

CHAPTER 132

GENERAL REFUNDING LAW

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132.02 Taxing units may refund obligations.—

(1) Each county, city, town, special road and bridge district, special tax school district, and other taxing districts in this state, herein sometimes called a unit, may issue, pursuant to a resolution or resolutions of the governing body thereof (meaning thereby the board or body vested with the power of determining the amount of tax levies required for taxing the taxable property of such unit for the purpose of such unit) and either with or without the approval of such bonds at an election, except as may be required by the Constitution of the state, bonds of such unit for the purpose of refunding any or all bonds, coupons, or interest on any such bonds, or coupons or paving certificates of indebtedness or interest on any such paving certificates of indebtedness, now or hereafter outstanding, or any other funded debt, all of which are herein referred to as bonds, whether such unit created such indebtedness or has assumed, or may become liable therefor, and whether indebtedness to be refunded has matured or to thereafter become matured.

(2) In the event any such unit having outstanding bonded or other funded debt shall have been, or shall hereafter be, abolished otherwise than by annexation to, or consolidation with, a like political subdivision or district, the territory within such unit shall be deemed to be a taxing district within the meaning of this chapter, and the board of county commissioners of the county wherein such abolished unit, or any part thereof, is situate, or the governmental authority having power or authority to levy a tax for the retirement of the indebtedness to be refunded, shall be the governing body thereof, and may issue refunding bonds in behalf of such unit for the purpose of refunding its outstanding indebtedness, and may provide for the annual levy of ad valorem taxes without limitation as to rate or amount fully sufficient to pay principal of and interest on such refunding bonds, the tax to be levied on the same property which would have been taxable for payment of the outstanding indebtedness had such taxing unit not been abolished or dissolved.

(3) If the territory of such abolished unit lies in more than one county, the territory in each county shall be deemed to be a taxing district in such county and the board of county commissioners of each county within which any of such territory is situate, or the governmental authority having power or authority to levy a tax for the retirement of the indebtedness to be refunded, may issue refunding bonds as herein provided for the purpose of refunding such portion of the indebtedness of the abolished unit as shall be chargeable against the territory in said county; provided, however, that nothing in this section shall affect or limit the powers of the State Board of Administration in the issuance of refunding bonds under s. 16, Art. IX of the State Constitution of 1885 as adopted by the 1968 revised constitution or under s. 9, Art. XII of said revision.

History.—s. 2, ch. 15772, 1931; CGL 1936 Supp. 2383(2); s. 1, ch. 22001, 1943; s. 18, ch. 69–216.

132.01 How chapter may be cited.—This chapter may be cited as the "General Refunding Law."

History.—s. 1, ch. 15772, 1931; CGL 1936 Supp. 2383(1).

132.03 Interest; maturity; payment; right to redeem in advance.—Such resolution or resolutions shall deter-

mine the rate or rates of interest to be paid, not exceeding 7.5 percent per annum, payable annually or at shorter intervals, and the maturity or maturities of the bonds which shall be at a time or times not exceeding 60 years from the date of the bonds (except that in the issuance of bonds of taxing districts where the maturities are fixed under the Constitution, then such maturities shall be in accordance with the maturities fixed in the constitutional provision), as well as determine the medium of payment and the place or places in Florida or any other state at which the principal and interest shall be payable. In the discretion of the governing body the right to redeem all or any of the bonds at par before maturity may be reserved upon terms and conditions to be fixed by resolution.

History.—s. 3, ch. 15772, 1931; CGL 1936 Supp. 2383(3); s. 2, ch. 73-302.

132.04 Redemption before maturity.—Any such unit may obligate itself to redeem any or all of the refunding bonds before maturity on such terms and conditions as the resolution authorizing such bonds may determine. Bonds subject to redemption shall state the manner of giving notice of intention to redeem (which may be by publication without actual notice), and when such notice has been given such bonds shall not bear interest after the date fixed in such notice of redemption, nor shall coupons maturing thereafter be valid; provided that adequate funds for their redemption shall have been provided and set aside by such unit.

History.—s. 4, ch. 15772, 1931; CGL 1936 Supp. 2383(4).

132.05 Form; execution; delivery.—The refunding bonds herein provided for may be issued in registered form, or may be coupon bonds with the privilege of registration either as to principal only or as to both principal and interest, and shall be executed in the manner and by the officials provided in the resolution authorizing same. Except one signature on each bond, the signatures on the bonds and coupons may be facsimile signatures. Bonds and coupons duly executed by officials then in office may be negotiated and delivered after such officials have ceased to hold such office. The authentication or certificate of a registrar may be required on the bonds.

History.—s. 5, ch. 15772, 1931; CGL 1936 Supp. 2383(5).

132.06 Separate series of bonds; rates of interest. One resolution may provide for several separate series of refunding bonds. Each of such series and separate bonds of the same series may have different terms and provisions from the others. The same bonds may bear different rates of interest at different times. Bonds issued for the purpose of refunding accrued interest may be non-interest-bearing or may bear a lower rate than other bonds of the same series as may be provided in the resolution.

