



366138

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
04/13/2015	.	
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The Committee on Finance and Tax (Soto) recommended the following:

Senate Amendment

Delete lines 71 - 206

and insert:

(2) DEFINITIONS.—As used in this section, the term:

(a) "Authority" means an entity created under s. 163.01(7)(g), Florida Statutes, which provides public utility services and whose membership consists of at least three counties. The term includes any successor to the powers and functions of such an entity. The term also includes any local



366138

11 agency as defined herein.

12 (b) "Cost," as applied to a utility project or a portion of
13 a utility project financed under this section, means:

14 1. Any part of the expense of constructing, renovating, or
15 acquiring lands, structures, real or personal property, rights,
16 rights-of-way, franchises, easements, and interests acquired or
17 used for a utility project;

18 2. The expense of demolishing or removing any buildings or
19 structures on acquired land, including the expense of acquiring
20 any lands to which the buildings or structures may be moved, and
21 the cost of all machinery and equipment used for the demolition
22 or removal;

23 3. Finance charges;

24 4. Interest, as determined by the authority;

25 5. Provisions for working capital and debt service
26 reserves;

27 6. Expenses for extensions, enlargements, additions,
28 replacements, renovations, and improvements;

29 7. Expenses for architectural, engineering, financial,
30 accounting, and legal services, plans, specifications,
31 estimates, and administration; or

32 8. Any other expenses necessary or incidental to
33 determining the feasibility of constructing a utility project or
34 incidental to the construction, acquisition, or financing of a
35 utility project.

36 (c) "Customer" means a person receiving water or wastewater
37 service from a publicly owned utility.

38 (d) "Finance" or "financing" includes refinancing.

39 (e) "Financing cost" means:



366138

40 1. Interest and redemption premiums that are payable on
41 utility cost containment bonds;

42 2. The cost of retiring the principal of utility cost
43 containment bonds, whether at maturity, including acceleration
44 of maturity upon an event of default, or upon redemption,
45 including sinking fund redemption;

46 3. The cost related to issuing or servicing utility cost
47 containment bonds, including any payment under an interest rate
48 swap agreement and any type of fee;

49 4. A payment or expense associated with a bond insurance
50 policy; financial guaranty; contract, agreement, or other credit
51 or liquidity enhancement for bonds; or contract, agreement, or
52 other financial agreement entered into in connection with
53 utility cost containment bonds;

54 5. Any coverage charges; or

55 6. The funding of one or more reserve accounts relating to
56 utility cost containment bonds.

57 (f) "Financing resolution" means a resolution adopted by
58 the governing body of an authority which provides for the
59 financing or refinancing of a utility project with utility cost
60 containment bonds and which imposes a utility project charge in
61 connection with the utility cost containment bonds in accordance
62 with subsection (4). A financing resolution may be separate from
63 a resolution authorizing the issuance of the bonds.

64 (g) "Governing body" means the body that governs a local
65 agency.

66 (h) "Local agency" means a member of the authority, or an
67 agency or subdivision of that member, which is sponsoring or
68 refinancing a utility project, or any municipality, county,



366138

69 authority, special district, public corporation, regional water
70 authority, or other governmental entity of the state which is
71 sponsoring or refinancing a utility project.

72 (i) "Public utility services" means water or wastewater
73 services provided by a publicly owned utility. The term does not
74 include communications services, as defined in s. 202.11,
75 Florida Statutes, Internet access services, or information
76 services.

77 (j) "Publicly owned utility" means a utility providing
78 retail or wholesale water or wastewater services which is owned
79 and operated by a local agency. The term includes any successor
80 to the powers and functions of such a utility.

81 (k) "Revenue" means income and receipts of the authority
82 related to the financing of utility projects and issuance of
83 utility cost containment bonds, including any of the following:

- 84 1. Bond purchase agreements;
- 85 2. Bonds acquired by the authority;
- 86 3. Installment sales agreements and other revenue-producing
87 agreements entered into by the authority;
- 88 4. Utility projects financed or refinanced by the
89 authority;
- 90 5. Grants and other sources of income;
- 91 6. Moneys paid by a local agency;
- 92 7. Interlocal agreements with a local agency, including all
93 service agreements; or
- 94 8. Interest or other income from any investment of money in
95 any fund or account established for the payment of principal,
96 interest, or premiums on utility cost containment bonds, or the
97 deposit of proceeds of utility cost containment bonds.



366138

98 (l) "Utility cost containment bonds" means bonds, notes,
99 commercial paper, variable rate securities, and any other
100 evidence of indebtedness issued by an authority, the proceeds of
101 which are used directly or indirectly to pay or reimburse a
102 local agency or its publicly owned utility for the costs of a
103 utility project, which are secured by a pledge of, and are
104 payable from, utility project property.

105 (m) "Utility project" means the acquisition, construction,
106 installation, retrofitting, rebuilding, or other addition to or
107 improvement of any equipment, device, structure, process,
108 facility, technology, rights, or property located within or
109 outside this state which is used in connection with the
110 operations of a publicly owned utility.

111 (n) "Utility project charge" means a charge levied on
112 customers of a publicly owned utility to pay the financing costs
113 of utility cost containment bonds issued under subsection (4).
114 The term includes any adjustments to the utility project charge
115 under subsection (5).

116 (o) "Utility project property" means the property right
117 created pursuant to subsection (6). The term does not include
118 any interest in a customer's real or personal property but
119 includes the right, title, and interest of an authority in any
120 of the following:

121 1. The financing resolution, the utility project charge,
122 and any adjustment to the utility project charge established in
123 accordance with subsection (5);

124 2. The financing costs of the utility cost containment
125 bonds and all revenues, and all collections, claims, payments,
126 moneys, or proceeds for, or arising from, the utility project



366138

127 charge; or

128 3. All rights to obtain adjustments to the utility project
129 charge pursuant to subsection (5).

130 (3) UTILITY PROJECTS.—

131 (a) A local agency that owns and operates a publicly owned
132 utility may, on its own initiative or by application to an
133 intergovernmental entity that qualifies as an authority under
134 this act, finance the costs of a utility project using the
135 proceeds of utility cost containment bonds. If the local agency
136 applies to a qualified intergovernmental authority, the local
137 agency's application shall specify the utility project to be
138 financed by the utility cost containment bonds and the maximum
139 principal amount, the maximum interest rate, and the maximum
140 stated terms of the utility cost containment bonds.

141 (b) A local agency may not finance a utility project under
142 this section, either on its own initiative or by application to
143 a qualified intergovernmental authority, unless the governing
144 body has determined, in a duly noticed public meeting,