

11-14-309 Refunding bonds -- Limitation on redemption of bonds.

- (1) Any bond issued under this chapter may be refunded as provided in the Utah Refunding Bond Act.
- (2) Nothing contained in this chapter nor in any other law of this state may be construed to permit any local political subdivision to call outstanding bonds for redemption in order to refund those bonds or in order to pay them prior to their stated maturities, unless:
 - (a) the right to call the bonds for redemption was specifically reserved and stated in the bonds at the time of their issuance; and
 - (b) all conditions with respect to the manner, price, and time applicable to the redemption as set forth in the proceedings authorizing the outstanding bonds are strictly observed.
- (3) A holder of an outstanding bond may not be compelled to surrender the bond for refunding before its stated maturity or optional date of redemption expressly reserved in the bond, even though the refunding might result in financial benefit to the local political subdivision issuing the bond.

Renumbered and Amended by Chapter 105, 2005 General Session