History.—s. 6, ch. 15772, 1931; CGL 1936 Supp. 2383(6).

132.07 Maturity date.—Such resolution may provide that all or any part of the bonds issued thereunder shall mature in annual installments beginning at such time after date and running to such time, not longer than 60 years after date as said resolution may provide.

History.—s. 7, ch. 15772, 1931; CGL 1936 Supp. 2383(7).

132.08 Exchange of bonds.—Bonds issued under this chapter may be exchanged for not less than an equal principal amount and accrued interest of indebtedness to be retired thereby, including indebtedness not yet due, if the same be then redeemable or if the holders thereof be willing to surrender the same for retirement, but otherwise shall be sold and the proceeds thereof shall be applied to the payment of such indebtedness and accrued interest due or redeemable which may be so surrendered.

History.—s. 8, ch. 15772, 1931; CGL 1936 Supp. 2383(8).

132.09 Notice of sale; bids and award; private sale. When sold, the refunding bonds (except as otherwise expressly provided) shall be sold pursuant to the terms of a notice of sale which shall be published at least twice. The first publication to be not less than 7 days before the date fixed for the sale and to be published in a newspaper published in the unit, or if no newspaper is published in the unit, then in a newspaper published in the county, or if no newspaper is published in the county, then in a newspaper published in Tallahassee, and in the discretion of the governing body of the unit may be published in a financial newspaper in the City of New York. Such notices shall state the time and place and when and where sealed bids will be received, shall state the amount of bonds, their dates, maturities, denominations and interest rate or rates (which may be a maximum rate), interest payment dates, an outline of the terms, if any, on which they are redeemable or become payable before maturity, the amount which must be deposited with the bid to secure its performance if accepted, and such other pertinent information as the governing body of the unit may determine. The notice of sale may require the bidders to fix the interest rate or rates that the bonds are to bear subject to the terms of the notice and the maximum rate permitted by this chapter. The award of the bonds shall be made by the governing body of the unit to the bidder making the most advantageous bid which shall be determined by the governing body in its absolute and uncontrolled discretion. The right to reject all bids shall be reserved to the governing body of the unit. If no bids are received at such public sale, or if all bids are rejected, the bonds may be sold without notice at private sale at any time within one year thereafter, but such bonds shall not be sold at private sale on terms less favorable to the unit than were contained in the best bid at the prior public sale.

History.—s. 9, ch. 15772, 1931; CGL 1936 Supp. 2383(9).

132.10 Minimum sale price.—No bonds shall be sold under this chapter at less than 95 percent of par, with accrued interest to date of delivery thereof.

History.—s. 10, ch. 15772, 1931; CGL 1936 Supp. 2383(10).

132.11 Amount of refunding bonds to be sold.—In case of refunding bonds which are not exchanged for bonds outstanding but are sold, only such amount thereof shall be delivered as is necessary to provide for the payment of matured bonds and legally accrued interest and of such unmatured bonds as the holders thereof have agreed in writing to surrender upon pay-

ment of a sum not exceeding par and legally accrued interest.

History.—s. 11, ch. 15772, 1931; CGL 1936 Supp. 2383(11).

132.12 Exchange without notice.—In the case of refunding bonds which are exchanged for bonds outstanding and are not sold, such exchange may be made by the unit without the requirement of the publication of any notice thereof.

History.—s. 12, ch. 15772, 1931; CGL 1936 Supp. 2383(12).

132.13 Delivery of bonds sold.—In case of refunding bonds which are not exchanged for bonds outstanding but are sold, they shall not be delivered until payment in full has been received therefor. Pursuant to agreement between unit and purchaser made either before or after the sale of the bonds, the bonds may be delivered in deferred installments and the total purchase price shall be divided and paid on the installments as may be agreed, but delivery shall not be deferred more than 1 year after the sale.

History.—s. 13, ch. 15772, 1931; CGL 1936 Supp. 2383(13).

132.14 Exchange in lieu of sale.—As hereinbefore provided the refunding bonds instead of being sold may be exchanged for bonds or for interest on bonds or interest on overdue interest on bonds to refund which they are issued. The principal and accrued interest of the refunding bonds shall not exceed the amount of the obligations refunded.

History.—s. 14, ch. 15772, 1931; CGL 1936 Supp. 2383(14).

132.15 Provision for conditional increase of rate of interest.—If the refunding bonds bear a lower rate of interest than the bonds for which they are exchanged, either the resolution authorizing the bonds or the refunding bonds themselves may provide that the refunding bonds shall bear the lower rate of interest only so long as the unit shall not be in default of any agreement or obligations to the holders and that after any such default, or at the option of the holders after any such default, the refunding bonds shall bear the same rate of interest as the bonds for which they were exchanged. The unit may impose limitations on the right to exercise such option, and may provide that the option may only be exercised after a period of default, or by the holders of a certain amount or proportion of bonds, all as provided in the said resolution or in the refunding bonds, and if the right to the higher interest accrues may agree to substitute new bonds and coupons bearing such higher interest.

