**§ 21.00 Serial bonds.** a. Any municipality, school district or district corporation may issue serial bonds for any object or purpose having a period of probable usefulness set forth in paragraph a of section 11.00 of this chapter and for which object or purpose it may contract indebtedness pursuant to section 10.00 of this chapter; provided, however, that serial bonds shall not be issued by such municipality, school district or district corporation (1) in those cases in which provision is made in sections 24.00 and 25.00 of this chapter for the issuance of tax anticipation notes and revenue anticipation notes to be issued in anticipation of the collection or receipt of taxes, revenues or assessments, as the case may be, or (2) in those cases in which provision is made in section 29.00 of this chapter for the issuance of budget notes other than paragraph n of such section, or (3) in those cases in which budget notes have been issued under such paragraph n; and further provided, however, that nothing contained herein shall prohibit the issuance of serial bonds by such municipality, school district or district corporation for the object or purpose specified in subdivision sixty of paragraph a of section 11.00 of this chapter.

b. Serial bonds shall mature in annual installments. The first installment shall mature not later than eighteen months after the date of such bonds or two years after the date of the first bond anticipation note or notes issued in anticipation of such bonds, whichever is the earlier, provided, however, that until July fifteenth, two thousand twenty-seven, the first installment shall mature not later than two years after the date of such bonds or two years after the date of the first bond anticipation note or notes issued in anticipation of such bonds, whichever is the earlier. However, if bond anticipation notes are issued in anticipation of bonds and if a portion of such notes or the renewals thereof are redeemed from a source other than the proceeds of such bonds within two years from the date of the first such note or notes and a further portion thereof shall be so redeemed prior to the termination of each twelve months' period succeeding the date such original portion was so redeemed, the first installment of such bonds may, in the alternative, be made to mature not later than five years from the date of the first such note or notes.

b-1. Notwithstanding the provisions of paragraph b of this section, if bond anticipation notes are issued in anticipation of bonds for assessable improvements and if a portion of such notes or the renewals thereof are redeemed from a source other than the proceeds of such bonds within two years from the date of the first such note or notes and a further portion thereof shall be so redeemed prior to the termination of each twelve months' period succeeding the date such original portion was so redeemed, the first installment of such bonds shall mature not later than twelve months from the last preceding date such portion is so redeemed.

c. The last installment of serial bonds shall mature not later than the expiration of the period of probable usefulness of the object or purpose for which such bonds are issued, as computed from the date of such bonds or, if bond anticipation notes shall have been issued in anticipation thereof, as computed from the date of the earliest note or notes so issued.

d. No annual installment of serial bonds shall be more than fifty per centum in excess of the smallest prior installment. For the purpose of the preceding sentence, bond anticipation notes, which are redeemed from a source other than the proceeds of bonds, shall be deemed to be serial bonds. Notwithstanding the foregoing, the finance board of any municipality, school district or district corporation may determine to issue bonds and provide for substantially level or declining annual debt service. The determination of whether annual debt service is substantially level or declining shall not take into account the first twelve months after issuance to the extent that no provision is to be made for the payment of principal during such period. If a municipality, school district or district corporation determines to issue bonds with a substantially level or declining annual debt service schedule, then the aggregate amount of debt service payable in each year shall not exceed the lowest aggregate amount of debt service payable in any prior year by more than the greater of five percent or ten thousand dollars. For purposes of this paragraph, debt service shall include all of the following scheduled to become due: principal, redemption price, sinking fund installments or contributions, and interest. For purposes of

determining whether debt service is substantially level or declining on bonds issued with a variable rate of interest pursuant to section 54.90 of this article, the finance board shall estimate the average rate of interest at which fixed interest rate bonds of the same maturities would be sold and amortize principal based upon such interest rate assumption. The estimate by the finance board of such interest rate shall be deemed final and conclusive. If the finance board of the municipality, school district or district corporation determines that interest on such bonds shall be compounded and payable at maturity or prior redemption, such bonds may be issued only where such finance board has determined to issue the bonds pursuant to a substantially level or declining annual debt service schedule unless accrued interest is contributed at least annually to a sinking fund in accordance with section two of article VIII of the constitution and the procedures of section 22.10 of this title. A municipality, school district or district corporation providing for substantially level or declining debt service may provide for contracting such indebtedness as serial bonds, as sinking fund bonds, as term bonds, or as any combination thereof. Term bonds may be issued under the authority of this paragraph with a stated maturity and a schedule of mandatory redemptions prior thereto, providing (with other bonds of the same issue, if any) for substantially level or declining debt service.

e. Serial bonds shall be redeemed by an annual appropriation.

f. Notwithstanding the provisions of paragraphs b and d of this section:

1. The first installment of serial bonds issued for the purpose of providing moneys out of which to make loans to or in aid of limited-profit housing companies pursuant to article two of the private housing finance law, or loans to owners of existing multiple dwellings pursuant to article eight of the private housing finance law, or issued for the purpose of providing moneys for the effectuating of any urban renewal program or part thereof pursuant to the general municipal law, may mature not later than five years after the date of issuance of such bonds or six years after the date of issuance of the first bond

anticipation note or notes issued in anticipation of such bonds, whichever is earlier; provided, however, that if the bond anticipation notes or renewals thereof issued in anticipation of such serial bonds extend more than five years beyond the original date of such issue, pursuant to the provisions of paragraph b of section 23.00 of this chapter, the first installment of such serial bonds may mature not later than such number of years after the date of issuance of such bonds or such number of years plus one after the original date of issuance of such notes, whichever is earlier; and

2. The annual installments of serial bonds issued for such purpose and for the purpose of providing moneys out of which to make loans to owners of existing multiple dwellings pursuant to article eight of the private housing finance law may be computed in such manner that the total of principal and interest required to be paid in each year beginning with the year in which the first installment is due, will be approximately equal to the total of principal and interest required to be paid in each succeeding year of the period for which such bonds were issued.