



410530

LEGISLATIVE ACTION

Senate

.

House

.

.

Floor: WD/2R

.

03/09/2016 05:44 PM

.

.

Senator Soto moved the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Utility Cost Containment Bond Act.—

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

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

(a) “Authority” means any county or municipal entity,
special district, single or multipurpose public authority, or
separate legal entity created under s. 163.01(7)(g), Florida



410530

12 Statutes, which provides public utility services. The term
13 includes any successor to the powers and functions of such an
14 authority providing public utility services.

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

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

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

26 3. Finance charges;

27 4. Interest, as determined by the authority;

28 5. Provisions for working capital and debt service
29 reserves;

30 6. Expenses for extensions, enlargements, additions,
31 replacements, renovations, and improvements;

32 7. Expenses for architectural, engineering, financial,
33 accounting, and legal services, plans, specifications,
34 estimates, and administration; or

35 8. Any other expenses necessary or incidental to
36 determining the feasibility of constructing a utility project or
37 incidental to the construction, acquisition, or financing of a
38 utility project.

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



410530

- 41 (d) "Finance" or "financing" includes refinancing.
- 42 (e) "Financing cost" means:
- 43 1. Interest and redemption premiums that are payable on
44 utility cost containment bonds;
- 45 2. The cost of retiring the principal of utility cost
46 containment bonds, whether at maturity, including acceleration
47 of maturity upon an event of default, or upon redemption,
48 including sinking fund redemption;
- 49 3. The cost related to issuing or servicing utility cost
50 containment bonds, including any payment under an interest rate
51 swap agreement and any type of fee;
- 52 4. A payment or expense associated with a bond insurance
53 policy; financial guaranty; contract, agreement, or other credit
54 or liquidity enhancement for bonds; or contract, agreement, or
55 other financial agreement entered into in connection with
56 utility cost containment bonds;
- 57 5. Any coverage charges; or
- 58 6. The funding of one or more reserve accounts relating to
59 utility cost containment bonds.
- 60 (f) "Financing resolution" means a resolution adopted by
61 the governing body of an authority that provides for the
62 financing or refinancing of a utility project with utility cost
63 containment bonds and that imposes a utility project charge in
64 connection with the utility cost containment bonds in accordance
65 with subsection (4). A financing resolution may be separate from
66 a resolution authorizing the issuance of the bonds.
- 67 (g) "Governing body" means the body that governs a local
68 agency.
- 69 (h) "Local agency" means a member of a separate legal



410530

70 entity created under s. 163.01(7)(g), Florida Statutes, or an
71 agency or subdivision of that member, which is sponsoring or
72 refinancing a utility project; any municipality, county,
73 authority, special district, public corporation, or regional
74 water authority; or any other governmental entity of the state
75 which is sponsoring or refinancing a utility project.

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

80 (j) "Public utility services" means water or wastewater
81 services provided by a publicly owned utility. The term does not
82 include communications services, as defined in s. 202.11,
83 Florida Statutes, Internet access services, or information
84 services.

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

- 88 1. Bond purchase agreements;
- 89 2. Bonds acquired by the authority;
- 90 3. Installment sales agreements and other revenue-producing
91 agreements entered into by the authority;
- 92 4. Utility projects financed or refinanced by the
93 authority;
- 94 5. Grants and other sources of income;
- 95 6. Moneys paid by a local agency;
- 96 7. Interlocal agreements with a local agency, including all
97 service agreements; or
- 98 8. Interest or other income from any investment of money in



410530

99 any fund or account established for the payment of principal,
100 interest, or premiums on utility cost containment bonds, or the
101 deposit of proceeds of utility cost containment bonds.