History.—s. 15, ch. 15772, 1931; CGL 1936 Supp. 2383(15).

132.16 Sinking fund.—The resolution authorizing the refunding bonds may contain an agreement on the part of the unit to provide a sinking fund for such bonds, and said resolution may provide for payments of such sinking fund, the investment thereof, the administration thereof, and the application thereof to the payment, purchase and redemption of the refunding bonds.

History.—s. 16, ch. 15772, 1931; CGL 1936 Supp. 2383(16).

132.17 Pledge of anticipated revenues.—The resolution authorizing refunding bonds may assign, pledge, or set aside as a trust for the payment of principal or

interest of refunding bonds or for a sinking fund for the bonds, subject to prior liens or contract obligations, and on, or subject to, such terms and conditions as may be stated, any unpaid taxes or assessments whether due or to grow due, and any revenues due or to grow due, or proceeds of sale of improvements or properties of the unit. The resolution authorizing the bonds may contain agreement to collect and pay over the moneys derived from such source.

History.—s. 17, ch. 15772, 1931; CGL 1936 Supp. 2383(17).

132.18 Pledge of fixed portion of revenues.—The resolution authorizing the refunding bonds may pledge to the payment of principal and interest of such refunding bonds or to a sinking fund for the bonds, a fixed proportion, or a proportion to be determined from time to time as provided in said resolution, of the moneys from time to time collected either by taxation of any kind, whether upon real or personal property, or collected from other revenues or receipts of the unit, and such resolution may provide that the said fixed proportion or the proportions so determined out of each dollar collected by the unit shall be applied to the payment of the principal or interest of the refunding bonds, or be paid into or set aside as a sinking fund for the bonds.

History.—s. 18, ch. 15772, 1931; CGL 1936 Supp. 2383(18).

132.19 Priority of payment of refunding bonds.—The resolution authorizing the bonds may provide that the unit shall first set aside out of the tax collections the amount required in any year for the payment of principal and interest of refunding bonds and for the sinking fund for the bonds, before any tax collections shall be set aside or applied to the payment of any bonds of the unit that may thereafter be issued, except bonds thereafter issued to pay or refund bonds then outstanding.

History.—s. 19, ch. 15772, 1931; CGL 1936 Supp. 2383(19).

132.20 Proportionate taxes for sinking fund.—The resolution authorizing the refunding bonds may provide that in addition to all other amounts to be paid into a sinking fund for such bonds, such sums shall be levied, assessed and collected for such sinking funds as bear a stated proportion of taxes of any kind which are imposed or collected for all purposes other than the payment of refunding bonds issued pursuant to this chapter, so that for every dollar of tax imposed or collected for all such purposes a stated amount shall be imposed for the said sinking fund.

History.—s. 20, ch. 15772, 1931; CGL 1936 Supp. 2383(20).

132.21 Pledge of special assessments.—In the discretion of the governing board there may be pledged to the payment of any or all such bonds the collections or proceeds of any or all uncollected special assessments, subject, however, to any other outstanding pledge of such assessment previously made.

History.—s. 21, ch. 15772, 1931; CGL 1936 Supp. 2383(21).

132.22 Levy of ad valorem tax for payment of bonds.—

(1) In each year while any of the bonds shall be outstanding there shall be levied by or under the authority of the governing board upon all taxable property in the unit, an ad valorem tax sufficient to pay the interest and

principal of such refunding bonds and any sinking funds which may be provided for by the bonds, or by the proceedings authorizing the sale, provided, however, that when there shall be in any fund or funds provided for such bonds, interest and sinking fund, an amount exceeding the amount at that time required for such fund or funds, the ad valorem tax required by this section for the current year may be reduced in the amount of such excess.

(2) It is expressly provided that in the case of taxing districts where bonds have been issued and are outstanding, which bonds are payable exclusively out of special assessments levied for the payment of such bonds, that no authority to levy an ad valorem tax upon the property of such taxing district shall be conferred or exist under this chapter, unless the same shall be duly authorized or approved by the affirmative vote of a majority of the taxpayers who are the owners of freeholds in said unit not wholly exempt from taxation voting at an election called and held under the provisions of law relating to the issuance of bonds under s. 12, Art. VII of the State Constitution and such election shall be called within 60 days after the governing body of such taxing district shall receive a petition requesting the same signed by a number of owners of freeholds not wholly exempt from taxation equal to 25 percent of the qualified electors who are owners of such freeholds residing in such district and by the holder or holders of a majority in amount of the bonds or outstanding indebtedness to be refunded, but nothing in this chapter shall preclude the issuance of refunding bonds under this chapter when such refunding bonds are issued and are provided to be supported by the proceeds of special assessments of the same kind and character as were provided for the issue which is refunded.

