

**65.7061 Special fund to be pledged for retirement of increment bonds --
Requirements governing disbursement of funds.**

During any time when incremental revenues have been pledged pursuant to a local participation agreement or local development area agreement, or that increment bonds are outstanding, the city, county, or issuer, as the case may be, shall maintain a special fund, which shall be pledged for the retirement of increment bonds, if such bonds are outstanding, and the payment of costs related to a project in a development area or local development area, or providing redevelopment assistance in a development area.

- (1) Officials charged with collecting revenues for any taxing district that has pledged incremental revenues under a local participation agreement or a local development area agreement shall, for each year a local participation agreement or local development area agreement is in effect or any increment bonds are outstanding with respect to a development area or local development area, submit those incremental revenues for deposit in the special fund. The amount of incremental revenues shall be determined under KRS 65.7083.
- (2) Funds deposited in a special fund shall be disbursed at the times and in the amounts required to pay the costs of any debt charges on incremental bonds, approved costs, and redevelopment assistance. However, there shall be no disbursements for other redevelopment assistance or approved costs in a development area or local development area, if the funds are required to pay debt charges on increment bonds.
- (3) Amounts in a special fund which exceed the amount required to pay debt charges and, in a development area, and costs of redevelopment assistance in any fiscal year shall be used to provide for the retirement or defeasance of all or a portion of the remaining debt charges secured by the incremental revenues. Amounts beyond this may be used to pay the costs of additional projects or redevelopment assistance.

Effective: July 15, 2008

History: Amended 2008 Ky. Acts ch. 178, sec. 9, effective July 15, 2008. -- Created 2007 Ky. Acts ch. 95, sec. 11, effective March 23, 2007.