

By Senator Legg

17-00585A-15

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1                   A bill to be entitled  
2       An act relating to utility projects; providing a short  
3       title; providing definitions; authorizing certain  
4       local government entities to finance the costs of a  
5       utility project by issuing utility cost containment  
6       bonds upon application by a local agency; specifying  
7       application requirements; requiring a successor entity  
8       of a local agency to assume and perform the  
9       obligations of the local agency with respect to the  
10      financing of a utility project; providing procedures  
11      for local agencies to use when applying to finance a  
12      utility project using utility cost containment bonds;  
13      authorizing an authority to issue utility cost  
14      containment bonds for specified purposes related to  
15      utility projects; authorizing an authority to form  
16      alternate entities to finance utility projects;  
17      requiring the governing body of the authority to adopt  
18      a financing resolution and impose a utility project  
19      charge on customers of a publicly owned utility as a  
20      condition of utility project financing; specifying  
21      required and optional provisions of the financing  
22      resolution; specifying powers of the authority;  
23      requiring the local agency or its publicly owned  
24      utility to assist the authority in the establishment  
25      or adjustment of the utility project charge; requiring  
26      that customers of the public utility specified in the  
27      financing resolution pay the utility project charge;  
28      providing for adjustment of the utility project  
29      charge; establishing ownership of the revenues of the

17-00585A-15

20151102\_\_

30 utility project charge; requiring the local agency or  
31 its publicly owned utility to collect the utility  
32 project charge; conditioning a customer's receipt of  
33 public utility services on payment of the utility  
34 project charge; authorizing a local agency or its  
35 publicly owned utility to use available remedies to  
36 enforce collection of the utility project charge;  
37 providing that the pledge of the utility project  
38 charge to secure payment of bonds issued to finance  
39 the utility project is irrevocable and cannot be  
40 reduced or impaired except under certain conditions;  
41 providing that a utility project charge constitutes  
42 utility project property; providing that utility  
43 project property is subject to a lien to secure  
44 payment of costs relating to utility cost containment  
45 bonds; establishing payment priorities for the use of  
46 revenues of the utility project property; providing  
47 for the issuance and validation of utility cost  
48 containment bonds; securing the payment of utility  
49 cost containment bonds and related costs; providing  
50 that utility cost containment bonds do not obligate  
51 the state or any political subdivision and are not  
52 backed by their full faith and credit and taxing  
53 power; requiring that certain disclosures be printed  
54 on utility cost containment bonds; providing that  
55 financing costs related to utility cost containment  
56 bonds are an obligation of the authority only;  
57 providing limitations on the state's ability to alter  
58 financing costs or utility project property under

17-00585A-15

20151102\_\_

59 certain circumstances; prohibiting an authority with  
60 outstanding payment obligations on utility cost  
61 containment bonds from becoming a debtor under certain  
62 federal or state laws; providing for construction;  
63 endowing public entities with certain powers;  
64 providing an effective date.

65

66 Be It Enacted by the Legislature of the State of Florida:

67

68 Section 1. Utility Cost Containment Bond Act.—

69 (1) SHORT TITLE.—This section may be cited as the “Utility  
70 Cost Containment Bond Act.”

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

72 (a) “Authority” means an entity created under s.  
73 163.01(7)(g), Florida Statutes, that provides public utility  
74 services and whose membership consists of at least three  
75 counties. The term includes any successor to the powers and  
76 functions of such an entity.

