

**53B-13-104 Issuance of bonds -- Disposition of funds -- Refunding bonds -- Resolution to authorize bonds -- Contents -- Sale of bonds -- Bond debt service reserve funds -- Restoration of fund assets -- Establishment of other subfunds.**

- (1) The board may issue its bonds in the principal amounts necessary to provide funds for achieving its purposes under this chapter, including the payment of interest, the establishment of reserves to secure the bonds, and other expenditures of the board necessary to carry out its purposes and powers.
- (2) The board may issue refunding bonds when it considers refunding expedient, whether the bonds to be refunded have or have not matured.
- (3) The proceeds of the refunding bonds shall be applied to the purchase, redemption, or payment of the bonds refunded.
- (4) Except as otherwise expressly provided in a resolution authorizing bonds, an issue of bonds is a special obligation of the board to be satisfied only out of revenue or money of the board, subject to an agreement with the holders of particular receipts or revenues of the board which have been pledged.
- (5) The board shall authorize its bonds by resolution.
- (6) The bonds are fully negotiable for all purposes, shall bear a date, shall be serial bonds or term bonds or both and, if serial bonds, shall be payable either semiannually or annually, and shall mature at a time or times, not exceeding 40 years after the date of issue, as provided in the resolution.
- (7) The resolution shall specify the following:
  - (a) either the interest rate or rates or a formula by means of which the interest rate or rates are determined during the time the bonds are outstanding;
  - (b) denomination and form, either coupon or registered;
  - (c) registration privileges;
  - (d) manner of execution;
  - (e) medium of payment; and
  - (f) place and terms for the redemption of the bonds.
- (8) If the resolution sets forth a formula by means of which the interest rate or rates on the bonds are determined, it shall also state the maximum rate which the bonds may bear under the formula.
- (9) Pursuant to the resolution or another instrument, the board may delegate to the chair, vice-chair, or chair of the Budget and Finance Subcommittee the authority:
  - (a) to approve any changes with respect to interest rate, price, amount, redemption features, and other terms of the bonds as are within reasonable parameters set forth in the resolution; and
  - (b) to approve and execute all documents relating to the issuance of the bonds.
- (10) The bonds are sold by the board in such manner and at such a price as the board determines.
- (11)
  - (a) The board may create and establish one or more bond debt service reserve funds in order to secure its bonds from the following:
    - (i) any proceeds of the sale of bonds, to the extent provided in the resolution authorizing the issuance of the bonds;
    - (ii) any money appropriated and made available by the state for the purpose of the funds; and
    - (iii) any other money available to the board for the purpose of the funds.
  - (b) All money held in any bond debt service reserve fund shall be used, as provided in the resolution establishing the fund, to pay principal of, premium, and interest on bonds of the board issued under this chapter.

- (c) If the assets in any bond debt service reserve fund are less than the amount currently required in the authorizing resolution to be on deposit, the chairman of the board shall, annually before the second day of December, certify to the governor and to the director of finance the amount necessary to restore the assets of the funds to the required amount.
  - (d) The governor may request from the Legislature an appropriation of the certified amount in order to restore the required amount to the funds.
- (12) The board may create and establish any other subfunds and accounts as may be necessary for its corporate purposes.

Amended by Chapter 271, 1992 General Session