



# COUNTY DEBT

Department for Local Government

Office of Financial Management &  
Administration  
Counties Branch

AUGUST 7, 2024





# DEBT

• SEND ALL DEBT NOTIFICATIONS TO:

• [JEFFERSON.ABNEY@KY.GOV](mailto:JEFFERSON.ABNEY@KY.GOV)

• [ROGER.SMITH@KY.GOV](mailto:ROGER.SMITH@KY.GOV)



# Government Entities

## KRS 65.117

- Cities
- Counties
- Special Districts
- Under \$200,000 Not required to Notify DLG
- Over \$200,000 Required to Notify

# Notification of Intent to Finance



**KENTUCKY**  
Dept. for Local Government

[Cities](#) [Grants](#) **[Counties](#)** [Legal](#) [Documents](#) [Contact](#)

[County Officials Training Program](#) [Local Government Debt](#) [County List](#)

## LOCAL GOVERNMENT DEBT

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Kentucky state law requires local governments to report in writing to the State Local Debt Officer, who resides in the Department for Local Government, before entering into debt in any form. The required notification must contain information outlined in the Notification of Intent to Finance form.

### Bonds

Without first notifying the State Local Debt Officer in writing, no bonds or obligations may be issued by or on behalf of any issuer except as provided by KRS 65.940 to 65.956. (See KRS Chapter 065.00 - Sections .940 to .956 Government Leasing Act) Bond notification shall contain the maturity schedule, interest rate, date of issue, purpose, and paying agent. Please see the Notification of Intent to Finance form for the specific information requirements.

When notification is NOT needed:

1. All bond issues by school districts or on behalf of school districts such as, school revenue bonds issued by counties or cities acting on behalf of school districts

### Downloads

[Hearing Process For County Issues Over \\$500,000 \[DOC, 50KB\]](#)

[Local Government Debt Hearing Process \[DOC, 54KB\]](#)

[Notice of Intent to Finance & Application for Debt Approval \[PDF, 145KB\]](#)

[Notification of Intent to Finance \[PDF, 145KB\]](#)

# Notification of Intent to Finance

Page 1

## NOTIFICATION OF INTENT TO FINANCE AND APPLICATION FOR DEBT APPROVAL

Form # SLDO-1  
Revised 1/1/2011

For DLG staff use only:

File # \_\_\_\_\_  
Received \_\_\_\_\_

Completion and delivery of this form to the address below shall satisfy the requirements of KRS 65.117, which prohibits any city, county, urban-county, consolidated local government, charter county, special district, or taxing district from entering into any financing obligation of any nature, except leases under \$200,000, without first notifying the state local debt officer in writing. This form shall also serve as application for approval of debt issuance when applicable. An electronic version of the form is available at [www.dlg.ky.gov](http://www.dlg.ky.gov).

✓ Type of debt to be issued ( <b>must check one</b> ):	SLDO Approval Required	Complete Sections
<input type="checkbox"/> Short Term Borrowing - KRS 65.7701 et seq.	No	A, B, C
<input type="checkbox"/> Lease from \$200,000 - \$500,000 - KRS 65.940 et seq.	No	A, B, D
<input type="checkbox"/> Lease exceeding \$500,000 - KRS 65.940 et seq.	Yes (Counties only)	A, B, D
<input type="checkbox"/> General Obligation Bond - KRS Chapter 66	Yes (Counties only)	A, B, E
<input type="checkbox"/> Public Project Rev. Bond - KRS Chapter 58	No	A, B, E
<input type="checkbox"/> Public Project Rev. Bond w/Lease - KRS 66.310(2)	Yes (Counties only)	A, B, D, E
<input type="checkbox"/> Industrial Revenue Bond - KRS Chapter 103	Yes (All Borrowers)	A, B, F
<input type="checkbox"/> Other Bonds (True Revenue, Utility Assessment, TIF)	No	A, B, E

### Section A - Borrower Information

Agency Name		
Governing Body		
Street Address		
P.O. Box #	City	
County	Zip	
Authorized Official		

### Section B - Terms of Financial Obligation

Please provide all relevant information. Fields in **bold** are mandatory.