77 (b) “Cost,” as applied to a utility project or a portion of  
78 a utility project financed under this section, means:

79 1. Any part of the expense of constructing, renovating, or  
80 acquiring lands, structures, real or personal property, rights,  
81 rights-of-way, franchises, easements, and interests acquired or  
82 used for a utility project;

83 2. The expense of demolishing or removing any buildings or  
84 structures on acquired land, including the expense of acquiring  
85 any lands to which the buildings or structures may be moved, and  
86 the cost of all machinery and equipment used for the demolition  
87 or removal;

17-00585A-15

20151102\_\_

- 88       3. Finance charges;  
89       4. Interest, as determined by the authority;  
90       5. Provisions for working capital and debt service  
91 reserves;  
92       6. Expenses for extensions, enlargements, additions,  
93 replacements, renovations, and improvements;  
94       7. Expenses for architectural, engineering, financial,  
95 accounting, and legal services, plans, specifications,  
96 estimates, and administration; or  
97       8. Any other expenses necessary or incidental to  
98 determining the feasibility of constructing a utility project or  
99 incidental to the construction, acquisition, or financing of a  
100 utility project.
- 101       (c) "Customer" means a person receiving water, wastewater,  
102 or stormwater service from a publicly owned utility.
- 103       (d) "Finance" or "financing" includes refinancing.
- 104       (e) "Financing cost" means:
- 105       1. Interest and redemption premiums that are payable on  
106 utility cost containment bonds;
- 107       2. The cost of retiring the principal of utility cost  
108 containment bonds, whether at maturity, including acceleration  
109 of maturity upon an event of default, or upon redemption,  
110 including sinking fund redemption;
- 111       3. The cost related to issuing or servicing utility cost  
112 containment bonds, including any payment under an interest rate  
113 swap agreement and any type of fee;
- 114       4. A payment or expense associated with a bond insurance  
115 policy; financial guaranty; contract, agreement, or other credit  
116 or liquidity enhancement for bonds; or contract, agreement, or

17-00585A-15

20151102\_\_

117 other financial agreement entered into in connection with  
118 utility cost containment bonds;

119 5. Any coverage charges; or

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

122 (f) "Financing resolution" means a resolution adopted by  
123 the governing body of an authority that provides for the  
124 financing or refinancing of a utility project with utility cost  
125 containment bonds and that imposes a utility project charge in  
126 connection with the utility cost containment bonds in accordance  
127 with subsection (4). A financing resolution may be separate from  
128 a resolution authorizing the issuance of the bonds.

129 (g) "Governing body" means the body that governs a local  
130 agency.

131 (h) "Local agency" means a member of the authority, or an  
132 agency or subdivision of that member, that is sponsoring or  
133 refinancing a utility project, or any municipality, county,  
134 authority, special district, public corporation, regional water  
135 authority, or other governmental entity of the state that is  
136 sponsoring or refinancing a utility project.

137 (i) "Public utility services" means water, wastewater, or  
138 stormwater services provided by a publicly owned utility. The  
139 term does not include Internet or cable services.

140 (j) "Publicly owned utility" means a utility providing  
141 retail or wholesale water, wastewater, or stormwater services  
142 that is owned and operated by a local agency. The term includes  
143 any successor to the powers and functions of such a utility.

144 (k) "Revenue" means income and receipts of the authority  
145 related to the financing of utility projects and issuance of

17-00585A-15

20151102\_\_

146 utility cost containment bonds, including any of the following:

147 1. Bond purchase agreements;

148 2. Bonds acquired by the authority;

149 3. Installment sales agreements and other revenue-producing  
150 agreements entered into by the authority;

151 4. Utility projects financed or refinanced by the  
152 authority;

153 5. Grants and other sources of income;

154 6. Moneys paid by a local agency;

155 7. Interlocal agreements with a local agency, including all  
156 service agreements; or

157 8. Interest or other income from any investment of money in  
158 any fund or account established for the payment of principal,  
159 interest, or premiums on utility cost containment bonds, or the  
160 deposit of proceeds of utility cost containment bonds.

161 (l) "Utility cost containment bonds" means bonds, notes,  
162 commercial paper, variable rate securities, and any other  
163 evidence of indebtedness issued by an authority the proceeds of  
164 which are used directly or indirectly to pay or reimburse a  
165 local agency or its publicly owned utility for the costs of a  
166 utility project and which are secured by a pledge of, and are  
167 payable from, utility project property.

