

**175B.040 Tolls and other revenues to be derived from projects -- Sinking fund -- Pledges of sinking fund -- Use and disposition of moneys.**

- (1) If imposed as part of the financing plan, tolls shall be fixed and adjusted by the developing authority to provide a fund sufficient with other revenues, if any, to:
  - (a) Pay the cost of maintaining, repairing, and operating the project, unless the cost or any part thereof is being paid by the Commonwealth as authorized by this chapter;
  - (b) Pay the principal of and interest on the project revenue bonds; and
  - (c) Create reserves not to exceed amounts specified in the development agreement.
- (2) Unless a transfer of ownership of a project occurs pursuant to KRS 175B.095, the developing authority shall at all times maintain ownership and control of all tolls and other revenues generated by the project. Tolls shall not be subject to supervision or regulation by any other department, division, authority, board, bureau, or agency of a local government or the Commonwealth.
- (3)
  - (a) The tolls and all other revenues derived from the project, except those revenues necessary to pay the cost of maintenance, repair, and operation and to establish and maintain reserves as may be provided for in the authorization of the issuance of the project revenue bonds or in the trust indenture securing the project revenue bonds, shall be set aside in a sinking fund which shall be pledged to, and charged with, the payment of principal and interest on the project revenue bonds as they become due, and the redemption price or the purchase price of project revenue bonds retired by call or purchase as provided in the authorization of issuance.
  - (b) The pledge of the sinking fund shall be valid and binding from the time when the pledge is made.
  - (c) The tolls or other revenues received and pledged by the developing authority shall immediately be subject to the lien of the pledge without any physical delivery or further action, and the lien on any pledge shall be valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the developing authority, whether the parties have received notice or not.
  - (d) Neither the proceedings nor any trust indenture by which a pledge is created need be filed or recorded, except in the records of the issuing authority.
  - (e) The use and disposition of moneys to the credit of the sinking fund shall be subject to the provisions of the proceedings authorizing the issuance of the project revenue bonds or the trust indenture.

**Effective:** June 26, 2009

**History:** Created 2009 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 82, effective June 26, 2009.