**NOTIFICATION OF INTENT TO FINANCE  
AND APPLICATION FOR DEBT APPROVAL**

Form # SLDO-1  
Revised 1/1/2011

**Section C - Note (Loan) Information/Documentation**

Purpose - Briefly explain the documented need that necessitates this note (loan) and the public purpose it is intended to address. (Attach additional information if necessary):

[Redacted area]

Pledge of Taxes/Description:

[Redacted area]

Pledge of Revenue/Description:

[Redacted area]

Pledge of Project Revenues (Attach documentation which substantiates the revenue projections):

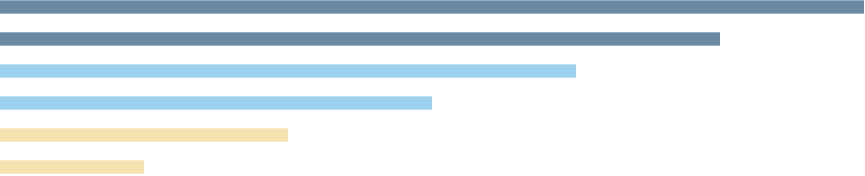
[Redacted area]

Have bids been sought by the local governments to determine the financial and programmatic competitiveness of the note (loan) proposal?  Yes  No

If No, explain what steps were taken to ensure adequate competition.

[Redacted area]

**Required Attachments**



## Section D - Lease Information/Documentation

Describe the real or personal property to be acquired or constructed:

Type of Lease :  General Obligation     Revenue

Is Lease Annually Renewable?  Yes     No

Does Agency seek approval without a hearing?  Yes     No    Justification:  Revenue     Refunding

If yes, must attach certification from counsel regarding county obligation.

Does this lease refund a prior lease?  Yes     No

If yes, please state the name, date and principal amount of original issue(s) being refunded:

### Required Attachments (If lease requires SLDO approval)

1. Minutes from the local public hearing
2. Affidavit of publication of SLDO hearing (if hearing is required) and newspaper advertisement tear sheet
3. Copy of lease
4. Executed copy of ordinance/resolution of fiscal court authorizing the lease
5. Certification from local government attesting to the ability to meet additional financial commitments necessitated by the lease and statement as to taxes and revenues to be collected during the term of the lease.

**Section E - Bond Information/Documentation**

Please provide all relevant information. Fields in bold are mandatory

**Describe the purpose of the bond:**


Bond Counsel:	
---------------	--

Counsel Address:	
------------------	--

Financial Advisor:	
--------------------	--

Advisor Address:	
------------------	--

<b>Bond Series:</b>	
---------------------	--

<b>Call Date:</b>	
-------------------	--

Does this bond refund a prior bond?  Yes  No

If yes, please state the name, date and principal amount of original issue(s) being refunded:

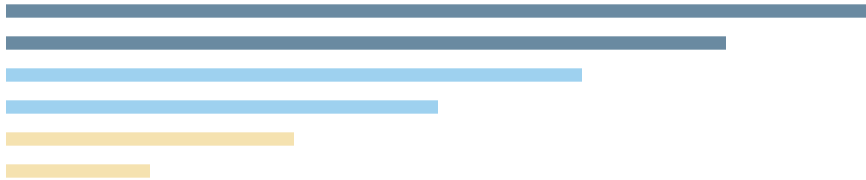
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**Required Attachments (If SLDO Approval is Required)**

1. Minutes from the local public hearing
2. Affidavit of publication of SLDO hearing and newspaper advertisement tear sheet
3. Executed copy of ordinance/resolution of fiscal court authorizing financial plan for the issuance of the bonds
4. Proposed plan of financing
5. Preliminary official statement (if applicable)
6. Sources and uses table

**Additional Required Attachments for KRS Chapter 103 Bonds**





**Additional Required Attachments for KRS Chapter 103 Bonds**

1. Documentation in an appropriate form substantiating the project's eligibility under KRS 103.2101(1)(a)-(e).
2. If the project requires approval of the reduction in property taxes, attach any documentation provided to agency responsible for approval.

