

TITLE 4: ECONOMIC RESOURCES
DIVISION 10: COMMONWEALTH DEVELOPMENT AUTHORITY

§ 10464. Bond Anticipation Notes.

In anticipation of the issuance pursuant to this article of general obligation bonds authorized by the legislature and of the receipt of the proceeds of sale of those bonds, the Authority, for and in the name and on behalf of the Commonwealth, may issue and sell general obligation bond or pension obligation bond anticipation notes for the purposes for which the bonds have been authorized, the maximum principal amount of which notes shall not exceed the authorized principal amount of the bonds. As used in this article, “bond anticipation notes” includes notes, loans, lines of credit and other instruments of indebtedness. The full faith and credit of the Commonwealth shall be pledged to the payment of the principal and interest of the notes. The issuance of the notes and the details thereof shall be governed by the provisions of this article with respect to bonds insofar as the same may be applicable; provided, that:

(a) Each note, together with all renewals and extensions thereof, or refunding thereof by other notes issued pursuant to this section, shall mature within fifteen years from the date of the original note; and

(b) The interest on the notes shall be paid from the General Fund and the principal thereof from the proceeds of sale of the bonds in anticipation of which the notes have been issued, or from any moneys in the General Fund available therefor. To the extent that the principal of the notes shall be paid from moneys other than the proceeds of sale of the bonds, the maximum amount of bonds that has been authorized shall be reduced by the amount of notes paid.

Source: PL 11-3, § 14, modified; amended by PL 21-24, § 2 (May 6, 2020).

Commission Comment: In addition to severability and savings clause provisions, PL 21-24 included the following Findings and Purpose section:

Section 1. Findings and Purpose. The purpose of the act is to provide the Commonwealth Development Authority with more flexibility in issuing general obligation bonds or pension obligation bonds by extending the maturity of bond anticipation notes from five years to fifteen years and by clarifying the forms of obligations that may be used as bond anticipation notes.