

**11-42-602 Bond anticipation notes.**

- (1) A local entity may by resolution authorize the issuance of bond anticipation notes.
- (2) A local entity may use the proceeds from the issuance of bond anticipation notes to pay:
  - (a) the estimated acquisition and contract price;
  - (b) the property price;
  - (c) capitalized interest; and
  - (d) related costs, including overhead costs.
- (3) Each resolution authorizing the issuance of bond anticipation notes shall:
  - (a) describe the bonds in anticipation of which the bond anticipation notes are to be issued;
  - (b) specify the principal amount and maturity dates of the notes; and
  - (c) specify the interest rate applicable to the notes.
- (4)
  - (a) The interest rate on bond anticipation notes issued under this section may be fixed, variable, or a combination of fixed and variable, as determined by the governing body.
  - (b) If bond anticipation notes 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.
  - (c) A local entity may provide for interest on bond anticipation notes to be paid semiannually, annually, or at maturity.
- (5) A local entity may:
  - (a) issue and sell bond anticipation notes in a manner and at a price, either at, below, or above face value, as the governing body determines by resolution; and
  - (b) make bond anticipation notes redeemable prior to maturity, at the governing body's option and in the manner and upon the terms fixed by the resolution authorizing their issuance.
- (6) Bond anticipation notes shall be executed, be in a form, and have details and terms as provided in the resolution authorizing their issuance.
- (7) A local entity may issue bond anticipation notes to refund bond anticipation notes previously issued by the local entity.
- (8) A local entity may include interest accruing on bond anticipation notes in the cost of improvements in an assessment area.

Amended by Chapter 246, 2009 General Session