

12-3427. Same; borrowing money in anticipation of issuance of bonds; restrictions; failure to issue bonds, effect. Whenever the board of directors of a port authority shall have adopted a resolution authorizing the issuance of any series of bonds hereunder and said bonds have been sold but prior to the time as of which the bonds can be delivered, the board of directors of a port authority finds it necessary to borrow money for the purpose for which the bonds were authorized, such board of directors may, by appropriate resolution, authorize the borrowing of money in anticipation of the issuance of the bonds, and the issuance of the note or notes of the board of directors to evidence such borrowing. The amount so borrowed shall not exceed the principal amount of the bonds and shall not bear interest at a rate exceeding the average interest rate of the bonds. Such note or notes shall be signed in the manner prescribed by the board of directors and shall be made payable at such time or times as the board of directors may prescribe, not later than one year from their respective dates and may be renewed from time to time by the issuance of new notes hereunder. The proceeds of any loan made under this section shall be devoted exclusively to the purpose for which the bonds shall have been authorized and the note or notes and the interest thereon shall be paid with the proceeds of the bonds simultaneously with the delivery of the bonds. If for any reason the bonds shall not be issued, the holder or holders of the notes shall be entitled to all rights which would have been enjoyed by the holders of the bonds had they been issued; and the notes shall be paid from the revenues provided for the payment of the bonds, and shall be entitled to the benefit of all covenants, agreements and rights appearing in the resolution authorizing the bonds for the benefit of the bonds.

History: L. 1969, ch. 89, § 27; July 1.