

53A-28-301 Business administrator duties -- Paying agent to provide notice -- State treasurer to execute transfer to paying agents -- Effect of transfer.

- (1)
 - (a) The business administrator of each board with outstanding, unpaid bonds shall transfer money sufficient for the scheduled debt service payment to its paying agent at least 15 days before any principal or interest payment date for the bonds.
 - (b) The paying agent may, if instructed to do so by the business administrator, invest the money at the risk and for the benefit of the board until the payment date.
 - (c) A business administrator who is unable to transfer the scheduled debt service payment to the paying agent 15 days before the payment date shall immediately notify the paying agent and the state treasurer by:
 - (i) telephone;
 - (ii) a writing sent by facsimile transmission; and
 - (iii) a writing sent by first-class United States mail.
- (2) If sufficient funds are not transferred to the paying agent as required by Subsection (1), the paying agent shall notify the state treasurer of that failure in writing at least 10 days before the scheduled debt service payment date by:
 - (a) telephone;
 - (b) a writing sent by facsimile transmission; and
 - (c) a writing sent by first-class United States mail.
- (3)
 - (a) If sufficient money to pay the scheduled debt service payment has not been transferred to the paying agent, the state treasurer shall, on or before the scheduled payment date, transfer sufficient money to the paying agent to make the scheduled debt service payment.
 - (b) The payment by the treasurer:
 - (i) discharges the obligation of the issuing board to its bondholders for the payment; and
 - (ii) transfers the rights represented by the general obligation of the board from the bondholders to the state.
 - (c) The board shall pay the transferred obligation to the state as provided in this chapter.

Amended by Chapter 342, 2011 General Session