History.—s. 22, ch. 15772, 1931; CGL 1936 Supp. 2383(22); s. 15, ch. 69-216.

132.23 Tax by municipalities; bonds to constitute general obligations; debt limit inapplicable.—

(1) In case of refunding bonds issued by municipalities it shall be the duty of the governing board of the municipality charged by law with determining and fixing the amount of general property taxes for any fiscal year of the municipality, to ascertain the amount of:

(a) Principal and interest of refunding bonds due in such year for which moneys are not in hand.

(b) Principal and interest of refunding bonds due prior to such year and which are then or will be in default in such year, together with interest thereon.

(c) Sinking fund payments due in such year or due prior to such year and which are then or will be in default in such year.

(d) Such additional sum as may be necessary to make up for the estimated failure to collect taxes in such year.

(2) The said governing body of the municipality shall determine and fix the total of said sums as the amount to be raised by tax in addition to all other taxes for said fiscal year. The said amount shall thereupon be apportioned against, and levied and assessed on, all property subject to taxation in the manner provided by law, for taxes for other purposes in the municipalities and shall be collected and applied to such purpose by the official

of the municipality charged by law with duty of apportioning, levying, assessing, collecting and applying taxes for other purposes.

(3) The refunding bonds issued in pursuance of this chapter by municipalities shall be general and unlimited obligations of the municipalities and the full faith and credit of the municipality is hereby irrevocably pledged for their payment. The municipality and each and every official and governing board thereof shall levy, assess, apportion and collect on and from all taxable real and personal property in the municipality such taxes as shall be sufficient to pay the interest and principal of the refunding bonds as they become due and payable.

(4) No other section of this chapter or of any other law, or of any agreement or resolution made by the municipality shall be construed to limit or restrict the powers or obligations of the municipality under this chapter and the provisions of any resolution of the municipality made pursuant to this chapter shall be construed as supplemental hereto for the greater protection of the refunding bonds, and shall not be construed as limiting or restricting the application of this section.

(5) All refunding bonds issued pursuant to the provisions of this chapter shall not be subject to any limitation or indebtedness prescribed by any statutes, charter or other special act relating to the municipality.

History.—s. 23, ch. 15772, 1931; CGL 1936 Supp. 2383(23).

132.24 Elections, notice, etc.—Any election which may be held to determine whether any such refunding bonds shall be issued, if required by the Constitution of the state, shall be called, noticed and conducted, and the result thereof determined and declared as shall have been or may be required by law for the issuance of any bonds of the unit proposing to issue the bonds herein authorized; but if an election be not required by the Constitution and nevertheless be held, it may be called, noticed and conducted, and the result thereof determined and declared, in such manner as the governing body may provide by resolution. It shall not be necessary to hold any election for the issuance of any refunding bond, except in those cases in which an election is required by the Constitution of the state.

History.—s. 24, ch. 15772, 1931; CGL 1936 Supp. 2383(24).

132.25 Creation and maintenance of sinking fund. The governing authority of any unit in contracting for the sale of any bonds may provide for the creation and maintenance of the necessary sinking fund out of proceeds of sales of lands, and levy of taxes, and proceeds of mortgages.

History.—s. 25, ch. 15772, 1931; CGL 1936 Supp. 2383(25).

132.26 Chapter supplemental and additional.—This chapter is intended as a supplemental and additional grant of power to each and all the various units of the state as hereinabove defined and shall apply as well to all municipalities whether heretofore or hereafter incorporated either under general or special act, and shall not supplant or repeal any existing powers for the issuance of funding or refunding bonds or any provisions of law of bonds issued under such powers, or for the custody of moneys provided for such payment, but shall nevertheless repeal all laws and parts of laws, gen-

eral or special, so far as the same may be inconsistent with the complete exercise of any and all powers herein granted or may deny the right to exercise any power herein granted as to the levy of taxes upon all taxable property of such unit or as to the custody of moneys provided for the payment of bonds or as to any other thing.

History.—s. 26, ch. 15772, 1931; CGL 1936 Supp. 2383(26).

132.27 Chapter complete within itself.—This chapter constitutes full authority for the things herein authorized, and no proceedings, publications, notices, consents or approval shall be required for the doing of the things herein authorized except as are herein prescribed and required. This chapter shall be deemed complete within itself, except insofar as other laws are specifically made applicable, nor shall powers hereby granted be restricted or limited by any other law.

History.—s. 27, ch. 15772, 1931; CGL 1936 Supp. 2383(27).

132.28 Chapter applicable to school districts.—In the event that any school district shall be authorized by the Constitution and laws of this state to legally issue refunding bonds the provisions of this chapter shall be deemed to apply to such school district.

