

**11-42-607 Refunding assessment bonds.**

- (1) A local entity may, by a resolution adopted by the governing body, authorize the issuance of refunding assessment bonds as provided in this section, in whole or in part, whether at or before the maturity of the prior bonds, at stated maturity, upon redemption, or declaration of maturity.
- (2)
  - (a) Subject to Subsection (2)(b), the issuance of refunding assessment bonds is governed by Title 11, Chapter 27, Utah Refunding Bond Act.
  - (b) If there is a conflict between a provision of Title 11, Chapter 27, Utah Refunding Bond Act, and a provision of this part, the provision of this part governs.
- (3) In issuing refunding assessment bonds, the local entity shall require the refunding assessment bonds and interest on the bonds to be payable from and secured, to the extent the prior bonds were payable from and secured, by:
  - (a)
    - (i) the same assessments; or
    - (ii) the reduced assessments adopted by the governing body under Section 11-42-608;
  - (b) the guaranty fund or, if applicable, reserve fund; and
  - (c) improvement revenues.
- (4) Refunding assessment bonds:
  - (a) shall be payable solely from the sources described in Subsection (3);
  - (b) shall mature no later than the date that is one year after the final maturity of the prior bonds;
  - (c) may not mature at a time or bear interest at a rate that will cause the local entity to be unable to pay, from the sources listed in Subsection (3), the bonds when due;
  - (d) shall bear interest as the governing body determines, subject to the provisions of Section 11-42-605 relating to interest;
  - (e) may be issued to pay one or more issues of the local entity's prior bonds; and
  - (f) if issued to refund two or more issues of prior bonds, may be issued in one or more series.
- (5) A local entity may provide for the payment of incidental costs associated with refunding assessment bonds:
  - (a) by advancing money from the local entity's general fund or other fund, if the local entity's governing body:
    - (i) determines that the advance is in the best interests of the local entity and its citizens, including the owners of property within the assessment area; and
    - (ii) provides that the assessments, interest on assessments, and improvement revenue from which the prior bonds are payable not be reduced during the period necessary to provide funds from those sources to reimburse the local entity with interest at the same rate that applies to the assessments;
  - (b) from premiums that the local entity receives from the sale of refunding assessment bonds;
  - (c) from earnings on the investment of refunding assessment bonds pending their use to refund prior bonds;
  - (d) from any other sources legally available to the local entity for this purpose; or
  - (e) from any combination of Subsections (5)(a) through (d).

Enacted by Chapter 329, 2007 General Session