

176.095 Contractor's deposit of securities with department.

- (1) Where any percent of a contract price or a certain fixed sum shall have been retained pursuant to the provisions of subsection (1) of KRS 176.090, the contractor may from time to time withdraw the whole or any portion of the amount retained for payments to the contractor pursuant to the terms of the contract and substitute therefor securities of the following classes which are upon deposit with a custodian designated by the commissioner of the department and approved by the secretary of the Finance and Administration Cabinet:
 - (a) United States treasury bonds, United States treasury notes, United States certificates of indebtedness, United States treasury bills,
 - (b) Bonds of the Commonwealth of Kentucky, or
 - (c) Bonds of any political subdivision, including school districts, of the Commonwealth of Kentucky.

No amount shall be withdrawn in excess of the market value of the securities at the time of deposit or the par value of such securities, whichever is lower.

- (2) The custodian shall on a regular basis collect all the interest or income on the obligations so deposited and shall pay the same when and as collected to the contractor who deposited the obligations. If the deposit is in the form of coupon bonds, the custodian shall deliver each coupon as it matures to the contractor.
- (3) Any amount deducted by the department, pursuant to the terms of the contract, from the retained payments otherwise due the contract, shall be deducted first from that portion of such retained payments for which no security has been substituted, then from the proceeds of any deposited security. In the latter case, the contractor shall be entitled to receive interest, coupons or income only from those securities which remain after such amount has been deducted.
- (4) The securities so deposited shall be properly endorsed by the contractor in such manner so as to enable the custodian to carry out the provisions of this section.

Effective: June 17, 1978

History: Amended 1978 Ky. Acts ch. 155, sec. 41, effective June 17, 1978. -- Amended 1974 Ky. Acts ch. 74, Art. II, sec. 9(2); and ch. 74, Art. IV, sec. 20(1). -- Amended 1972 Ky. Acts ch. 203, sec. 34. -- Created 1970 Ky. Acts ch. 38, sec. 1.