

181.770 Allocation of fund for payment of principal and interest.

- (1) The fund for payment of principal and interest on the bonds shall be set aside each month in a sinking fund for the payment of:
 - (a) The interest upon such bonds as it falls due;
 - (b) The necessary fiscal agency charges for paying bonds and interest; and
 - (c) The payment of the principal of the bonds, such sinking fund to be a fund for all such bonds without distinction or priority of one over another.
- (2) Prior to the issuance of the bonds the commission may provide by resolution or by trust indenture for using the sinking fund or any part thereof in the purchase of any of the outstanding bonds payable therefrom at the market price, but not exceeding the price at which the bonds shall at the next interest date be payable or redeemable, and all bonds redeemed or purchased shall be canceled and shall not again be issued.
- (3) The money in the sinking fund, if not used within a reasonable time for the purchase of bonds for cancellation, shall be applied to the redemption of bonds by lot at the redemption price then applicable.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 3235g-20.