

12-1664. Same; issuance of temporary notes or no-fund warrants to finance portion of program to be paid by federal aid, when; election requirements; written commitment as to federal aid; temporary financing of federal share from current funds; purpose of act; bonded debt limitations; approval of state board. Where any federal agency has agreed that federal aid shall bear a percentage of the total cost of or fixed or estimated amount of any local program by a public agency but the funds therefor will not be made available until the local program is partly or wholly completed and the public agency must finance all of the costs of the local program until the federal aid is received and the public agency is authorized by law to use current funds or bond or usual temporary note proceeds or a fund built up by levies over a period of years for such local program, such public agency may, to finance the portion to be paid by federal aid, issue temporary notes or no-fund warrants as provided herein. If an election is required to authorize the issuance of bonds by the public agency for the whole or its share of the local program, no temporary notes or no-fund warrants shall be issued under this act until the public agency has held an election and been authorized to issue bonds and if bonds may be issued without an election for the whole or the public agency's share of a local program, no temporary notes or no-fund warrants shall be issued until the proper proceedings have been taken to initiate and authorize the local program. In no case shall temporary notes or no-fund warrants be issued under the authority of this section until there is a written commitment as to the amount of federal aid by an authorized federal agency. Nothing in this act shall prohibit any public agency from the temporary financing of the federal share of a local program from current funds if available or proceeds of bonds or usual temporary notes where the bond issue has been or may be for the entire cost as if no federal aid were to be received. The purpose of this act as to the issuance of temporary notes or no-fund warrants is to make unnecessary the tying up of current funds of a public agency or the issuance of bonds or the usual temporary notes, where authorized, in excess of the public agency's share of the cost of the program. The governing body of the public agency shall have full authority to determine if temporary notes or no-fund warrants shall be issued. No limitations by statutes relating to bonded debt shall apply to such temporary notes and no-fund warrants or use of the money received therefrom. No temporary notes or no-fund warrants shall be issued pursuant to this act unless approved by the state board of tax appeals, which shall grant such approval only to the amount of the federal aid committed.

History: L. 1967, ch. 422, § 3; L. 1978, ch. 64, § 2; L. 1980, ch. 67, § 2; L. 2008, ch. 109, § 25; L. 2014, ch. 141, § 19; July 1.