

216.160 Sinking fund, operation and depreciation accounts to be provided -- Lease income.

- (1) On or before the issuance of the bonds the city legislative body shall, by ordinance, set aside and pledge the income of the municipal hospital into a separate and special fund to be used and applied in payment of the cost, maintenance, operation and depreciation of the hospital. The ordinance shall fix the amount of revenue necessary to be set aside and applied to the payment of the principal and interest of the bonds and the proportion of the balance of the income to be set aside as a proper and adequate depreciation account. The remaining portion of the balance shall be set aside for the reasonable and proper operation and maintenance of the hospital. The rates to be charged for the use of the hospital and the services it renders shall be fixed and revised from time to time so as to be sufficient to provide for the payment of interest upon all bonds and to create a sinking fund to pay the principal thereof when it becomes due, to provide for the operation and maintenance of the hospital, and to provide an adequate depreciation account.
- (2) The municipality issuing bonds under KRS 216.100 may lease the facility built from the proceeds of said bonds to a hospital district created under KRS 216.310 et seq. In that event the lease income from a lease agreement between the municipality and the hospital district shall be sufficient to provide for the payment of interest upon the bonds, to create a sinking fund to pay the principal thereof at or prior to maturity, to accumulate proper reserves, and to pay the costs of operation and insurance; or the lease may provide that the lessee shall pay the cost of insurance.

History: Amended 1970 Ky. Acts ch. 145, sec. 1. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 3235i-9.