168 (m) "Utility project" means the acquisition, construction,  
169 installation, retrofitting, rebuilding, or other addition to or  
170 improvement of any equipment, device, structure, process,  
171 facility, technology, rights, or property located within or  
172 outside this state which is used in connection with the  
173 operations of a publicly owned utility.

174 (n) "Utility project charge" means a charge levied on

17-00585A-15

20151102\_\_

175 customers of a publicly owned utility to pay the financing costs  
176 of utility cost containment bonds issued under subsection (4).  
177 The term includes any adjustments to the utility project charge  
178 under subsection (5).

179 (o) "Utility project property" means the property right  
180 created pursuant to subsection (6), including the right, title,  
181 and interest of an authority in any of the following:

182 1. The financing resolution, the utility project charge,  
183 and any adjustment to the utility project charge established in  
184 accordance with subsection (5);

185 2. The financing costs of the utility cost containment  
186 bonds and all revenues, and all collections, claims, payments,  
187 moneys, or proceeds for, or arising from, the utility project  
188 charge; or

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

191 (3) UTILITY PROJECTS.-

192 (a) A local agency that owns and operates a publicly owned  
193 utility may apply to an authority to finance the costs of a  
194 utility project using the proceeds of utility cost containment  
195 bonds. In its application to the authority, the local agency  
196 shall specify the utility project to be financed by the utility  
197 cost containment bonds and the maximum principal amount, the  
198 maximum interest rate, and the maximum stated terms of the  
199 utility cost containment bonds.

200 (b) A local agency may not apply to an authority for the  
201 financing of a utility project under this section unless the  
202 governing body has determined, in a duly noticed public meeting,  
203 all of the following:

17-00585A-15

20151102\_\_

204 1. The project to be financed is a utility project.

205 2. The local agency will finance costs of the utility  
206 project, and the costs associated with the financing will be  
207 paid from utility project property, including the utility  
208 project charge for the utility cost containment bonds.

209 3. Based on the best information available to the governing  
210 body, the rates charged to the local agency's retail customers  
211 by the publicly owned utility, including the utility project  
212 charge resulting from the financing of the utility project with  
213 utility cost containment bonds, are expected to be lower than  
214 the rates that would be charged if the project were financed  
215 with bonds payable from revenues of the publicly owned utility.

216 (c) A determination by the governing body that a project to  
217 be financed with utility cost containment bonds is a utility  
218 project is final and conclusive, and the utility cost  
219 containment bonds issued to finance the utility project and the  
220 utility project charge shall be valid and enforceable as set  
221 forth in the financing resolution and the documents relating to  
222 the utility cost containment bonds.

223 (d) If a local agency that has outstanding utility cost  
224 containment bonds ceases to operate a water, wastewater, or  
225 stormwater utility, directly or through its publicly owned  
226 utility, references in this section to the local agency or to  
227 its publicly owned utility shall be to the successor entity. The  
228 successor entity shall assume and perform all obligations of the  
229 local agency and its publicly owned utility required by this  
230 section and shall assume the servicing agreement required under  
231 subsection (4) while the utility cost containment bonds remain  
232 outstanding.



17-00585A-15

20151102\_\_

233 (4) FINANCING UTILITY PROJECTS.-

234 (a) An authority may issue utility cost containment bonds  
235 to finance or refinance utility projects; refinance debt of a  
236 local agency incurred in financing or refinancing utility  
237 projects, provided such refinancing results in present value  
238 savings to the local agency; or, with the approval of the local  
239 agency, refinance previously issued utility cost containment  
240 bonds.

241 1. To finance a utility project, the authority may:

242 a. Form a single-purpose limited liability company and  
243 authorize the company to adopt the financing resolution of such  
244 utility project; or

245 b. Create a new single-purpose entity by interlocal  
246 agreement under s. 163.01, Florida Statutes, the membership of  
247 which shall consist of the authority and two or more of its  
248 members or other public agencies.