\*\*\*\*\*

**By signing below, the Authorized Official certifies that the foregoing is true and accurate to the best of his or her knowledge.**

Name (please print)		Date:	
Title:		Signature:	

Mail to:  
Department for Local Government  
Attn: State Local Debt Officer  
1024 Capital Center Drive, Suite 340  
Frankfort, KY 40601

Fax to: 502-573-3712

# Acknowledgement Letter



**Andy Beshear**  
GOVERNOR

**OFFICE OF THE GOVERNOR  
DEPARTMENT FOR LOCAL GOVERNMENT**

100 Airport Road, Third Floor  
Frankfort, Kentucky 40601  
Phone: (502) 573-2382  
Fax: (502) 227-8691

**Matt Sawyers**  
COMMISSIONER

July 22, 2024

Mr/ Ms Doe  
Unknown LLC  
123 East Street Suite 3200  
City, KY 40202-3363

**RE: \$16,750,000 County, State, Revenue Bonds, dated July 18, 2024**

Dear Mr/Ma. Doe:

This will acknowledge receipt of notification of the issuance of the above bonds in conformity with KRS 65.117.

The information received complies with the requirements of this office and the above referenced statute.

If I can be of further assistance with regards to this issue, please contact me.

Sincerely,

A handwritten signature in blue ink that reads "Matt Sawyers".

MATT SAWYERS

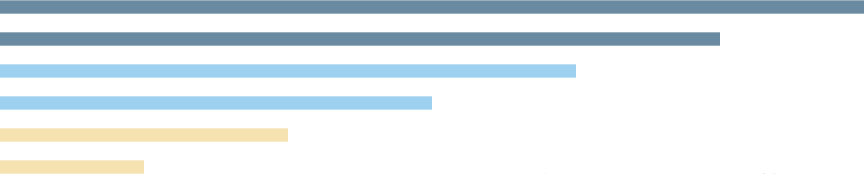
Commissioner and State Local Debt Officer



# Short- Term Borrowing KRS 65.7701

## Requires

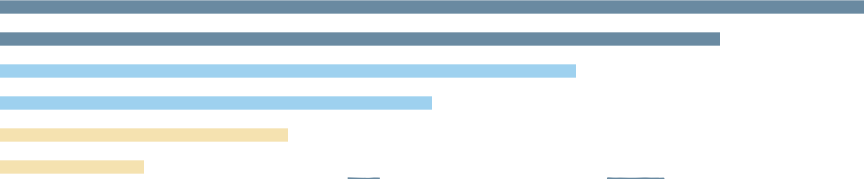
- Notification of Intent
- No SLDO approval
- Must be paid back in **FULL** by June 30<sup>th</sup> same Fiscal Year



Lease from \$200,00 - \$500,000  
KRS 65.940

## Requires

- Notice of Intent
- Payment Schedule
- No SLDO approval



Lease Exceeding \$500,000  
KRS 65.940

**Requires**

- Notification of Intent
- Hearing date
- Quarterly reports up to date
- Under the thresh hold of the 2% debt capacity
- SLDO approval



# Hearing Checklist

## KRS 65 Lease

### Hearing Check List

**Lease Hearing:**

**Hearing Project:**

**Lease Between:**

**Date:**

---

***Must Have Prior to SLDO decision being rendered***

- 1.) Notice of Intent to Lease
- 2.) Executed copy of ordinance/resolution of fiscal court accepting proposal for financing
- 3.) Certification of County Judge Executive stating county anticipates being able to meet obligations necessitated by the lease.
- 4.) Minutes of Local Public Hearing on proposed lease and plan of financing.
- 5.) Acknowledgement of County Judge Executive as to receipt of the Notice of Hearing.
- 6.) Affidavit of publication and tear sheet from applicable newspaper as to publishing the Notice of Hearing.
- 7.) Draft of Lease.
- 8.) Draft of Sublease (if applicable).
- 9.) Financial analysis of County (DLG Staff).
- 10.) Financial statement/audit report, etc. from sub lease (if applicable).
- 11.) Debt Capacity Report for County (DLG Staff).
- 12.) Approval from the Local Correctional Facilities Construction Authority (if applicable)

