

**66.081 Maintenance of sinking funds.**

- (1) At any time while the bonds are outstanding, an issuer shall maintain a sinking fund which shall be pledged for the retirement of all of the issuer's outstanding bonds, and tax-supported leases. The issuer shall deposit moneys in the sinking fund at times and in amounts so adequate moneys will be available in the sinking fund for the payment of debt charges on all outstanding bonds and tax-supported leases.
- (2) Except in the case of bonds issued for the purpose of refunding, all proceeds from the sale of bonds, except accrued interest, shall be paid into a special fund for the public purpose related to the bonds, and any interest and other income earned on money in that special fund may be used for that purpose or may be credited to the general fund or other fund or account as the issuer authorizes and used for the purposes of that fund or account. The accrued interest received from the sale of bonds shall be paid into the sinking fund.
- (3) If a public project that was financed by bonds is sold, the amount received from the sale shall be paid into the sinking fund or into a special fund for the construction or acquisition of public projects.
- (4) The unexpended balance in a sinking fund remaining after bonds and tax-supported leases are no longer outstanding may be transferred to any other fund of the issuer.

**Effective:** July 15, 1996

**History:** Created 1996 Ky. Acts ch. 280, sec. 8, effective July 15, 1996.