§ 91.00 Refunding of capital notes. a. Where serial bonds have not been issued to finance any part of an object or purpose and such object or purpose has been financed by the issuance of a capital note, such capital note may be refunded by the issuance of serial bonds pursuant to this section.

b. The last installment of bonds issued pursuant to this section shall mature not later than the expiration of the maximum period of probable usefulness of the object or purpose for which the capital note was issued. Such period shall be that which was in effect at the time the capital note was originally issued unless such period has been subsequently shortened, in which event the shorter period in effect at the time of the issuance of the bonds shall apply.

c. The first installment of bonds issued pursuant to this section shall mature not later than eighteen months after the date of issuance of such bonds or two years after the date of original issuance of such notes, whichever is the earlier. However, if bond anticipation notes are issued in anticipation of bonds authorized to be issued pursuant to this section, the provisions of section 23.00 of this chapter shall apply with respect to the issuance, maturity and renewal thereof provided that the date of original issuance of the capital note which is being refunded shall be deemed to be the original date of issue of such bond anticipation notes and provided further that such bond anticipation notes or the renewal thereof shall not extend beyond five years from such original date of issue, and in such case, the first installment of such bonds may, in the alternative, be made to mature not later than five years from the date of the original issuance of such capital note. No annual installment of such bonds shall be more than fifty per centum in excess of the smallest prior installment.

d. Bonds issued pursuant to this section shall not be designated as refunding bonds but shall contain a recital that they are issued pursuant to this section. The provisions of this chapter, including but not limited to sections 33.10, 34.00, 35.00, 36.00, 37.00, 38.00 and 107.00, relating to the authorization, form and contents, sale, execution and issuance of serial bonds, other than refunding bonds

issued pursuant to section 90.00 of this chapter, shall apply to the authorization, form and contents, sale, execution and issuance of such bonds issued pursuant to this section. The bond resolution shall contain a description of the capital note to be refunded and a statement of the maximum period of probable usefulness of the object or purpose for which the capital note was issued and which was in effect on the date of issuance of the note and that which will be in effect on the date of issuance of the bonds.

e. Capital notes issued by a municipality to provide current funds for a down payment in connection with the financing of capital improvements or equipment, required pursuant to the provisions of paragraph b, or subdivision one of paragraph c, of section 107.00 of this chapter, shall not be refunded.