History.—s. 29, ch. 15772, 1931; CGL 1936 Supp. 2383(28).

132.29 Validation.—Refunding bonds provided to be issued under this chapter shall be subject to validation and judicial proceedings in like manner and with like force and effect as bonds generally are provided to be validated by judicial proceedings under the laws of this state.

History.—s. 30, ch. 15772, 1931; CGL 1936 Supp. 2383(29).

132.30 Chapter applicable to all taxing districts.—This chapter shall apply to taxing districts of every character and description provided for under the general or special laws of this state, whether consisting of portions of a county or of territory located in more than one county.

History.—s. 31, ch. 15772, 1931; CGL 1936 Supp. 2383(30).

132.31 No other proceedings required.—No proceedings shall be required to be taken as to the issuance of any refunding bonds under this chapter except those prescribed by this chapter, any provisions of any other laws, general or special, to the contrary notwithstanding.

History.—s. 33, ch. 15772, 1931; CGL 1936 Supp. 2383(32).

132.32 Replacement of bonds.—In case any coupon bonds and the coupons thereunto appertaining, or any registered bonds, shall become mutilated or be destroyed, a new bond shall be prepared at the expense of the applicant, and be executed and delivered, of like tenor, amount, date and series in exchange and substitution for the mutilated or destroyed bond or coupons. In case of destruction the applicant for a substituted bond shall furnish to the unit satisfactory evidence of its destruction and shall also give such security and indemnity as may be required for it.

History.—s. 34, ch. 15772, 1931; CGL 1936 Supp. 2383(33).

132.33 Short title.—Sections 132.33–132.47 may be cited as the “Advance Refunding Law.”

History.—s. 1, ch. 86–181.

132.34 Definitions.—Unless the context clearly indicates a different meaning, as used in ss. 132.33–132.47, the term:

(1) “Average remaining term” means, with respect to any general obligation bonds to be refunded, the product obtained by multiplying the principal amount of such bonds maturing or subject to sinking fund installments in each bond year during the remaining term of such bonds by the number of bond years from the refunding date to each such maturity or sinking fund installment, and dividing the sum of the amounts thus obtained by the aggregate principal amount of such general obligation bonds to be refunded.

(2) “Average term” means, with respect to any issue of general obligation refunding bonds, the product obtained by multiplying the principal amount of such general obligation refunding bonds maturing or subject to sinking fund installments in each bond year by the term of such general obligation refunding bonds, and dividing the sum of the amounts thus obtained by the aggregate principal amount of such issue of general obligation refunding bonds.

(3) “Bonds” includes bonds, debentures, notes, certificates of indebtedness, mortgage certificates, or other obligations or evidence of indebtedness of any type or character.

(4) “Bond year” means the 1-year period commencing on the date of issuance of any bonds and each 1-year period subsequent thereto.

(5) “Effective interest rate,” with respect to any issue of general obligation bonds or general obligation refunding bonds, means that rate which is equal to the internal rate of return, compounded at the same frequency as moneys are actually paid to bond owners, which equates all future debt service payments to the net proceeds realized by the unit from the issuance of general obligation bonds or general obligation refunding bonds.

(6) “Escrow agent” means the department of any bank or trust company, within or without the state, appointed by the governing body of the unit to hold and invest the proceeds of refunding bonds issued pursuant to s. 132.35.

(7) “Escrow agreement” means an agreement entered into pursuant to s. 132.41 by and between a unit, as defined in s. 132.02, and the escrow agent.

(8) “General obligation bonds” means any bonds which are secured by, or provide for their payment by, the pledge, in addition to those special taxes levied for their discharge and such other sources as may be provided for their payment or pledged as security under the ordinance or resolution authorizing their issuance, of the full faith and credit and taxing power of the county or municipality issuing such bonds and for the payment of which recourse may be had against the general fund of such county or municipality.

(9) “General obligation refunding bonds” means general obligation bonds issued pursuant to s. 132.35 for the purpose of refunding or refinancing all or part of a prior issue or multiple issues of general obligation bonds or general obligation refunding bonds.

(10) “Governing body” means the board or body of a unit vested with the power of determining the amount of the tax levies required for taxing the taxable property of such unit for the purpose of such unit.

(11) "Internal rate of return" means the rate which, when applied to a series of interest and principal payments due at different dates, will result in the determination of a present value which precisely equals the amount received at the time at which bonds are issued.

(12) "Issue" means any bonds which are issued at substantially the same time, are sold pursuant to a common plan of financing, and will be paid out of substantially the same source of funds or will have substantially the same claim to be paid out of substantially the same source of funds.

(13) "Maturity" means the date upon which any general obligation bond or general obligation refunding bond becomes due and payable to the owner thereof.

