

**Article #27 Bond Premiums:**

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**Subject:** RE: Premium Article

Mike,

This article amends MGL c. 44 sec. 20 to allow communities a choice in regard to the treatment of bond premiums (net of issuance costs). It allows communities to use excess premium for project costs and reduce the borrowing authority accordingly. Communities will be able to either apply the premiums to the issuance, thereby reducing the amount needed to borrow or to place them in a separate fund and appropriate them for a capital project. It also amends current law by increasing the amount of surplus bond proceeds that can be applied to debt service from \$1,000 to \$50,000.

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