***Need, when available:***

- 13.) Executed Lease Agreement between the County and the Lessor.
- 14.) Executed Sublease between the County and Sub lessee (if applicable).
- 15.) Maturity schedule required by lease
- 16.) Legal opinion of counsel

**Notes:**

# Hearing Notes

## KRS 65 Lease

### Hearing Notes

Hearing: \_\_\_\_\_ County \_\_\_\_\_

Date: \_\_\_\_\_ AOC% \_\_\_\_\_

Project: \_\_\_\_\_

*The State Local Debt Officer may ask questions at any time during the presentation, either for personal clarification or to ensure an accurate record of the proceedings.*

- 1.) County Representative explains purpose/description of the project.
- 2.) Review of the Financial arrangement/ability of the county to meet the required principal and interest requirements?

Name of Lessor: \_\_\_\_\_

Date Lease is to be issued: \_\_\_\_\_

Principal Amount: \_\_\_\_\_

Type of Interest (fixed/variable) & Rate: \_\_\_\_\_

Date of Initial Payment/Date of Maturity: \_\_\_\_\_

Estimated annual debt service: \_\_\_\_\_

Trustee and/or Pay Agent: \_\_\_\_\_

Bond Counsel: \_\_\_\_\_

Is the Lease annually renewable: \_\_\_\_\_

Payment funds to be provided by: \_\_\_\_\_

- 3.) Status of County's Debt Capacity.

Debt Capacity Quarterly Report Date: \_\_\_\_\_

Maximum County Debt Capacity (2%): \_\_\_\_\_

Total Outstanding Debt Principal: \_\_\_\_\_

Total Debt Capacity Available: \_\_\_\_\_

- 4.) Citizen and/or creditor's comments regarding project.

- 5.) Review of Documents necessary for issuing of the decision.

See Hearing Check List

- 6.) Other.

*Notify county representative that "if the county cannot retire this bond/ lease exclusively from the above method, they may be required to set up an additional tax to ensure repayment".*



# General Obligation Bond KRS Chapter 66

## Requires

- Notification of Intent
- Hearing date
- Quarterly reports up to date
- Under the thresh hold of the 2<sup>0</sup>% debt capacity
- SLDO approval





# Hearing Checklist

## KRS 66 Bond

### Hearing Check List

**Bond Hearing:**

**Hearing Project:**

**County:**

**Date:**

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***Must Have Prior to SLDO decision being rendered***

- 1.) Executed copy of ordinance/resolution of fiscal court authorizing financial plan for the issuance of the bonds
- 2.) Acknowledgement of County Judge Executive as to receipt of the Notice of Hearing.
- 3.) Affidavit of publication and tear sheet from applicable newspaper as to publishing the Notice of Hearing.
- 4.) Proposed plan of financing
- 5.) Financial analysis of County or Debt Capacity Report (DLG Staff).
- 6.) Executed resolution of public properties corporation authorizing issuance of the bonds (if applicable)
- 7.) Articles of Incorporation of Public Properties Corporation (if applicable)
- 8.) Preliminary official statement (if applicable)
- 9.) Draft of Use and Sublease agreement (if applicable).
- 10.) Draft of Contract, lease, and option (if applicable)
- 11.) Draft of trust indenture/mortgage deed of trust (if applicable)
- 12.) Sources and Uses table
- 13.) Approval from the Local Correctional Facilities Construction Authority (if applicable)

***Need, when available:***

- 14.) Official Statement
- 15.) Legal opinion of bond counsel
- 16.) Executed contract, lease and option (if applicable)
- 17.) Executed trust indenture/mortgage deed of trust (if applicable).
- 18.) Tabulation of bids received (if applicable)
- 19.) Executed resolution of public properties corporation accepting successful bid (if applicable)
- 20.) Executed ordinance/resolution of fiscal court acknowledging awarding of bid (if applicable)
- 21.) Executed Use and Sublease Agreement (if applicable)

Notes:

# Hearing Notes

## KRS 66 Bond

### Hearing Notes

Hearing: \_\_\_\_\_ County  
Date: \_\_\_\_\_ AOC%  
Project: \_\_\_\_\_

*The State Local Debt Officer may ask questions at any time during the presentation, either for personal clarification or to ensure an accurate record of the proceedings.*

1.) County Representative explains purpose/description of the project.