249 2. A single-purpose limited liability company or a single-  
250 purpose entity may be created by the authority solely for the  
251 purpose of performing the duties and responsibilities of the  
252 authority specified in this section and shall constitute an  
253 authority for all purposes of this section. Reference to the  
254 authority includes a company or entity created under this  
255 paragraph.

256 (b) The governing body of an authority that is financing  
257 the costs of a utility project shall adopt a financing  
258 resolution and shall impose a utility project charge as  
259 described in subsection (5). All provisions of a financing  
260 resolution adopted pursuant to this section are binding on the  
261 authority.

17-00585A-15

20151102\_\_

262       1. The financing resolution must:

263       a. Provide a brief description of the financial calculation

264 method the authority will use in determining the utility project

265 charge. The calculation method shall include a periodic

266 adjustment methodology to be applied at least annually to the

267 utility project charge. The authority shall establish the

268 allocation of the utility project charge among classes of

269 customers of the publicly owned utility. The decision of the

270 authority shall be final and conclusive, and the method of

271 calculating the utility project charge and the periodic

272 adjustment may not be changed;

273       b. Require each customer in the class or classes of

274 customers specified in the financing resolution who receives

275 water, wastewater, or stormwater service through the publicly

276 owned utility to pay the utility project charge regardless of

277 whether the customer has an agreement to receive water,

278 wastewater, or stormwater service from a person other than the

279 publicly owned utility;

280       c. Require that the utility project charge be charged

281 separately from other charges on the bill of customers of the

282 publicly owned utility in the class or classes of customers

283 specified in the financing resolution; and

284       d. Require that the authority enter into a servicing

285 agreement with the local agency or its publicly owned utility to

286 collect the utility project charge.

287       2. The authority may require in the financing resolution

288 that, in the event of a default by the local agency or its

289 publicly owned utility with respect to revenues from the utility

290 project property, the authority, upon application by the

17-00585A-15

20151102\_\_

291 beneficiaries of the statutory lien as set forth in subsection  
292 (6), shall order the sequestration and payment to the  
293 beneficiaries of revenues arising from utility project property.  
294 This subparagraph does not limit any other remedies available to  
295 the beneficiaries by reason of default.

296 (c) An authority has all the powers provided in this  
297 section and s. 163.01(7)(g), Florida Statutes.

298 (d) Each authority shall work with local agencies that  
299 request assistance to determine the most cost-effective manner  
300 of financing regional water projects. If the entities determine  
301 that the issuance of utility cost containment bonds will result  
302 in lower financing costs for a project, the authority shall  
303 cooperate with such local agencies and, if requested by the  
304 local agencies, issue utility cost containment bonds as provided  
305 in this section.

306 (5) UTILITY PROJECT CHARGE.—

307 (a) The authority shall impose a sufficient utility project  
308 charge, based on estimates of water, wastewater, or stormwater  
309 service usage, to ensure timely payment of all financing costs  
310 with respect to utility cost containment bonds. The local agency  
311 or its publicly owned utility shall provide the authority with  
312 information concerning the publicly owned utility which may be  
313 required by the authority in establishing the utility project  
314 charge.

315 (b) The utility project charge is a nonbypassable charge to  
316 all present and future customers of the publicly owned utility  
317 in the class or classes of customers specified in the financing  
318 resolution upon its adoption. If a customer of a publicly owned  
319 utility that is subject to a utility project charge enters into

17-00585A-15

20151102\_\_

320 an agreement to purchase water, wastewater, or stormwater  
321 service from a supplier other than the publicly owned utility,  
322 the customer remains liable for the payment of the utility  
323 project charge if the customer has received any service or  
324 benefit from the publicly owned utility after the date the  
325 utility project charge was imposed.

