412.261 TAX ANTICIPATION CERTIFICATES.

At any time after the first day of the year following the making of an annual tax levy, the council may issue certificates of indebtedness in anticipation of the collection of taxes levied for any fund and not yet collected. The total of all certificates issued against any fund for any year with interest thereon until maturity, together with all orders outstanding against the fund, shall not exceed the total current taxes for the fund uncollected at the time of issuance plus the cash on hand in the fund. If certificates are issued against the anticipated tax levy for any fund, any unpaid orders outstanding against the fund shall be redeemed from the proceeds of the certificates. All tax anticipation certificates shall be negotiable and shall be payable to the order of the payee and shall have a definite due date but may be payable on or before that date. No certificate shall be issued to become due and payable later than the 1st day of April of the year following the year of issuance. Certificates shall be sold for not less than par and accrued interest and shall bear interest at a rate not to exceed seven percent per annum, payable at maturity or at such earlier times as the council may determine. Each certificate shall state upon its face the fund for which the proceeds of the certificate shall be used, the total amount of the certificates so issued against the fund, and the total amount embraced in the tax levy for that fund. They shall otherwise be issued on such terms and conditions as the council may determine. The proceeds of the taxes assessed on account of the fund against which tax-anticipation certificates are issued and the full faith and credit of the city shall be irrevocably pledged for the redemption of the certificates in the order of issuance against the fund.

History: *1949 c 119 s 33; 1953 c 735 s 4; 1967 c 761 s 3; 1971 c 25 s 79; 1973 c 123 art 2 s 1 subd 2*