

175B.070 Project revenue bonds may be secured by trust agreement -- Permissible provisions.

- (1) (a) Any project revenue bonds issued under this chapter may be secured by a trust agreement by and between the issuing authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the Commonwealth. Subject to the restrictions established in KRS 175B.060, the trust indenture or other document providing for the issuance of the project revenue bonds may pledge or assign the tolls and other revenues to be received, but shall not convey or mortgage any project or any part of a project.
 - (b) The trust indenture or other document may contain any provisions for protecting and enforcing the rights and remedies of the bondholders as are reasonable and proper and not in violation of law, including covenants setting forth the duties of the developing authority and the issuing authority in relation to the acquisition of property and the construction, improvement, maintenance, repair, operation, and insurance of the project for which the project revenue bonds were authorized; the rates of toll or rentals to be charged; and the custody, safeguarding, and application of all moneys.
- (2) Any bank or trust company incorporated under the laws of the Commonwealth which acts as depository of the proceeds of project revenue bonds or of revenues may furnish indemnifying project revenue bonds or pledge securities as the issuing authority requires. Any such trust indenture may set forth the rights and remedies of the bondholders and of the trustee, and may restrict the individual right of action by bondholders. Any trust indenture or proceedings may contain any other provisions that the issuing authority deems reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of the trust indenture or proceedings may be treated as a part of the cost of the operation of the project.

Effective: June 26, 2009

History: Created 2009 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 88, effective June 26, 2009.