326 (c) The authority shall determine at least annually and at  
327 such additional intervals as provided in the financing  
328 resolution and documents related to the applicable utility cost  
329 containment bonds whether adjustments to the utility project  
330 charge are required. The authority shall use the adjustment to  
331 correct for any overcollection or undercollection of financing  
332 costs from the utility project charge or to make any other  
333 adjustment necessary to ensure the timely payment of the  
334 financing costs of the utility cost containment bonds, including  
335 adjustment of the utility project charge to pay any debt service  
336 coverage requirement for the utility cost containment bonds. The  
337 local agency or its publicly owned utility shall provide the  
338 authority with information concerning the publicly owned utility  
339 which may be required by the authority in adjusting the utility  
340 project charge.

341 1. If the authority determines that an adjustment to the  
342 utility project charge is required, the adjustment shall be made  
343 using the methodology specified in the financing resolution.

344 2. The adjustment may not impose the utility project charge  
345 on a class of customers that was not subject to the utility  
346 project charge pursuant to the financing resolution imposing the  
347 utility project charge.

348 (d) Revenues from a utility project charge are special

17-00585A-15

20151102\_\_

349 revenues of the authority and do not constitute revenue of the  
350 local agency or its publicly owned utility for any purpose,  
351 including any dedication, commitment, or pledge of revenue,  
352 receipts, or other income that the local agency or its publicly  
353 owned utility has made or will make for the security of any of  
354 its obligations.

355 (e) The local agency or its publicly owned utility shall  
356 act as a servicing agent for collecting the utility project  
357 charge throughout the duration of the servicing agreement  
358 required by the financing resolution. The local agency or its  
359 publicly owned utility shall hold the money collected in trust  
360 for the exclusive benefit of the persons entitled to have the  
361 financing costs paid from the utility project charge, and the  
362 money does not lose its designation as revenues of the authority  
363 by virtue of possession by the local agency or its publicly  
364 owned utility.

365 (f) The customer must make timely and complete payment of  
366 all utility project charges as a condition of receiving water,  
367 wastewater, or stormwater service from the publicly owned  
368 utility. The local agency or its publicly owned utility may use  
369 its established collection policies and remedies provided under  
370 law to enforce collection of the utility project charge. A  
371 customer liable for a utility project charge may not withhold  
372 payment, in whole or in part, thereof.

373 (g) The pledge of a utility project charge to secure  
374 payment of utility cost containment bonds is irrevocable, and  
375 the state, or any other entity, may not reduce, impair, or  
376 otherwise adjust the utility project charge, except that the  
377 authority shall implement the periodic adjustments to the

17-00585A-15

20151102\_\_

378 utility project charge as provided under this subsection.

379 (6) UTILITY PROJECT PROPERTY.—

380 (a) A utility project charge constitutes utility project  
381 property on the effective date of the financing resolution  
382 authorizing such utility project charge. Utility project  
383 property constitutes property, including for contracts securing  
384 utility cost containment bonds, regardless of whether the  
385 revenues and proceeds arising with respect to the utility  
386 project property have accrued. Utility project property shall  
387 continuously exist as property for all purposes with all of the  
388 rights and privileges of this section through the end of the  
389 period provided in the financing resolution or until all  
390 financing costs with respect to the related utility cost  
391 containment bonds are paid in full, whichever occurs first.

392 (b) Upon the effective date of the financing resolution,  
393 the utility project property is subject to a first-priority  
394 statutory lien to secure the payment of the utility cost  
395 containment bonds.

396 1. The lien secures the payment of all financing costs then  
397 existing or subsequently arising to the holders of the utility  
398 cost containment bonds, the trustees or representatives of the  
399 holders of the utility cost containment bonds, and any other  
400 entity specified in the financing resolution or the documents  
401 relating to the utility cost containment bonds.

402 2. The lien attaches to the utility project property  
403 regardless of the current ownership of the utility project  
404 property, including any local agency or its publicly owned  
405 utility, the authority, or any other person.

