

11-14-313 Issuance of negotiable notes or bonds authorized -- Limitation on amount of tax anticipation notes or bonds -- Procedure.

- (1)
- (a) For the purpose of meeting the current expenses of the local political subdivision and for any other purpose for which funds of the local political subdivision may be expended, a local political subdivision may, if authorized by a resolution of its governing body, borrow money by issuing its negotiable notes or bonds in an initial principal amount:
 - (i) not in excess of 90% of the taxes and other revenues of the local political subdivision for the current fiscal year, if the notes or bonds are issued after the annual tax levy for taxes falling due during the fiscal year in which the notes or bonds are issued;
 - (ii) not in excess of 75% of the taxes and other revenues of the local political subdivision for the preceding fiscal year, if the notes or bonds are issued prior to the annual tax levy for taxes falling due during the fiscal year in which the bonds or notes are issued; or
 - (iii) not in excess of 75% of the taxes and other revenues that the governing body of the local political subdivision estimates that the local political subdivision will receive for the current fiscal year, if the notes or bonds are issued within 24 months following the creation of the local political subdivision.
 - (b) The proceeds of the notes or bonds shall be applied only in payment of current and necessary expenses and other purposes for which funds of the local political subdivision may be expended.
 - (c) There shall be included in the annual levy a tax and there shall be provision made for the imposition and collection of sufficient revenues other than taxes sufficient to pay the notes or bonds at maturity.
 - (d) If the taxes and other revenues in any one year are insufficient through delinquency or uncollectibility of taxes or other cause to pay when due all the lawful debts of the local political subdivision which have been or may hereafter be contracted, the governing body of the local political subdivision is authorized and directed to levy and collect in the next succeeding year a sufficient tax and to provide for the imposition and collection of sufficient revenues other than taxes to pay all of such lawfully contracted indebtedness, and may borrow as provided in this section in anticipation of such tax and other revenues to pay any such lawfully contracted indebtedness.
 - (e) Each resolution authorizing the issuance of tax anticipation notes or bonds shall:
 - (i) describe the taxes or revenues in anticipation of which the notes or bonds are to be issued; and
 - (ii) specify the principal amount of the notes or bonds, any interest rates, including a variable interest rate, the notes or bonds shall bear, and the maturity dates of the notes or bonds, which dates may not extend beyond the last day of the issuing local political subdivision's fiscal year.
- (2) Tax anticipation notes or bonds shall be issued and sold in such manner and at such prices, whether at, below, or above face value, as the governing body shall by resolution determine. Tax anticipation notes or bonds shall be in bearer form, except that the governing body may provide for the registration of the notes or bonds in the name of the owner, either as to principal alone, or as to principal and interest. Tax anticipation notes or bonds 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. Tax anticipation notes or bonds shall be executed and shall be in such form and have such details and terms as shall be provided in the authorizing resolution.

- (3) The provisions of Sections 11-14-303, 11-14-304, 11-14-305, 11-14-313, 11-14-315, 11-14-316, 11-14-401, 11-14-403, and 11-14-404 shall apply to all tax anticipation notes or bonds issued under this section. In applying these sections to tax anticipation notes, "bond" or "bonds" as used in these sections shall be deemed to include tax anticipation notes.

Amended by Chapter 378, 2010 General Session