2.) Review of the Financial arrangement/ability of the county to meet the required principal and interest requirements?

Obligated Party: \_\_\_\_\_

Date Bond is to be issued: \_\_\_\_\_

Principal Amount: \_\_\_\_\_

Type of Interest (fixed/variable) & Rate: \_\_\_\_\_

Date of Initial Payment/Date of Maturity: \_\_\_\_\_

Estimated annual debt service: \_\_\_\_\_

Trustee and/or Pay Agent: \_\_\_\_\_

Bond Counsel: \_\_\_\_\_

Retirement Method: \_\_\_\_\_

Payment funds to be provided by: \_\_\_\_\_

*Notify county representative that "if the county cannot retire this bond/ lease exclusively from the above method, they may be required to set up an additional tax to ensure repayment".*

3.) Status of County's Debt Capacity.

Maximum County Debt Capacity (2%): \_\_\_\_\_

Total Outstanding Debt Principal: \_\_\_\_\_

Total Debt Capacity Available: \_\_\_\_\_

4.) Citizen and/or creditor's comments regarding project.

5.) Review of Documents necessary for issuing of the decision.

See Hearing Check List

6.) Other.



# Industrial Revenue Bond KRS Chapter 103

## Requires

- Notification of Intent
- KRS Chapter 103 IRB Hearing
- SLDO approval



# Hearing

## KRS 103 IRB

### Discussion Items

#### **KRS Handout**

**PURSUANT TO KRS 103.2101 PLEASE PROVIDE  
RESPONSE/DOCUMENTATION TO THE FOLLOWING:**

---

- (A) Whether the project creates long-term economic growth, creates or retains jobs in a previously designated empowerment or enterprise zone, or aids in the prevention or elimination of slums or blight;
- (B) Whether there is substantiating documentation to demonstrate that the project places an unjustified competitive disadvantage on existing business in the area;
- (C) Whether there is substantiating documentation to demonstrate that normal commercial financing is unavailable for this project or, if available, at what rates it must be secured and under what terms and conditions;
- (D) If the project is in accord with the intent of KRS 103.200 to 103.285, this section, and KRS 103.2451; and
- (E) The project's economic soundness.



# Hearing Notes

## KRS 103 IRB

### HEARING NOTES

PROJECT: \_\_\_\_\_

APPELLANT: \_\_\_\_\_ DATE: \_\_\_\_\_

Discription of Project:

Financial Terms of Project:

DO ALL OF THE TAXING AUTHORITIES AGREE TO THE LOSS OF TAXES?

(Presentation of Statement of Assurances KRS 103.2101[6])

CITY: \_\_\_\_\_

COUNTY: \_\_\_\_\_

SCHOOL DISTRICT: \_\_\_\_\_

OTHER: \_\_\_\_\_

**PURSANT TO KRS 103.2101 PLEASE PROVIDE REPNSE/DOCUMENTATION OF THE FOLLOWING:**

- (a) Does the project create long-term economic growth, creates or retains jobs in a previously designated empowerment or enterprise zone, or aids in the prevention or elimination of slums or blight;
  
- (b) Is there substantiating documentation to demonstrate that the project places an unjustified competitive disadvantage on existing business in the area;
  
- (c) Is there substantiating documentation to demonstrate that normal commercial financing is unavailable for this project or, if available, at what rates it must be secured and under what terms and conditions;
  
- (d) Is the project is in accord with the intent of KRS 103.200 to 103.285, this section, and KRS 103.2451;
  
- (e) The project's economic soundness.

ARGUMENTS AGAINST THE PROJECT:



# DEBT

- SEND ALL DEBT NOTIFICATIONS TO:
  - [JEFFERSON.ABNEY@KY.GOV](mailto:JEFFERSON.ABNEY@KY.GOV)
  - [ROGER.SMITH@KY.GOV](mailto:ROGER.SMITH@KY.GOV)



# Contact Us

Department for Local Government  
Office of Financial Management &  
Administration

100 Airport Drive, 3<sup>rd</sup> Floor

Frankfort, KY 40601

502-573-2382

Fax: 502-227-8691

