§ 28.00 Capital notes. a. Any municipality, school district or district corporation may issue capital notes to finance all or part of the cost of any object or purpose for which serial or sinking fund bonds may be issued. Such capital notes may be renewed from time to time but such notes, including the renewals thereof, shall mature not later than the last day of the second fiscal year succeeding the fiscal year in which such notes are issued. However, an installment of not less than fifty per centum of the amount of such notes shall mature in the first fiscal year succeeding the fiscal year in which such notes are issued, unless such notes are authorized and issued during a fiscal year at a time subsequent to the date of the adoption of the annual budget for the next succeeding fiscal year.

b. Capital notes shall be redeemed out of the taxes or assessments levied or to be levied for the fiscal year in which they mature or out of other revenues of that fiscal year legally available for that purpose.