406 3. Upon the effective date of the financing resolution, the

17-00585A-15

20151102\_\_

407 lien is valid and enforceable against the owner of the utility  
408 project property and all third parties, and additional public  
409 notice is not required.

410 4. The lien is a continuously perfected lien on all  
411 revenues and proceeds generated from the utility project  
412 property regardless of whether the revenues or proceeds have  
413 accrued.

414 (c) All revenues with respect to utility project property  
415 related to utility cost containment bonds, including payments of  
416 the utility project charge, shall be applied first to the  
417 payment of the financing costs of the utility cost containment  
418 bonds then due, including the funding of reserves for the  
419 utility cost containment bonds. Any excess revenues shall be  
420 applied as determined by the authority for the benefit of the  
421 utility for which the utility cost containment bonds were  
422 issued.

423 (7) UTILITY COST CONTAINMENT BONDS.—

424 (a) Utility cost containment bonds shall be issued within  
425 the parameters of the financing provided by the authority  
426 pursuant to this section. The proceeds of the utility cost  
427 containment bonds made available to the local agency or its  
428 publicly owned utility shall be used for the utility project  
429 identified in the application for financing of the utility  
430 project or used to refinance indebtedness of the local agency  
431 which financed or refinanced utility projects.

432 (b) Utility cost containment bonds shall be issued as set  
433 forth in this section and s. 163.01(7)(g)8., Florida Statutes,  
434 and may be validated pursuant to s. 163.01(7)(g)9., Florida  
435 Statutes.

17-00585A-15

20151102\_\_

436 (c) The authority shall pledge the utility project property  
437 as security for the payment of the utility cost containment  
438 bonds. All rights of an authority with respect to utility  
439 project property pledged as security for the payment of utility  
440 cost containment bonds shall be for the benefit of, and  
441 enforceable by, the beneficiaries of the pledge to the extent  
442 provided in the financing documents relating to the utility cost  
443 containment bonds.

444 1. If utility project property is pledged as security for  
445 the payment of utility cost containment bonds, the local agency  
446 or its publicly owned utility shall enter into a contract with  
447 the authority which requires, at a minimum, that the publicly  
448 owned utility:

449 a. Continue to operate its publicly owned utility,  
450 including the utility project that is being financed or  
451 refinanced;

452 b. Collect the utility project charge from customers for  
453 the benefit and account of the authority and the beneficiaries  
454 of the pledge of the utility project charge; and

455 c. Separately account for and remit revenue from the  
456 utility project charge to, or for the account of, the authority.

457 2. The pledge of a utility project charge to secure payment  
458 of utility cost containment bonds is irrevocable, and the state  
459 or any other entity may not reduce, impair, or otherwise adjust  
460 the utility project charge, except that the authority shall  
461 implement periodic adjustments to the utility project charge as  
462 provided under subsection (5).

463 (d) Utility cost containment bonds shall be nonrecourse to  
464 the credit or any assets of the local agency or the publicly



17-00585A-15

20151102\_\_

465 owned utility but shall be payable from, and secured by a pledge  
466 of the utility project property relating to the utility cost  
467 containment bonds and any additional security or credit  
468 enhancement specified in the documents relating to the utility  
469 cost containment bonds. If, pursuant to subsection (4), the  
470 authority is financing the project through a single-purpose  
471 limited liability company, the utility cost containment bonds  
472 shall be payable from, and secured by, a pledge of amounts paid  
473 by the company to the authority from the applicable utility  
474 project property. This paragraph shall be the exclusive method  
475 of perfecting a pledge of utility project property by the  
476 company securing the payment of financing costs under any  
477 agreement of the company in connection with the issuance of  
478 utility cost containment bonds.