(14) "Net average interest cost rate" means:

(a) With respect to any general obligation bonds to be refunded, a fraction the numerator of which is the gross amount of interest to be paid from the refunding date through the remaining term of such bonds plus the original issue adjustment, and the denominator of which is the average remaining term of such general obligation bonds multiplied by the aggregate principal amount of such general obligation bonds outstanding on the refunding date; and

(b) With respect to any general obligation refunding bonds, a fraction the numerator of which is the gross amount of interest to be paid during the term of such refunding bonds plus the amount of any discount or minus the amount of any premium paid at the time of sale thereof, and the denominator of which is the average term of the issue of such general obligation refunding bonds multiplied by the aggregate principal amount thereof issued on the refunding date.

(15) "Net proceeds" means the total proceeds of any general obligation refunding bonds issued pursuant to s. 132.35, plus any premium received upon the sale of such general obligation refunding bonds, less the underwriter's discount and all other management fees, costs, expenses, charges, and sales commissions associated with the issuance of such refunding bonds, including, but not limited to, any refunding expenses.

(16) "Original issue adjustment" means the product obtained by multiplying the amount of discount paid or the negative of the amount of premium received on the general obligation bonds to be refunded at the time of their issuance by a fraction, the numerator of which is the aggregate principal amount of general obligation bonds to be refunded on the refunding date and the denominator of which is the aggregate principal amount of the general obligation bonds originally issued, of which the general obligation bonds to be refunded are a part.

(17) "Present value" means the amount computed by discounting the principal and interest payments on both the general obligation refunding bonds and the general obligation bonds to be refunded from the respective maturities, or sinking fund installment dates, thereof to the date of issue of such bonds at a rate equal to the effective interest rate of the refunding bonds.

(18) "Refunding date" means the first date on which interest accrues on any refunding bonds.

(19) "Refunding expenses" means the costs and expenses incidental to the issuance of general obliga-

tion refunding bonds, including, but not limited to, the costs and expenses of developing the refunding financial plan; credit enhancement costs and expenses; fees and expenses of consultants, advisers, and counsel; costs and expenses of printing disclosure documents and bonds; initial fees of the escrow agent, payment agent, and bond registrar; and the costs and fees of performing the terms and conditions of the escrow agreement.

(20) "Refunding financial plan" means the financial plan for a refunding as set forth in the refunding bond resolution relating thereto.

(21) "Refunding bond resolution" means a resolution or ordinance authorizing the issuance of refunding bonds adopted pursuant to s. 132.36.

(22) "Remaining term" means, with respect to any general obligation bonds to be refunded, the number of bond years from the refunding date to and including the earlier of the maturity or the sinking fund installment date of such bonds to be refunded.

(23) "Sinking fund installment" means the amount of term bonds subject to mandatory redemption in any bond year prior to the maturity of such term bonds.

(24) "Term" means the number of bond years from the date of issuance of any bond to the date of its maturity, or date of earlier mandatory redemption for a sinking fund installment.

(25) "Term bonds" means bonds maturing in a single bond year which are subject to sinking fund installments prior to their stated maturity.

(26) "Unit" means a county, city, town, special road and bridge district, special tax school district, and any other taxing district in the state.

History.—s. 1, ch. 86-181; s. 26, ch. 91-45; s. 74, ch. 92-279; s. 55, ch. 92-326.

132.35 Authorization to issue general obligation refunding bonds.—

(1) In the manner and subject to the limitations and conditions set forth in this section, a unit may issue serial bonds, term bonds, or both, without approval of the electors, to refund all or any portion of an issue or multiple issues of outstanding general obligation serial bonds, term bonds, or both, issued and outstanding. The principal amount of general obligation refunding bonds shall not exceed an amount sufficient to pay the sum of:

(a) The principal amount of the general obligation bonds to be refunded which are outstanding as of the date of issue of the general obligation refunding bonds;

(b) The aggregate amount of unmatured interest payable on the general obligation bonds to be refunded to and including either the date or dates such bonds mature or, if such general obligation bonds are to be called for redemption prior to their maturities, the date or dates set for such redemption in accordance with the refunding financial plan;

(c) Redemption premiums, if any, payable on the general obligation bonds to be refunded as of such redemption date or dates; and

(d) The refunding expenses.

(2) General obligation refunding bonds issued pursuant to this section may be issued at a higher or lower rate of interest than the general obligation bonds to be

refunded and may be in a greater or lesser principal amount than the general obligation bonds to be refunded, but shall be issued only in the event that:

(a) The sum of the present value of the total payments of both principal and interest to become due on the general obligation refunding bonds, excluding all such principal and interest payments as, in accordance with the refunding financial plan, will be made from the principal of and the interest on moneys held in escrow by the escrow agent under the escrow agreement, and the present value of refunding expenses not paid from the net proceeds of the general obligation refunding bonds, shall be less than the present value of the principal and interest payments to become due at their stated maturities, or earlier mandatory redemption dates, on the principal amount of general obligation bonds to be refunded which are outstanding as of the date of issue of the general obligation refunding bonds; and

(b) The general obligation refunding bonds are issued at a lower net average interest cost rate than the general obligation bonds to be refunded.

