

11-14-311 Bond anticipation notes.

- (1)
 - (a) If the governing body considers it advisable and in the interests of the local political subdivision to anticipate the issuance of bonds to be issued under this chapter, the governing body may, pursuant to appropriate resolution, issue bond anticipation notes.
 - (b) Each resolution authorizing the issuance of bond anticipation notes shall:
 - (i) describe the bonds in anticipation of which the notes are to be issued;
 - (ii) specify the principal amount of the notes and the maturity dates of the notes; and
 - (iii) specify either the rates of interest, if any, on the notes or the method by which interest on the notes may be determined while the notes are outstanding.
 - (c) If the resolution specifies a method by which the interest rates on the notes may be determined, the resolution may specify the maximum rate of interest which the notes may bear.
- (2) Bond anticipation notes shall be issued and sold in a manner and at a price, either at, below, or above face value, as the governing body determines by resolution. Interest on bond anticipation notes may be made payable semiannually, annually, or at maturity. Bond anticipation notes may be made redeemable prior to maturity at the option of the governing body in the manner and upon the terms fixed by the resolution authorizing their issuance. Bond anticipation notes shall be executed and shall be in a form and have details and terms as provided in the authorizing resolution.
- (3) Contemporaneously with the issuance of the bonds in anticipation of which bond anticipation notes are issued, provision shall be made for the retirement of any outstanding bond anticipation notes.
- (4) Whenever the bonds in anticipation of which notes are issued are to be payable from ad valorem taxes and constitute full general obligations of the local political subdivision, the bond anticipation notes and the interest on them shall be secured by a pledge of the full faith and credit of the local political subdivision in the manner provided in Section 11-14-310 and shall also be made payable from funds derived from the sale of the bonds in anticipation of which the notes are issued. Whenever the bonds in anticipation of which the notes are to be issued are to be payable solely from revenues derived from the operation of revenue-producing facilities, these bond anticipation notes and the interest on them shall be secured by a pledge of the income and revenues derived by the local political subdivision from the revenue-producing facilities and shall also be made payable from funds derived from the sale of the bonds in anticipation of which the notes are issued.
- (5) Bond anticipation notes issued under this section may be refunded by the issuance of other bond anticipation notes issued under this section.
- (6) Sections 11-14-304, 11-14-305, 11-14-315, 11-14-316, and 11-14-401 apply to all bond anticipation notes issued under this section.
- (7) Bonds are not considered to have been issued outside of the 10-year period described in Section 11-14-301, if the issuance of the bonds is anticipated under this section by bond anticipation notes issued before the expiration of the 10-year period.

Amended by Chapter 204, 2012 General Session