

**67A.885 Deposit of funds -- Security -- Interest.**

When any bonds are delivered and the proceeds are received by the government, they shall be deposited in a bank or trust company or combined bank and trust company, and to the extent the deposit may exceed insurance provided by federal deposit insurance corporation, the same shall be secured by a valid pledge of direct bonds or notes of the United States government or bonds or notes fully guaranteed thereby having at all times a market value equal to the undisbursed balance of such deposit; or shall be secured in any other manner as the urban-county council may approve. Costs of the project shall be paid from the proceeds of the bonds pursuant to such regulations and requirements as shall be determined by the government and incorporated into the ordinance of bond authorization. There shall be set aside into the sinking fund hereinafter created a sum from bond proceeds equal to all interest which will accrue on the bonds until the date when the first improvement benefit assessment levied in connection therewith will become due and payable, together with such further sum as may be provided in the ordinance of bond authorization, not to exceed interest on the bonds for a period of three (3) years. If provided in the ordinance of bond authorization, all or any portion of the debt service reserve requirement shall be set aside into the debt service reserve fund. If after completion, acceptance and payment of the work of all contractors and the payment of all costs of the project there shall remain an unexpended balance of bond proceeds, the balance shall be transferred to the sinking fund created and maintained in connection with the project as provided by KRS 67A.871 to 67A.894.

**Effective:** March 30, 1976

**History:** Created 1976 Ky. Acts ch. 371, sec. 15, effective March 30, 1976.