

96.510 Payment of encumbrance existing at time of acquisition of waterworks.

The ordinances required by KRS 96.370 and 96.430 may set apart a fund equal to the amount of any secured debt or charge subject to which a waterworks is acquired, and shall set aside to that fund, from the balance of the income and revenues of the waterworks remaining after setting aside the funds for payment of principal and interest of bonds, a sum sufficient to comply with the requirements of the instrument creating the lien or securing the charge. If the instrument does not make any provision therefor, the ordinance shall fix and determine the amount that shall be set aside for interest on the secured debt or charge and a fixed amount to pay the principal thereof at maturity. Any surplus after satisfying the secured debt or charge may be used for the redemption of the principal and interest of bonds. Bonds may be issued pursuant to the provisions of KRS 96.350 to 96.510 in exchange for or in satisfaction of such secured debt or charge, or may be sold and the proceeds applied in payment of the secured debt or charge at or before maturity.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 2741L-18, 2741L-40.