(3) General obligation refunding bonds issued pursuant to this section may be issued at any time subsequent to the date of issuance of the general obligation bonds to be refunded.

(4) General obligation refunding bonds issued pursuant to this section shall mature not later than 40 years from the date of issuance of the general obligation bonds to be refunded and may finally mature at a date later than the final maturity of the general obligation bonds to be refunded; however, any general obligation refunding bonds issued to refund a prior series of general obligation refunding bonds shall mature not later than 40 years after the date of issuance of the first general obligation bonds refunded by such prior or any further prior general obligation refunding bonds.

(5) The first installment of principal of each series of general obligation refunding bonds shall mature, or be subject to mandatory redemption, not later than the date of the first stated maturity, or mandatory redemption, of the general obligation bonds to be refunded next following the date of issue of the general obligation refunding bonds.

(6) General obligation refunding bonds may be issued as a single series or as two or more separate series.

(7) Bond anticipation notes shall not be issued in anticipation of the sale of general obligation refunding bonds.

History.—s. 1, ch. 86-181.

132.36 Refunding bond resolution; form and contents.—

(1) The issuance of general obligation refunding bonds shall be authorized by a refunding bond resolution. Each such resolution shall contain, in substance, at least the following:

(a) The maximum principal amount of general obligation refunding bonds authorized to be issued pursuant thereto.

(b) A determination that such maximum principal amount of general obligation refunding bonds does not exceed the limitation imposed by s. 132.35.

(c) Identification of the outstanding general obligation bonds to be refunded.

(d) The financial plan for the refunding proposed, showing the sources and amounts of all moneys required to accomplish such refunding; containing an estimate of the present value of the total debt service savings anticipated, computed in accordance with s. 132.35(2); and containing a statement that the general obligation refunding bonds will bear a lower net average interest cost rate than the general obligation bonds to be refunded.

(2) Without the assent of the electors, the refunding bond resolution may pledge to the payment of principal and interest of general obligation refunding bonds or to a sinking fund for such bonds only:

(a) Such revenue or other security as is pledged to the payment of the general obligation bonds to be refunded;

(b) To the extent required by the refunding financial plan, all or a portion of the principal of and the interest on the moneys held in escrow by the escrow agent; and

(c) Such other revenue or security as may otherwise be pledged by the unit without assent of the electors for and toward the payment of its general obligation bonds.

History.—s. 1, ch. 86-181.

132.37 Levy of ad valorem tax for payment of general obligation refunding bonds.—

In each fiscal year while any general obligation refunding bonds shall be outstanding there shall be levied, by or under the authority of the governing body upon all taxable property in the unit, an ad valorem tax sufficient to pay the interest and principal of such general obligation refunding bonds and any sinking funds which may be provided for by the general obligation refunding bonds or by the proceedings authorizing the sale thereof. However, when there shall be in any fund or funds provided for such general obligation refunding bonds, or any interest or sinking fund, any amount exceeding the amount at that time required for such fund or funds, the ad valorem tax required by this section for the then current fiscal year may be reduced in the amount of such excess.

History.—s. 1, ch. 86-181.

132.38 Sale of general obligation refunding bonds.—

General obligation refunding bonds shall be sold in the manner provided in s. 218.385 and at an interest rate not to exceed the maximum interest rate set forth in s. 215.84.

History.—s. 1, ch. 86-181.

132.39 Certification of debt service savings.—

No general obligation refunding bonds shall be issued pursuant to s. 132.35 unless the chief financial officer of the unit, or such other official as may be designated by the governing body, shall have first filed with the governing body of the unit a certificate, which shall be final and conclusive upon all parties:

(1) Setting forth the present value of the total debt service savings which will result from the issuance of the general obligation refunding bonds computed in accordance with the provisions of s. 132.35; and

(2) Demonstrating mathematically that the general obligation refunding bonds are issued at a lower net

average interest cost rate than the net average interest cost rate borne by the general obligation bonds to be refunded.

History.—s. 1, ch. 86-181.

132.40 Notice to holders of general obligation bonds to be redeemed; covenant with holders of general obligation refunding bonds.—

(1) Prior to the issuance of general obligation refunding bonds, the governing body of the unit shall adopt a resolution electing to call and redeem such portion of the general obligation bonds to be refunded as is to be called for payment prior to the date of their maturity in accordance with the refunding financial plan. The resolution adopted pursuant to this subsection shall authorize and direct the escrow agent, in the name of the unit, to cause notice of such call for redemption to be given as required by law and the terms of the bonds to be refunded.

(2) Upon the issuance of the refunding bonds, the election to call and redeem all or a portion of the general obligation bonds to be refunded and the direction to the escrow agent to cause notice thereof to be given contained in the resolution adopted pursuant to subsection (1) shall become irrevocable, and the provisions of such resolution shall constitute a contract with the holders of general obligation bonds to be refunded and the general obligation refunding bonds.