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

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

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

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

125 1. The financing resolution, the utility project charge,
126 and any adjustment to the utility project charge established in
127 accordance with subsection (5);



410530

128 2. The financing costs of the utility cost containment
129 bonds and all revenues, and all collections, claims, payments,
130 moneys, or proceeds for, or arising from, the utility project
131 charge; or

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

134 (3) UTILITY PROJECTS.-

135 (a) A local agency that owns and operates a publicly owned
136 utility may apply to an authority to finance the costs of a
137 utility project using the proceeds of utility cost containment
138 bonds. In its application to the authority, the local agency
139 shall specify the utility project to be financed by the utility
140 cost containment bonds and the maximum principal amount, the
141 maximum interest rate, and the maximum stated terms of the
142 utility cost containment bonds.

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

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

148 2. The local agency will finance costs of the utility
149 project, and the costs associated with the financing will be
150 paid from utility project property, including the utility
151 project charge for the utility cost containment bonds.

152 3. Based on the best information available to the governing
153 body, the rates charged to the local agency's retail customers
154 by the publicly owned utility, including the utility project
155 charge resulting from the financing of the utility project with
156 utility cost containment bonds, are expected to be lower than



410530

157 the rates that would be charged if the project were financed
158 with bonds payable from revenues of the publicly owned utility.

159 (c) A determination by the governing body that a project to
160 be financed with utility cost containment bonds is a utility
161 project is final and conclusive, and the utility cost
162 containment bonds issued to finance the utility project and the
163 utility project charge are valid and enforceable as set forth in
164 the financing resolution and the documents relating to the
165 utility cost containment bonds.

166 (d) If a local agency that has outstanding utility cost
167 containment bonds ceases to operate a water or wastewater
168 utility, directly or through its publicly owned utility,
169 references in this section to the local agency or to its
170 publicly owned utility must be to the successor entity. The
171 successor entity shall assume and perform all obligations of the
172 local agency and its publicly owned utility required by this
173 section and shall assume the servicing agreement required under
174 subsection (4) while the utility cost containment bonds remain
175 outstanding.

176 (4) FINANCING UTILITY PROJECTS.—

177 (a) An authority may issue utility cost containment bonds
178 to finance or refinance utility projects; refinance debt of a
179 local agency incurred in financing or refinancing utility
180 projects, provided such refinancing results in present value
181 savings to the local agency; or, with the approval of the local
182 agency, refinance previously issued utility cost containment
183 bonds.

184 1. To finance a utility project, the authority may:
185 a. Form a single-purpose limited liability company and



410530

186 authorize the company to adopt the financing resolution of such
187 utility project; or

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

192 2. A single-purpose limited liability company or a single-
193 purpose entity may be created by the authority solely for the
194 purpose of performing the duties and responsibilities of the
195 authority specified in this section and constitutes an authority
196 for all purposes of this section. Reference to the authority
197 includes a company or entity created under this paragraph.

198 (b) The governing body of an authority that is financing
199 the costs of a utility project shall adopt a financing
200 resolution and shall impose a utility project charge as
201 described in subsection (5). All provisions of a financing
202 resolution adopted pursuant to this section are binding on the
203 authority.

204 1. The financing resolution must:

205 a. Provide a brief description of the financial calculation
206 method the authority will use in determining the utility project
207 charge. The calculation method must include a periodic
208 adjustment methodology to be applied at least annually to the
209 utility project charge. The authority shall establish the
210 allocation of the utility project charge among classes of
211 customers of the publicly owned utility. The decision of the
212 authority is final and conclusive, and the method of calculating
213 the utility project charge and the periodic adjustment may not
214 be changed;



410530

215 b. Require each customer in the class or classes of
216 customers specified in the financing resolution who receives
217 water or wastewater service through the publicly owned utility
218 to pay the utility project charge regardless of whether the
219 customer has an agreement to receive water or wastewater service
220 from a person other than the publicly owned utility;

221 c. Require that the utility project charge be charged
222 separately from other charges on the bill of customers of the
223 publicly owned utility in the class or classes of customers
224 specified in the financing resolution; and

225 d. Require that the authority enter into a servicing
226 agreement with the local agency or its publicly owned utility to
227 collect the utility project charge.

