

**§ 159-13.2. Project ordinances.**

(a) Definitions. – The following definitions apply in this section:

- (1) Capital project. – A project financed in whole or in part by the proceeds of bonds or notes or debt instruments or a project involving the construction or acquisition of a capital asset.
- (2) Grant project. – A project financed in whole or in part by revenues received from the federal and/or State government or other grant source for operating or capital purposes as defined by the grant contract.
- (3) Project ordinance. – The ordinance adopted pursuant to this section governing the life of any of the following:
  - a. Capital project.
  - b. Grant project.
  - c. Settlement project.
- (4) Settlement project. – A project financed in whole or in part by revenues received pursuant to an order of the court or other binding agreement resolving a legal dispute.

(b) Alternative Budget Methods. – A unit or public authority may, in its discretion, authorize and budget for a capital project, grant project, or settlement project either in its annual budget ordinance or in a project ordinance adopted pursuant to this section. A project ordinance authorizes all appropriations necessary for the completion of the project and neither it nor any part of it need be readopted in any subsequent fiscal year. Neither a bond order nor an order authorizing any debt instrument constitutes a project ordinance.

(c) Adoption of Project Ordinances. – If a unit or public authority intends to authorize a capital project, grant project, or settlement project by a project ordinance, it shall not begin the project until it has adopted a balanced project ordinance for the life of the project. A project ordinance is balanced when revenues estimated to be available for the project equal appropriations for the project. A project ordinance shall clearly identify the project and authorize its undertaking, identify the estimated revenues that will finance the project, and make the appropriations necessary to complete the project. A local government or public authority may incur obligations and make disbursements authorized by the budget appropriations before receiving estimated revenues and may use available fund balance from the general fund or enterprise fund associated with the project to fund the disbursements.

(d) Project Ordinance Filed. – Each project ordinance shall be entered in the minutes of the governing board. Within five days after adoption, copies of the ordinance shall be filed with the finance officer, the budget officer, and the clerk to the governing board.

(e) Amendment. – A project ordinance may be amended in any manner so long as it continues to fulfill all requirements of this section.

(f) Inclusion of Project Information in Budget. – Each year the budget officer shall include in the budget information in such detail as the budget officer or the governing board may require concerning each capital project, grant project, or settlement project (i) expected to be authorized by project ordinance during the budget year and (ii) authorized by previously adopted project ordinances which will have appropriations available for expenditure during the budget year." (1975, c. 514, s. 8; 1979, c. 402, s. 3; 1987, c. 796, s. 3(3), 3(4); 2022-74, s. 40.8; 2024-1, s. 1.1(a).)