

66.031 Calculation of net indebtedness of issuer.

- (1) For purposes of this chapter, the principal amount of outstanding bonds includes:
 - (a) The payment or reimbursement requirements of the issuer under credit enhancement facilities relating to the principal amount of outstanding bonds;
 - (b) The unpaid principal portion of all lease rental payments of tax-supported leases;
 - (c) The principal amount of obligations of any instrumentality of an issuer created for the purpose of financing projects which obligations are outstanding within the meaning of the mortgage, trust indenture, or legislation approving those obligations and which were issued prior to July 15, 1996, unless the obligations would constitute self-supporting obligations; and
 - (d) Leases under KRS 65.940 to 65.956 entered into prior to July 15, 1996, unless the lease would constitute self-supporting obligations.
- (2) In calculating the net indebtedness of an issuer, none of the following obligations or bonds shall be considered:
 - (a) Obligations issued in anticipation of the levy or collection of special assessments which are payable solely from those assessments or are otherwise self-supporting obligations;
 - (b) Obligations issued in anticipation of the collection of current taxes or revenues for the fiscal year which are payable within that fiscal year;
 - (c) Obligations, which are not self-supporting obligations, issued after July 15, 1996, by any instrumentality of the issuer created for the purpose of financing public projects for which there has been no pledge to the payment of debt charges of any tax of the issuer or for which there is covenant by the issuer to collect or levy a tax to pay debt charges;
 - (d) Self-supporting obligations and other obligations for which there has been no pledge to the payment of debt charges of any tax of the issuer or for which there is no covenant by the issuer to collect or levy a tax to pay debt charges;
 - (e) Obligations issued to pay costs of public projects to the extent they are issued in anticipation of the receipt of, and are payable as to principal from, federal or state grants within that fiscal year;
 - (f) Leases entered into under KRS 65.940 to 65.956 which are not tax-supported leases;
 - (g) Bonds issued in the case of an emergency, when the public health or safety should so require; or
 - (h) Bonds issued to fund a floating indebtedness.

Effective: July 15, 1996

History: Created 1996 Ky. Acts ch. 280, sec. 3, effective July 15, 1996.