

**11-42-302 Contracts for work in an assessment area -- Sources of payment -- Payments as work progresses.**

- (1) A contract for work in an assessment area or for the purchase of property required to make an improvement in an assessment area may require the contract obligation to be paid from proceeds from the sale of assessment bonds, interim warrants, or bond anticipation notes.
- (2)
  - (a) To the extent that a contract is not paid from the sources stated in Subsection (1), the local entity shall advance funds to pay the contract obligation from other legally available money, according to the requirements of the contract.
  - (b) A local entity may reimburse itself for an amount paid from its general fund or other funds under Subsection (2)(a) from:
    - (i) the proceeds from the sale of assessment bonds, interim warrants, or bond anticipation notes; or
    - (ii) assessments or improvement revenues that are not pledged for the payment of assessment bonds, interim warrants, or bond anticipation notes.
  - (c) A local entity may not reimburse itself for costs of making an improvement that are properly chargeable to the local entity or for which an assessment may not be levied.
- (3)
  - (a) A contract for work in an assessment area may provide for payments to the contractor as the work progresses.
  - (b) If a contract provides for periodic payments:
    - (i) periodic payments may not exceed 90% of the value of the work done to the date of the payment, as determined by estimates of the project engineer; and
    - (ii) a final payment may be made only after the contractor has completed the work and the local entity has accepted the work.
  - (c) If a local entity retains money payable to a contractor as the work progresses, the local entity shall retain or withhold and release the money as provided in Section 13-8-5.

Enacted by Chapter 329, 2007 General Session