on any property or portion thereof of any such person, either senior or junior to, or ranking equally with, any other lien, security interest, or rights of others, including any party or parties to any agreement in connection with such financing and/or its or their respective security holders and indenture trustees or mortgage trustees; and
 4. The pledge of other direct securities of such person in respect of such bonds.

- (3) In the event any city or county shall finance an industrial building pursuant to the express authority contained in this section, title to such industrial building shall not be acquired by such city or county in the case of a loan or lease transaction, and, in the case of a sale transaction, title may pass at any time; and neither the statutory mortgage lien for which provision is made in KRS 103.250 nor the foreclosable mortgage lien for which provision is made in KRS 103.251 shall apply to any such industrial building facilities.

Effective: July 15, 1980

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