228 2. The authority may require in the financing resolution
229 that, in the event of a default by the local agency or its
230 publicly owned utility with respect to revenues from the utility
231 project property, the authority, upon application by the
232 beneficiaries of the statutory lien as set forth in subsection
233 (6), shall order the sequestration and payment to the
234 beneficiaries of revenues arising from utility project property.
235 This subparagraph does not limit any other remedies available to
236 the beneficiaries by reason of default.

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

239 (d) Each authority may work with local agencies that
240 request assistance to determine the most cost-effective manner
241 of financing regional water projects. If these entities
242 determine that the issuance of utility cost containment bonds
243 will result in lower financing costs for a project, the



410530

244 authority may cooperate with such local agencies and, if
245 requested by the local agencies, issue utility cost containment
246 bonds as provided in this section.

247 (5) UTILITY PROJECT CHARGE.-

248 (a) The authority shall impose a sufficient utility project
249 charge, based on estimates of water or wastewater service usage,
250 to ensure timely payment of all financing costs with respect to
251 utility cost containment bonds. The local agency or its publicly
252 owned utility shall provide the authority with information
253 concerning the publicly owned utility which may be required by
254 the authority in establishing the utility project charge.

255 (b) The utility project charge is a nonbypassable charge to
256 all present and future customers of the publicly owned utility
257 in the class or classes of customers specified in the financing
258 resolution upon its adoption. If the regulatory structure for
259 the water or wastewater industry changes in a manner that
260 authorizes a customer to choose to take service from an
261 alternative supplier and the customer chooses an alternative
262 supplier, the customer remains liable for paying the utility
263 project charge if the customer continues to receive any service
264 from the publicly owned utility for the transmission,
265 distribution, processing, delivery, or metering of the
266 underlying water or wastewater service.

267 (c) The authority shall determine at least annually and at
268 such additional intervals as provided in the financing
269 resolution and documents related to the applicable utility cost
270 containment bonds whether adjustments to the utility project
271 charge are required. The authority shall use the adjustment to
272 correct for any overcollection or undercollection of financing



410530

273 costs from the utility project charge or to make any other
274 adjustment necessary to ensure the timely payment of the
275 financing costs of the utility cost containment bonds, including
276 adjustment of the utility project charge to pay any debt service
277 coverage requirement for the utility cost containment bonds. The
278 local agency or its publicly owned utility shall provide the
279 authority with information concerning the publicly owned utility
280 which may be required by the authority in adjusting the utility
281 project charge.

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

285 2. The adjustment may not impose the utility project charge
286 on a class of customers which was not subject to the utility
287 project charge pursuant to the financing resolution imposing the
288 utility project charge.

289 (d) Revenues from a utility project charge are special
290 revenues of the authority and do not constitute revenue of the
291 local agency or its publicly owned utility for any purpose,
292 including any dedication, commitment, or pledge of revenue,
293 receipts, or other income that the local agency or its publicly
294 owned utility has made or will make for the security of any of
295 its obligations.

296 (e) The local agency or its publicly owned utility shall
297 act as a servicing agent for collecting the utility project
298 charge throughout the duration of the servicing agreement
299 required by the financing resolution. The local agency or its
300 publicly owned utility shall hold the money collected in trust
301 for the exclusive benefit of the persons entitled to have the



410530

302 financing costs paid from the utility project charge, and the
303 money does not lose its designation as revenues of the authority
304 by virtue of possession by the local agency or its publicly
305 owned utility.

306 (f) The customer must make timely and complete payment of
307 all utility project charges as a condition of receiving water or
308 wastewater service from the publicly owned utility. The local
309 agency or its publicly owned utility may use its established
310 collection policies and remedies provided under law to enforce
311 collection of the utility project charge. A customer liable for
312 a utility project charge may not withhold payment, in whole or
313 in part, thereof.

