

72-2-204 Loan program procedures -- Repayment.

- (1) A public entity may obtain an infrastructure loan from the department, upon approval by the commission, by entering into a loan contract with the department secured by legally issued bonds, notes, or other evidence of indebtedness validly issued under state law, including pledging all or any portion of a revenue source to the repayment of the loan.
- (2) The public entity shall repay the infrastructure loan in accordance with the loan contract from any of the following sources:
 - (a) transportation project revenues, including special assessment revenues;
 - (b) general funds of the public entity;
 - (c) money withheld under Subsection (5); or
 - (d) any other legally available revenues.
- (3) An infrastructure loan contract with a public entity may provide that a portion of the proceeds of the loan may be applied to fund a reserve fund to secure the repayment of the loan.
- (4) Before obtaining an infrastructure loan, a county or municipality shall:
 - (a) publish its intention to obtain an infrastructure loan at least once in accordance with the publication of notice requirements under Section 11-14-316; and
 - (b) adopt an ordinance or resolution authorizing the infrastructure loan.
- (5)
 - (a) If a public entity fails to comply with the terms of its infrastructure loan contract, the department may seek any legal or equitable remedy to obtain compliance or payment of damages.
 - (b) If a public entity fails to make infrastructure loan payments when due, the state shall, at the request of the department, withhold an amount of money due to the public entity and deposit the withheld money in the fund to pay the amounts due under the contract.
 - (c) The department may elect when to request the withholding of money under this Subsection (5).
- (6) All loan contracts, bonds, notes, or other evidence of indebtedness securing the loan contracts shall be held, collected, and accounted for in accordance with Section 63B-1b-202.

Amended by Chapter 382, 2008 General Session