

12-16,110. Same; general obligation of municipality; excluded from debt limit. Any notes or warrants issued under the authority of this act by a municipality with the power to levy taxes shall constitute a general obligation of such municipality but shall not be within any debt limits of such municipality. Upon the failure of the municipality to receive timely payment of the loan or grant, it may extend the terms of the notes or warrants or may issue new notes or warrants. Upon the failure of the municipality to receive some or all of the loan or grant provided for in the written agreement, the municipality may provide for the issuance of new notes or warrants, for a term determined by the governing body thereof, in an amount sufficient to pay the principal and interest on such notes or warrants. Such notes or warrants may be paid from the levy of taxes, from any future revenue received from the public improvement or service financed in part or in whole by the loan or grant or from any other revenue source lawfully available for such purposes.

History: L. 1989, ch. 56, § 3; July 1.