

## Part 2

### 2001 Highway General Obligation Bond Anticipation Notes Authorization

#### **63B-10-201 Definitions.**

As used in this part:

- (1) "Bond anticipation note" means a note issued in anticipation of the receipt of the proceeds of the sale of the bonds authorized under Part 1, 2001 Highway General Obligation Bonds.
- (2) "Flexible note" means a bond anticipation note whose interest is payable at, and on one or more dates before, maturity.
- (3)
  - (a) "Short-term series note" means a bond anticipation note that is one of a series of notes issued pursuant to a financing program under which it is expected that:
    - (i) each note will be paid from the proceeds of one or more renewal notes of that series; and
    - (ii) the final note or notes of the series will be paid from:
      - (A) the proceeds of bonds in anticipation of the receipt of which the note or notes were issued; or
      - (B) money of the state on hand and legally available for that purpose.
  - (b) "Short-term series note" includes any note issued pursuant to a revolving credit agreement or other similar liquidity facility for the purpose of renewing or paying outstanding short-term series notes on their stated maturity dates when those short-term series notes are not renewed or paid from the proceeds of one or more other renewal notes of the series.

Enacted by Chapter 321, 2001 General Session

#### **63B-10-202 Authorization, terms, and procedures.**

- (1) The state treasurer may, by written order, issue bond anticipation notes and renewals of bond anticipation notes, including, but not limited to, flexible notes and short-term series notes, in the form and with the terms that he determines.
- (2) The state treasurer may:
  - (a) enter into whatever agreements with other persons that he considers necessary or appropriate in connection with the issuance, sale, and resale of the notes; and
  - (b) resell or retire any notes purchased by the state before the stated maturity of those notes.
- (3)
  - (a) The notes and renewals of the notes shall:
    - (i) bear the interest rate or rates as determined by the state treasurer; and
    - (ii) mature within a period not to exceed five years from the date of original issuance.
  - (b) The notes and renewals of notes may:
    - (i) bear a variable interest rate; and
    - (ii) be redeemed prior to maturity by the state treasurer, but only in accordance with the provisions of the notes relating to redemption prior to maturity.
- (4) The proceeds from the sale of the notes may be used only for:
  - (a) the purposes established in Section 63B-10-102;
  - (b) the payment of principal of and, if not otherwise provided, interest on, bond anticipation notes;
  - (c) the payment of costs of issuance; or
  - (d) any combination of Subsections (4)(a), (b), and (c).
- (5)

- (a) All of the notes and any renewals of the notes shall be payable from the proceeds of the sale of bonds.
  - (b) A renewal of any note may not be issued after the sale of bonds in anticipation of which the original note was issued.
- (6) If a sale of the bonds has not occurred before the maturity of the notes issued in anticipation of the sale, the state treasurer shall, in order to meet the notes then maturing:
- (a) issue renewal notes for that purpose;
  - (b) pay the notes from state money legally available for paying those notes; or
  - (c) any combination of Subsections (6)(a) and (b).
- (7) Each note and any renewal of any note, with the interest on the note or renewal, constitute general obligations of the state.
- (8) Each note and any renewal of any note, with the interest on the note or renewal, shall be:
- (a) secured by the full faith, credit, and resources of the state in the manner provided in Part 1, 2001 Highway General Obligation Bonds;
  - (b) payable from:
    - (i) the proceeds of the sale of the bonds and not from any other borrowing; and
    - (ii) money of the state on hand and legally available for that purpose; or
    - (iii) any combination of Subsections (8)(b)(i) and (ii); and
  - (c) payable within five years from the date of original issue.
- (9)
- (a) As used in this Subsection (9), "total amount of bonds authorized to be issued but not yet issued" includes bonds authorized to be issued only if one or more conditions are met.
  - (b) The total amount of notes or renewals of notes issued and outstanding at any one time may not exceed the total amount of bonds authorized to be issued but not yet issued.
- (10) The state treasurer shall, in his annual report to the governor, include a detailed statement of all notes and bonds issued during the year and of his actions in relation to them.

Enacted by Chapter 321, 2001 General Session

**63B-10-203 Purchase and redemption requirements.**

- (1) The notes and renewals of notes may provide the holders of the notes or renewals of notes with the right to require the state or other persons to purchase or redeem the notes or renewal notes before the stated maturity of the notes or renewals.
- (2) Notwithstanding Subsection (1), the holders of the notes and renewals of notes may not be provided with the right to require the state to repurchase or redeem the notes and renewals of the notes before their stated maturity unless the state has entered into one or more letter of credit agreements or other liquidity facility agreements:
- (a) for the express purpose of those sales;
  - (b) that require a financially responsible party or parties to the agreement or agreements, other than the state, to purchase or redeem all or any portion of the notes and renewals of notes tendered by the holders of the notes or renewals of notes for repurchase or redemption before the stated maturity of the notes and renewals of notes; and
  - (c) that continue until the right of the holders of the notes and renewals of notes to require repurchase or redemption of the notes and renewals of notes before the stated maturity has ceased.

Enacted by Chapter 321, 2001 General Session

**63B-10-204 General provisions -- Funds and accounts.**

- (1)
  - (a) Sections 63B-10-105, 63B-10-106, 63B-10-113, 63B-10-114, 63B-10-115, and 63B-10-116 apply to any notes or renewals of notes issued under this part.
  - (b)
    - (i) For purposes of this part, any action that those sections require or permit the commission to take shall be considered sufficient if taken by the state treasurer.
    - (ii) The treasurer may take action by issuing a written order, or in some other manner that he finds necessary or convenient, to accomplish the purposes of this part.
- (2) The treasurer may:
  - (a) in a written order, establish whatever funds and accounts are necessary or desirable to carry out the purposes of this part; and
  - (b) until the money is needed for the purpose for which the fund or account was created, invest the money held in those funds and accounts by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act.

Amended by Chapter 342, 2011 General Session