314 (g) The pledge of a utility project charge to secure
315 payment of utility cost containment bonds is irrevocable, and
316 the state, or any other entity, may not reduce, impair, or
317 otherwise adjust the utility project charge, except that the
318 authority shall implement the periodic adjustments to the
319 utility project charge as provided under this subsection.

320 (6) UTILITY PROJECT PROPERTY.—

321 (a) A utility project charge constitutes utility project
322 property on the effective date of the financing resolution
323 authorizing such utility project charge. Utility project
324 property constitutes property, including contracts for securing
325 utility cost containment bonds, regardless of whether the
326 revenues and proceeds arising with respect to the utility
327 project property have accrued. Utility project property shall
328 continuously exist as property for all purposes with all of the
329 rights and privileges of this section through the end of the
330 period provided in the financing resolution or until all



410530

331 financing costs with respect to the related utility cost
332 containment bonds are paid in full, whichever occurs first.

333 (b) Upon the effective date of the financing resolution,
334 the utility project property is subject to a first-priority
335 statutory lien to secure the payment of the utility cost
336 containment bonds.

337 1. The lien secures the payment of all financing costs then
338 existing or subsequently arising to the holders of the utility
339 cost containment bonds, the trustees or representatives of the
340 holders of the utility cost containment bonds, and any other
341 entity specified in the financing resolution or the documents
342 relating to the utility cost containment bonds.

343 2. The lien attaches to the utility project property
344 regardless of the current ownership of the utility project
345 property, including any local agency or its publicly owned
346 utility, the authority, or any other person.

347 3. Upon the effective date of the financing resolution, the
348 lien is valid and enforceable against the owner of the utility
349 project property and all third parties, and additional public
350 notice is not required.

351 4. The lien is a continuously perfected lien on all
352 revenues and proceeds generated from the utility project
353 property regardless of whether the revenues or proceeds have
354 accrued.

355 (c) All revenues with respect to utility project property
356 related to utility cost containment bonds, including payments of
357 the utility project charge, shall be applied first to the
358 payment of the financing costs of the utility cost containment
359 bonds then due, including the funding of reserves for the



410530

360 utility cost containment bonds. Any excess revenues shall be
361 applied as determined by the authority for the benefit of the
362 utility for which the utility cost containment bonds were
363 issued.

364 (7) UTILITY COST CONTAINMENT BONDS.—

365 (a) Utility cost containment bonds shall be issued within
366 the parameters of the financing provided by the authority
367 pursuant to this section. The proceeds of the utility cost
368 containment bonds made available to the local agency or its
369 publicly owned utility shall be used for the utility project
370 identified in the application for financing of the utility
371 project or used to refinance indebtedness of the local agency
372 which financed or refinanced utility projects.

373 (b) Utility cost containment bonds shall be issued as set
374 forth in this section and s. 163.01(7)(g)8., Florida Statutes,
375 and may be validated pursuant to s. 163.01(7)(g)9., Florida
376 Statutes.

377 (c) The authority shall pledge the utility project property
378 as security for the payment of the utility cost containment
379 bonds. All rights of an authority with respect to utility
380 project property pledged as security for the payment of utility
381 cost containment bonds shall be for the benefit of, and
382 enforceable by, the beneficiaries of the pledge to the extent
383 provided in the financing documents relating to the utility cost
384 containment bonds.

385 1. If utility project property is pledged as security for
386 the payment of utility cost containment bonds, the local agency
387 or its publicly owned utility shall enter into a contract with
388 the authority which requires, at a minimum, that the publicly



410530

389 owned utility:

390 a. Continue to operate its publicly owned utility,
391 including the utility project that is being financed or
392 refinanced;

393 b. Collect the utility project charge from customers for
394 the benefit and account of the authority and the beneficiaries
395 of the pledge of the utility project charge; and

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

398 2. The pledge of a utility project charge to secure payment
399 of utility cost containment bonds is irrevocable, and the state
400 or any other entity may not reduce, impair, or otherwise adjust
401 the utility project charge, except that the authority shall
402 implement periodic adjustments to the utility project charge as
403 provided under subsection (5).

