

**11-42-601 Interim warrants.**

- (1) A local entity may issue interim warrants against an assessment area.
- (2) An interim warrant may be in any amount up to:
  - (a) as portions of the work on improvements in an assessment area are completed, 90% of the value of the completed work, as estimated by the local entity's project engineer;
  - (b) 100% of the value of the work completed, after completion of the work and acceptance of the work by the local entity's project engineer; and
  - (c) the price of property, the acquisition of which is required for an improvement.
- (3) The governing body may:
  - (a) issue interim warrants at not less than par value in a manner the governing body determines; and
  - (b) use the proceeds from the issuance of interim warrants to pay:
    - (i) the contract price;
    - (ii) the property price; and
    - (iii) related costs, including overhead costs.
- (4)
  - (a) Interim warrants shall bear interest from the date of their issuance until paid.
  - (b)
    - (i) The governing body shall:
      - (A) approve the interest rate applicable to interim warrants; and
      - (B) fix a maturity date for each interim warrant.
    - (ii) The interest rate applicable to interim warrants may be fixed or variable or a combination of fixed and variable.
    - (iii) If interim warrants carry a variable interest rate, the governing body shall specify the basis upon which the rate is to be determined, the manner in which the rate is to be adjusted, and a maximum interest rate.
    - (iv) A local entity may provide for interest on interim warrants to be paid semiannually, annually, or at maturity.
    - (v) If an interim warrant matures before the local entity has available sources of payment under Section 11-42-603, the local entity may authorize the issuance of a new interim warrant to pay the principal and interest on the maturing warrant.
  - (c) The local entity shall include interest accruing on interim warrants in the cost of improvements in the assessment area.
- (5) A local entity may purchase some or all of the interim warrants it has issued using the local entity's general fund money.

Enacted by Chapter 329, 2007 General Session