

66.370 Surrender of sinking fund assets to county sinking fund -- Administration of fund.

- (1) A county may, by order of its fiscal court, surrender to the state local debt officer, Department for Local Government, all money in hand, notes, bonds, accounts, or other credits representing assets available, and any other sums which may hereafter become available from any and all sources, for paying the principal and interest of any bonded debt of the county; however, if a county surrenders the sinking fund for any bond issue payable either from the tax levy authorized by Section 157 or by Section 157a of the Constitution of Kentucky or from any special tax levy authorized by law, it shall also surrender the sinking funds for all other bonds payable from the same tax levy as herein defined. The surrender shall be irrevocable on the part of the county. Any county which has a bond issue approved under KRS 66.310 may comply with the provisions of this subsection with respect to the sinking funds for the bonds thus approved and for any other bonds payable from the same tax levy as herein defined.
- (2) All cash received under this section by the state local debt officer, Department for Local Government, shall be deposited with the commissioner, Department for Local Government, to the credit of a fund designated the "county sinking fund." All assets other than cash shall be deposited with the commissioner, Department for Local Government, and shall be liquidated, upon authorization of the commissioner, within a reasonable time.
- (3) The county treasurer of any county complying with the provisions of this section shall remit monthly to the state local debt officer, Department for Local Government, all moneys received from any tax levy made for the exclusive purpose of paying principal and interest on any bonds. Any moneys appropriated in the county budget from any other source or any moneys required by law to be used for the same purpose shall be remitted as required for paying any principal or interest maturities, or both, or meeting sinking fund requirements. The state local debt officer, Department for Local Government, may institute actions in the Franklin Circuit Court to enforce the provisions of this subsection or to recover any funds that may have been misapplied.
- (4) Accounts showing the county sinking fund receipts and disbursements shall be kept by the state local debt officer, Department for Local Government, for each bond issue of each county for which deposits are made in the fund. As of the close of the county fiscal year the state local debt officer, Department for Local Government, shall, within thirty (30) days thereafter, render to the county judge/executive of each county having deposits in the fund a statement thereof for each bond issue of that county. On or about the first day of May of each year, the state local debt officer, Department for Local Government, shall deliver to the county judge/executive an estimate of the principal and interest requirements of outstanding bonds issued by that county or of the proportionate annual amount which should be deposited in a sinking fund.
- (5) Disbursements from the county sinking fund shall, when authorized by the state local debt officer, Department for Local Government, be made in the same manner as other claims on the Commonwealth are paid. Disbursements may be made only for:

- (a) The payment of principal or interest, or both, of the bonds for which the deposit was made; and
 - (b) The investment of the funds as authorized by law.
- (6) All coupons and bonds for the payment of which deposits are made in the county sinking fund shall be paid either directly by the state local debt officer, Department for Local Government, or by the bank designated as paying agent. That bank may be paid a reasonable fee for its services by the Department for Local Government out of its appropriation. All paid bonds and coupons shall be surrendered to the state local debt officer and canceled and shall be delivered to the judge/executive of each county along with the annual statement provided for in this section.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 117, sec. 59, effective July 15, 2010. -- Amended 2007 Ky. Acts ch. 47, sec. 53, effective June 26, 2007. -- Amended 1998 Ky. Acts ch. 85, sec. 5, effective July 15, 1998. -- Amended 1996 Ky. Acts ch. 280, sec. 21, effective July 15, 1996. -- Amended 1994 Ky. Acts ch. 508, sec. 35, effective July 15, 1994. -- Amended 1980 Ky. Acts ch. 19, sec. 9, effective July 15, 1980. -- Amended 1978 Ky. Acts ch. 155, sec. 59, effective June 17, 1978. -- Amended 1976 (1st Extra. Sess.) Ky. Acts ch. 20, sec. 6, effective January 2, 1978. -- Amended 1962 Ky. Acts ch. 25, sec. 4. -- Amended 1942 Ky. Acts ch. 179, secs. 4 and 6. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 938q-8.