

Chapter 34

Foreign Currency Bonds

11-34-1 Definitions.

As used in this chapter:

- (1) "Bonds" means any evidence or contract of indebtedness that is issued or authorized by a public body, including, without limitation, bonds, refunding bonds, advance refunding bonds, bond anticipation notes, tax anticipation notes, notes, certificates of indebtedness, warrants, commercial paper, contracts, and leases, whether they are general obligations of the issuing public body or are payable solely from a specified source, including annual appropriations by the public body.
- (2) "Public body" means the state and any public department, public agency, or other public entity existing under the laws of the state, including, without limitation, any agency, authority, instrumentality, or institution of the state, and any county, city, town, municipal corporation, quasi-municipal corporation, state university or college, school district, special service district, local district, separate legal or administrative entity created under the Interlocal Cooperation Act or other joint agreement entity, community reinvestment agency, and any other political subdivision, public authority, public agency, or public trust existing under the laws of this state.

Amended by Chapter 350, 2016 General Session

11-34-2 Bonds issued in foreign denominations -- Required conditions and agreements.

Any bonds issued by a public body may be denominated in a foreign currency, but only if, at the time of the issuance of the bonds, the public body which issues them enters into one or more foreign exchange agreements, forward exchange agreements, foreign currency exchange agreements, or other similar agreements with a bank or other financial institution, foreign or domestic, the senior unsecured long-term debt obligations of which are rated in one of the highest two rating categories by Moody's Investors Service, Inc. or Standard & Poor's Corporation or another similar nationally recognized securities rating agency, to protect the public body against the risk of a decline in the value of the United States dollar in relation to the foreign currency in which the bonds are denominated. Such agreements shall contain a provision that protects against the risk of a decline in the value of the United States dollar with respect to the interest on the bonds and the principal of the bonds to the maturity or redemption thereof. The costs of such agreements, including without limitation periodic fees and other amounts due to the other party or parties to such agreements, may be paid by the public body from the proceeds of the bonds and other revenues of the public body.

Amended by Chapter 378, 2010 General Session