404 (d) Utility cost containment bonds shall be nonrecourse to
405 the credit or any assets of the local agency or the publicly
406 owned utility but are payable from, and secured by a pledge of
407 the utility project property relating to the utility cost
408 containment bonds and any additional security or credit
409 enhancement specified in the documents relating to the utility
410 cost containment bonds. If, pursuant to subsection (4), the
411 authority is financing the project through a single-purpose
412 limited liability company, the utility cost containment bonds
413 shall be payable from, and secured by, a pledge of amounts paid
414 by the company to the authority from the applicable utility
415 project property. This paragraph is the exclusive method of
416 perfecting a pledge of utility project property by the company
417 securing the payment of financing costs under any agreement of



410530

418 the company in connection with the issuance of utility cost
419 containment bonds.

420 (e) The issuance of utility cost containment bonds does not
421 obligate the state or any political subdivision thereof to levy
422 or to pledge any form of taxation to pay the utility cost
423 containment bonds or to make any appropriation for their
424 payment. Each utility cost containment bond must contain on its
425 face a statement in substantially the following form:

426
427 "Neither the full faith and credit nor the taxing power of the
428 State of Florida or any political subdivision thereof is pledged
429 to the payment of the principal of, or interest on, this bond."

430
431 (f) Notwithstanding any other law or this section, a
432 financing resolution or other resolution of the authority, or
433 documents relating to utility cost containment bonds, the
434 authority may not rescind, alter, or amend any resolution or
435 document that pledges utility cost charges for payment of
436 utility cost containment bonds.

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

443 (h) Financing costs in connection with utility cost
444 containment bonds are a special obligation of the authority and
445 do not constitute a liability of the state or any political
446 subdivision thereof. Financing costs are not a pledge of the



410530

447 full faith and credit of the state or any political subdivision
448 thereof, including the authority, but are payable solely from
449 the funds identified in the documents relating to the utility
450 cost containment bonds. This paragraph does not preclude
451 guarantees or credit enhancements in connection with utility
452 cost containment bonds.

453 (i) Except as otherwise provided in this section with
454 respect to adjustments to a utility project charge, the recovery
455 of the financing costs for the utility cost containment bonds
456 from the utility project charge is irrevocable, and the
457 authority does not have the power, by rescinding, altering, or
458 amending the applicable financing resolution, to revalue or
459 revise for ratemaking purposes the financing costs of utility
460 cost containment bonds; to determine that the financing costs
461 for the related utility cost containment bonds or the utility
462 project charge is unjust or unreasonable; or to in any way,
463 either directly or indirectly, reduce or impair the value of
464 utility project property that includes the utility project
465 charge. The amount of revenues arising with respect to the
466 financing costs for the related utility cost containment bonds
467 or the utility project charge is not subject to reduction,
468 impairment, postponement, or termination for any reason until
469 all financing costs to be paid from the utility project charge
470 are fully met and discharged.

471 (j) Except as provided in subsection (5) with respect to
472 adjustments to a utility project charge, the state pledges and
473 agrees with the owners of utility cost containment bonds that
474 the state may not limit or alter the financing costs or the
475 utility project property, including the utility project charge,



410530

476 relating to the utility cost containment bonds, or any rights
477 related to the utility project property, until all financing
478 costs with respect to the utility cost containment bonds are
479 fully met and discharged. This paragraph does not preclude
480 limitation or alteration if adequate provision is made by law to
481 protect the owners. The authority may include the state's pledge
482 in the governing documents for utility cost containment bonds.