479 (e) The issuance of utility cost containment bonds does not  
480 obligate the state or any political subdivision thereof to levy  
481 or to pledge any form of taxation to pay the utility cost  
482 containment bonds or to make any appropriation for their  
483 payment. Each utility cost containment bond must contain on its  
484 face a statement in substantially the following form:

485  
486 "Neither the full faith and credit nor the taxing power of the  
487 State of Florida or any political subdivision thereof is pledged  
488 to the payment of the principal of, or interest on, this bond."  
489

490 (f) Notwithstanding any other law or this section, a  
491 financing resolution or other resolution of the authority, or  
492 documents relating to utility cost containment bonds, the  
493 authority may not rescind, alter, or amend any resolution or

17-00585A-15

20151102\_\_

494 document that pledges utility cost charges for payment of  
495 utility cost containment bonds.

496 (g) Subject to the terms of any pledge document created  
497 under this section, the validity and relative priority of a  
498 pledge is not defeated or adversely affected by the commingling  
499 of revenues generated by the utility project property with other  
500 funds of the local agency or the publicly owned utility  
501 collecting a utility project charge on behalf of an authority.

502 (h) Financing costs in connection with utility cost  
503 containment bonds are a special obligation of the authority and  
504 do not constitute a liability of the state or any political  
505 subdivision thereof. Financing costs are not a pledge of the  
506 full faith and credit of the state or any political subdivision  
507 thereof, including the authority, but are payable solely from  
508 the funds identified in the documents relating to the utility  
509 cost containment bonds. This paragraph does not preclude  
510 guarantees or credit enhancements in connection with utility  
511 cost containment bonds.

512 (i) Except as otherwise provided in this section with  
513 respect to adjustments to a utility project charge, the recovery  
514 of the financing costs for the utility cost containment bonds  
515 from the utility project charge shall be irrevocable, and the  
516 authority does not have the power, by rescinding, altering, or  
517 amending the applicable financing resolution, to revalue or  
518 revise for ratemaking purposes the financing costs of utility  
519 cost containment bonds; to determine that the financing costs  
520 for the related utility cost containment bonds or the utility  
521 project charge is unjust or unreasonable; or to in any way  
522 reduce or impair the value of utility project property that

17-00585A-15

20151102\_\_

523 includes the utility project charge, either directly or  
524 indirectly. The amount of revenues arising with respect to the  
525 financing costs for the related utility cost containment bonds  
526 or the utility project charge are not subject to reduction,  
527 impairment, postponement, or termination for any reason until  
528 all financing costs to be paid from the utility project charge  
529 are fully met and discharged.

530 (j) Except as provided in subsection (5) with respect to  
531 adjustments to a utility project charge, the state pledges and  
532 agrees with the owners of utility cost containment bonds that  
533 the state may not limit or alter the financing costs or the  
534 utility project property, including the utility project charge,  
535 relating to the utility cost containment bonds, or any rights  
536 related to the utility project property, until all financing  
537 costs with respect to the utility cost containment bonds are  
538 fully met and discharged. This paragraph does not preclude  
539 limitation or alteration if adequate provision is made by law to  
540 protect the owners. The authority may include the state's pledge  
541 in the governing documents for utility cost containment bonds.

542 (8) LIMITATION ON DEBT RELIEF.—Notwithstanding any other  
543 law, an authority that issued utility cost containment bonds may  
544 not, and a governmental officer or organization may not  
545 authorize the authority to, become a debtor under the United  
546 States Bankruptcy Code or become the subject of any similar case  
547 or proceeding under any other state or federal law if any  
548 payment obligation from utility project property remains with  
549 respect to the utility cost containment bonds.

550 (9) CONSTRUCTION.—This section and all grants of power and  
551 authority in this section shall be liberally construed to

17-00585A-15

20151102\_\_

552 effectuate their purposes. All incidental powers necessary to  
553 carry this section into effect are expressly granted to, and  
554 conferred upon, public entities.

555 Section 2. This act shall take effect July 1, 2015.