

56.515 Leaseback agreement for fairgrounds improvements.

- (1) When the cabinet finds that the purposes of the State Fair Board and the public purposes of the Commonwealth would be promoted by the construction of buildings and improvements on land in the custody of the State Fair Board as defined in KRS 247.140(1)(a), it may, in addition to any other method prescribed by law, authorize the construction of such buildings and improvements by private capital under a conveyance and leaseback agreement authorized by subsection (2) of this section, or under a mortgage agreement authorized by subsection (3) of this section.
- (2) The cabinet may convey the fee interest in any of the land described in subsection (1) of this section to a private individual, corporation, or partnership to which such land has been or will be leased, subject to a written agreement by such individual, corporation, or partnership to construct such buildings and improvements and to reconvey the fee interest to the Commonwealth subject to a mortgage placed on the fee interest by such individual, corporation, or partnership for the purpose of securing private financing for the construction of such buildings and improvements; provided, however, that such mortgage shall not constitute a general obligation or debt of the Commonwealth and that the Commonwealth may, in the event of default, redeem the mortgage if it so elects.
- (3) The cabinet may agree that a private individual, corporation, or partnership to which any of the land described in subsection (1) of this section has been leased may, in order to secure private financing for the construction of such buildings and improvements, have the right to grant against its leasehold interest a first mortgage lien in an amount sufficient to pay fully the costs of the construction of such buildings and improvements, to which all rights of the Commonwealth shall be subordinate and inferior; provided, however, that such first mortgage lien shall not constitute a general debt or obligation of the Commonwealth.
- (4) Any agreement made under this section shall be made only with the written consent of the State Fair Board and the State Property and Buildings Commission and shall be signed in the name of the Commonwealth by the secretary of the Finance and Administration Cabinet and the Governor and shall be lodged for record in the Office of the Secretary of State.

Effective: March 29, 1976

History: Amended 1976 Ky. Acts ch. 76, sec. 1, effective March 29, 1976. -- Amended 1974 Ky. Acts ch. 74, Art. II, sec. 9(2). -- Created 1958 Ky. Acts ch. 140, sec. 3, effective June 19, 1958.