§ 23.00 Bond anticipation notes. a. Bond anticipation notes may be issued by any municipality, school district or district corporation in anticipation of the sale of bonds. Such notes may be issued whenever bonds have been authorized and the proceeds of such notes shall be expended only for the same object or purpose, or class thereof for which the proceeds of such bonds may be expended.

b. Such notes shall mature at such time as the issuer may determine and may be renewed from time to time, provided, that in no event shall such notes or the renewals thereof extend more than two years beyond such original date of issue unless a portion of such notes or the renewals thereof shall be redeemed from a source other than the proceeds of bonds within two years from such original date of issue and unless 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, if any of such notes, as renewed, are still outstanding at the termination of each such period, but such notes or the renewals thereof shall not extend more than five years beyond such original date of issue. Such redemption shall be consistent with the amortization requirements of article eight of the state constitution and section 21.00 of this title. If the finance board has determined to provide for substantially level or declining debt service on the bonds in anticipation of which such notes are authorized to be issued, such notes shall be redeemed in an amount at least equal in each year to the annual installment which would be paid in such year if such notes were serial bonds issued at a five percent rate of interest for the remaining period of probable usefulness of the object or purpose for which issued, or, if less, the remaining portion of the maximum authorized maturity of such bonds, and all annual debt service payments were equal over the life of such bonds. In any event, bond anticipation notes shall not be renewed after the receipt of the proceeds from the sale of the bonds in anticipation of which such notes were issued. Notwithstanding the provisions of this paragraph: 1. bond anticipation notes issued in anticipation of the receipt of the proceeds of the sale of bonds for the purpose of providing moneys out of which to make loans to 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 for the purpose of providing moneys for the effectuating of any urban renewal program or part thereof pursuant to the general municipal law, or the renewals of such notes, may extend not more than five years beyond the original date of issue of such notes; and 2. renewals of bond anticipation notes issued originally during calendar years two thousand fifteen through two thousand twenty-one, inclusive may not extend more than seven years beyond the original date of issue of such bond anticipation notes.

b-1. Notwithstanding the provisions of paragraph b of section 21.00 of this title and the provisions of paragraph b of this section any bond anticipation notes issued in anticipation of bonds for an assessable improvement may be renewed from time to time for a period not exceeding one year for each such renewal, and without limitation as to the number of such renewals, provided that such notes, as renewed, shall not extend beyond the expiration of the period of probable usefulness of the object or purpose for which issued, as computed from the date of the first note or notes so issued, and provided further that such notes, as renewed, shall not extend more than two years from the date of the first note or notes so issued unless a portion thereof shall be redeemed from a source other than the proceeds of such bonds within two years from the date of the first note or notes so issued and unless 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, if any of such notes, as renewed, are still outstanding at the termination of each such period. Annual principal installments on notes issued pursuant to this paragraph shall be computed in accordance with the provisions of paragraph b of this section. Every bond anticipation note resolution and certificate authorizing any such renewal note, in addition to the statements and provisions required by section 38.10 of this chapter, shall contain a statement indicating that such note is issued in anticipation of bonds for an assessment improvement.

c. Bond anticipation notes shall not be issued in an amount which shall exceed the par value of the bonds in anticipation of which they are to be issued.

d. 1. Bond anticipation notes shall be redeemed from the proceeds of the sale of the bonds in anticipation of which they were issued. However, if such bonds are not sold, then such bond anticipation notes shall be redeemed:

(a) From any unencumbered balance in any fund which may be applied to the payment thereof, or

(b) By a budgetary appropriation.

2. Notwithstanding the provisions of subdivision one of this paragraph, bond anticipation notes may be redeemed, in whole or in part, prior to the sale of the bonds in anticipation of which such notes were issued, from any moneys which lawfully may be applied to the payment of such notes.