483 (8) LIMITATION ON DEBT RELIEF.—Notwithstanding any other
484 law, an authority that issued utility cost containment bonds may
485 not, and a governmental officer or organization may not
486 authorize the authority to, become a debtor under the United
487 States Bankruptcy Code or become the subject of any similar case
488 or proceeding under any other state or federal law if any
489 payment obligation from utility project property remains with
490 respect to the utility cost containment bonds.

491 (9) CONSTRUCTION.—This section and s. 163.01(7)(g), Florida
492 Statutes:

493 (a) May not be deemed exclusive or to otherwise preclude
494 the concurrent provision of funding and financing of any utility
495 project or other qualifying improvements authorized by law or by
496 interlocal agreement.

497 (b) May not be construed to preclude any general or special
498 purpose local government or separate legal entity from funding
499 or financing any utility project or otherwise qualifying
500 improvements within the bounds of any general or special purpose
501 local government.

502
503 This section and all grants of power and authority in this
504 section shall be liberally construed to effectuate their



410530

505 purposes. All incidental powers necessary to carry this section
506 into effect are expressly granted to, and conferred upon, public
507 entities.

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

509

510 ===== T I T L E A M E N D M E N T =====

511 And the title is amended as follows:

512 Delete everything before the enacting clause
513 and insert:

514 A bill to be entitled
515 An act relating to utility projects; providing a short
516 title; defining terms; authorizing certain local
517 governmental entities to finance the costs of a
518 utility project by issuing utility cost containment
519 bonds upon application by a local agency; specifying
520 application requirements; requiring a successor entity
521 of a local agency to assume and perform the
522 obligations of the local agency with respect to the
523 financing of a utility project; providing procedures
524 for local agencies to use when applying to finance a
525 utility project using utility cost containment bonds;
526 authorizing an authority to issue utility cost
527 containment bonds for specified purposes related to
528 utility projects; authorizing an authority to form
529 alternate entities to finance utility projects;
530 requiring the governing body of the authority to adopt
531 a financing resolution and impose a utility project
532 charge on customers of a publicly owned utility as a
533 condition of utility project financing; specifying



410530

534 required and optional provisions of the financing
535 resolution; specifying powers of the authority;
536 requiring the local agency or its publicly owned
537 utility to assist the authority in the establishment
538 or adjustment of the utility project charge; requiring
539 that customers of the public utility specified in the
540 financing resolution pay the utility project charge;
541 providing for adjustment of the utility project
542 charge; establishing ownership of the revenues of the
543 utility project charge; requiring the local agency or
544 its publicly owned utility to collect the utility
545 project charge; conditioning a customer's receipt of
546 public utility services on payment of the utility
547 project charge; authorizing a local agency or its
548 publicly owned utility to use available remedies to
549 enforce collection of the utility project charge;
550 providing that the pledge of the utility project
551 charge to secure payment of bonds issued to finance
552 the utility project is irrevocable and cannot be
553 reduced or impaired except under certain conditions;
554 providing that a utility project charge constitutes
555 utility project property; providing that utility
556 project property is subject to a lien to secure
557 payment of costs relating to utility cost containment
558 bonds; establishing payment priorities for the use of
559 revenues of the utility project property; providing
560 for the issuance and validation of utility cost
561 containment bonds; securing the payment of utility
562 cost containment bonds and related costs; providing



410530

563 that utility cost containment bonds do not obligate
564 the state or any political subdivision and are not
565 backed by their full faith and credit and taxing
566 power; requiring that certain disclosures be printed
567 on utility cost containment bonds; providing that
568 financing costs related to utility cost containment
569 bonds are an obligation of the authority only;
570 providing limitations on the state's ability to alter
571 financing costs or utility project property under
572 certain circumstances; prohibiting an authority with
573 outstanding payment obligations on utility cost
574 containment bonds from becoming a debtor under certain
575 federal or state laws; providing for construction;
576 endowing public entities with certain powers;
577 providing an effective date.