

By Senator Legg

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1                   A bill to be entitled  
2       An act relating to utility projects; providing a short  
3       title; defining terms; authorizing certain local  
4       governmental 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

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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

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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, which 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;

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- 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 or wastewater  
102 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

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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, which 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 or wastewater  
138 services provided by a publicly owned utility. The term does not  
139 include communications services, as defined in s. 202.11,  
140 Florida Statutes, Internet access services, or information  
141 services.

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

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

149 1. Bond purchase agreements;

150 2. Bonds acquired by the authority;

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

153 4. Utility projects financed or refinanced by the  
154 authority;

155 5. Grants and other sources of income;

156 6. Moneys paid by a local agency;

157 7. Interlocal agreements with a local agency, including all  
158 service agreements; or

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

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

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

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175 operations of a publicly owned utility.

176 (n) "Utility project charge" means a charge levied on  
177 customers of a publicly owned utility to pay the financing costs  
178 of utility cost containment bonds issued under subsection (4).  
179 The term includes any adjustments to the utility project charge  
180 made under subsection (5).

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

186 1. The financing resolution, the utility project charge,  
187 and any adjustment to the utility project charge established in  
188 accordance with subsection (5);

189 2. The financing costs of the utility cost containment  
190 bonds and all revenues, and all collections, claims, payments,  
191 moneys, or proceeds for, or arising from, the utility project  
192 charge; or

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

195 (3) UTILITY PROJECTS.—

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

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

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

209           2. The local agency will finance costs of the utility  
210 project, and the costs associated with the financing will be  
211 paid from utility project property, including the utility  
212 project charge for the utility cost containment bonds.

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

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

227       (d) If a local agency that has outstanding utility cost  
228 containment bonds ceases to operate a water or wastewater  
229 utility, directly or through its publicly owned utility,  
230 references in this section to the local agency or to its  
231 publicly owned utility must be to the successor entity. The  
232 successor entity shall assume and perform all obligations of the



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233 local agency and its publicly owned utility required by this  
234 section and shall assume the servicing agreement required under  
235 subsection (4) while the utility cost containment bonds remain  
236 outstanding.

237 (4) FINANCING UTILITY PROJECTS.—

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

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

246 a. Form a single-purpose limited liability company and  
247 authorize the company to adopt the financing resolution of such  
248 utility project; or

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

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

259 (b) The governing body of an authority that is financing  
260 the costs of a utility project shall adopt a financing  
261 resolution and shall impose a utility project charge as

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262 described in subsection (5). All provisions of a financing  
263 resolution adopted pursuant to this section are binding on the  
264 authority.

265 1. The financing resolution must:

266 a. Provide a brief description of the financial calculation  
267 method the authority will use in determining the utility project  
268 charge. The calculation method must include a periodic  
269 adjustment methodology to be applied at least annually to the  
270 utility project charge. The authority shall establish the  
271 allocation of the utility project charge among classes of  
272 customers of the publicly owned utility. The decision of the  
273 authority is final and conclusive, and the method of calculating  
274 the utility project charge and the periodic adjustment may not  
275 be changed;

276 b. Require each customer in the class or classes of  
277 customers specified in the financing resolution who receives  
278 water or wastewater service through the publicly owned utility  
279 to pay the utility project charge regardless of whether the  
280 customer has an agreement to receive water or wastewater service  
281 from a person other than the publicly owned utility;

282 c. Require that the utility project charge be charged  
283 separately from other charges on the bill of customers of the  
284 publicly owned utility in the class or classes of customers  
285 specified in the financing resolution; and

286 d. Require that the authority enter into a servicing  
287 agreement with the local agency or its publicly owned utility to  
288 collect the utility project charge.

289 2. The authority may require in the financing resolution  
290 that, in the event of a default by the local agency or its

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

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

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

308 (5) UTILITY PROJECT CHARGE.-

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

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

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320 the water or wastewater industry changes in a manner that  
321 authorizes a customer to choose to take service from an  
322 alternative supplier and the customer chooses an alternative  
323 supplier, the customer remains liable for paying the utility  
324 project charge if the customer continues to receive any service  
325 from the publicly owned utility for the transmission,  
326 distribution, processing, delivery, or metering of the  
327 underlying water or wastewater service.

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

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

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

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349 utility project charge.

350 (d) Revenues from a utility project charge are special  
351 revenues of the authority and do not constitute revenue of the  
352 local agency or its publicly owned utility for any purpose,  
353 including any dedication, commitment, or pledge of revenue,  
354 receipts, or other income that the local agency or its publicly  
355 owned utility has made or will make for the security of any of  
356 its obligations.

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

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

375 (g) The pledge of a utility project charge to secure  
376 payment of utility cost containment bonds is irrevocable, and  
377 the state, or any other entity, may not reduce, impair, or

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378 otherwise adjust the utility project charge, except that the  
379 authority shall implement the periodic adjustments to the  
380 utility project charge as provided under this subsection.

381 (6) UTILITY PROJECT PROPERTY.—

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

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

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

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

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407 utility, the authority, or any other person.

408 3. Upon the effective date of the financing resolution, the  
409 lien is valid and enforceable against the owner of the utility  
410 project property and all third parties, and additional public  
411 notice is not required.

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

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

425 (7) UTILITY COST CONTAINMENT BONDS.—

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

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

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436 and may be validated pursuant to s. 163.01(7)(g)9., Florida  
437 Statutes.

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

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

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

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

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

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



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

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

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

491  
492       (f) Notwithstanding any other law or this section, a  
493 financing resolution or other resolution of the authority, or

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494 documents relating to utility cost containment bonds, the  
495 authority may not rescind, alter, or amend any resolution or  
496 document that pledges utility cost charges for payment of  
497 utility cost containment bonds.

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

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

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

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523 project charge is unjust or unreasonable; or to in any way,  
524 either directly or indirectly, reduce or impair the value of  
525 utility project property that includes the utility project  
526 charge. The amount of revenues arising with respect to the  
527 financing costs for the related utility cost containment bonds  
528 or the utility project charge is not subject to reduction,  
529 impairment, postponement, or termination for any reason until  
530 all financing costs to be paid from the utility project charge  
531 are fully met and discharged.

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

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

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552       (9) CONSTRUCTION.—This section and all grants of power and  
553 authority in this section shall be liberally construed to  
554 effectuate their purposes. All incidental powers necessary to  
555 carry this section into effect are expressly granted to, and  
556 conferred upon, public entities.

557       Section 2. This act shall take effect July 1, 2016.