History.—s. 1, ch. 86-181.

132.41 Duties and obligations of escrow agent.—

The chief financial officer of the unit, or such other official as the governing body shall designate, prior to the issuance of general obligation refunding bonds, shall notify the escrow agent of its appointment and of the intention of the unit to issue general obligation refunding bonds and, on behalf of the unit, shall enter into an escrow agreement with the escrow agent in respect of the escrowing of the proceeds, inclusive of any premium, from the sale of such general obligation refunding bonds, together with all income derived from the investment of such proceeds, and any other moneys to be provided by the unit to effectuate the refunding financial plan. Each escrow agreement shall contain such terms and conditions as shall be necessary in order to accomplish the refunding financial plan, including, without limiting the generality of the foregoing, provisions for the escrow agent, without further authorization or direction from the unit, except as otherwise provided therein:

(1) To make all required payments of principal, interest, and redemption premium to the appropriate paying agent with respect to either the general obligation bonds to be refunded or the general obligation refunding bonds;

(2) To pay the refunding expenses;

(3) At the appropriate time or times to cause to be given on behalf of the unit such notice or notices of redemption, if any, authorized to be given in respect of the general obligation bonds to be refunded; and

(4) To invest the moneys held by it in accordance with the refunding financial plan and the direction of the chief financial officer of the unit. Each escrow agreement shall be irrevocable and shall constitute a covenant with

the holders of the general obligation refunding bonds and the general obligation bonds to be refunded to which it relates.

History.—s. 1, ch. 86-181.

132.42 Investment of escrow funds.—Funds held in escrow by the escrow agent under an escrow agreement entered into pursuant to s. 132.41 may be held uninvested or may be invested only in direct obligations of the United States of America or in obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, which obligations shall mature or be subject to redemption at the option of the holder thereof in such amounts and on such dates as funds will be required to make payments in accordance with the refunding financial plan. Any moneys remaining in the custody of the escrow agent after the full satisfaction of all obligations to be paid from moneys held in escrow by the escrow agent under the escrow agreement shall be returned to the unit and, if any general obligation refunding bonds remain outstanding, shall be applied by the unit to the payment of the principal of or interest on such general obligation refunding bonds.

History.—s. 1, ch. 86-181.

132.43 Pledge and use of proceeds of general obligation refunding bonds.—That portion of such proceeds from the sale of general obligation refunding bonds, together with any other moneys placed in escrow by the unit and together with interest earned thereon, which shall be required for the payment of the principal of and interest on general obligation bonds to be refunded or the general obligation refunding bonds, in accordance with the refunding financial plan, shall be irrevocably committed and pledged to such purpose and the holders of such general obligation bonds to be refunded or such general obligation refunding bonds, respectively, shall have a lien upon such moneys and the investments thereof. The pledges and liens provided for in this section shall become valid and binding upon the issuance of the general obligation refunding bonds and the moneys and investments held by the escrow agent shall immediately be subject thereto without any further act. Such pledges and liens shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the unit irrespective of whether such parties have notice thereof. Neither the refunding bond resolution, the escrow agreement, nor any other instrument relating to such pledges and liens need be filed or recorded.

History.—s. 1, ch. 86-181.

132.44 Powers in addition to other powers granted.

The powers granted by ss. 132.33-132.47 to issue general obligation refunding bonds shall be deemed to be in addition to the provisions of ss. 132.01-132.32, and in addition to any other powers or authority provided by law. Sections 132.33-132.47 constitute full authority for the things herein authorized, and no proceedings, publications, notices, consents, or approval shall be required for the doing of the things herein authorized, except as are herein prescribed and required. Sections 132.33-132.47 shall be deemed complete within themselves,

except insofar as other laws are expressly made applicable, and the powers hereby granted shall not be restricted or limited by any other law.

History.—s. 1, ch. 86-181.

132.45 Recital in general obligation refunding bonds.—All general obligation refunding bonds issued pursuant to ss. 132.33-132.47 shall contain a recital that they are issued pursuant to ss. 132.33-132.47.

History.—s. 1, ch. 86-181.

132.46 Effect of invalidity or irregularity in prior proceedings.—The authority herein granted to authorize the issuance of general obligation refunding bonds

shall in no way be affected by the invalidity of or any irregularity in any proceedings authorizing the issuance of the general obligation bonds to be refunded, except that general obligation refunding bonds shall not be issued to refund bonds theretofore adjudged invalid by the final judgment of a court of competent jurisdiction.

History.—s. 1, ch. 86-181.

132.47 Sections 132.33-132.47 applicable to school districts.—In the event that any school district is or shall be authorized by the constitution and laws of this state to issue general obligation refunding bonds, the provisions of ss. 132.33-132.47 shall apply to such school district.

History.—s. 1, ch. 86-181.