

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  
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  
 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  
 78 of 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;

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  
 102 wastewater 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  
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.

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-  
 152 producing 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  
158 all service agreements; or

159 8. Interest or other income from any investment of money  
160 in 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  
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.

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

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

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

235 section and shall assume the servicing agreement required under  
236 subsection (4) while the utility cost containment bonds remain  
237 outstanding.

238 (4) FINANCING UTILITY PROJECTS.—

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

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

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

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

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

260 (b) The governing body of an authority that is financing

261 the costs of a utility project shall adopt a financing  
262 resolution and shall impose a utility project charge as  
263 described in subsection (5). All provisions of a financing  
264 resolution adopted pursuant to this section are binding on the  
265 authority.

266 1. The financing resolution must:

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

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

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

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

290 2. The authority may require in the financing resolution  
291 that, in the event of a default by the local agency or its  
292 publicly owned utility with respect to revenues from the utility  
293 project property, the authority, upon application by the  
294 beneficiaries of the statutory lien as set forth in subsection  
295 (6), shall order the sequestration and payment to the  
296 beneficiaries of revenues arising from utility project property.  
297 This subparagraph does not limit any other remedies available to  
298 the beneficiaries by reason of default.

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

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

309 (5) UTILITY PROJECT CHARGE.—

310 (a) The authority shall impose a sufficient utility  
311 project charge, based on estimates of water or wastewater  
312 service usage, to ensure timely payment of all financing costs

313 with respect to utility cost containment bonds. The local agency  
314 or its publicly owned utility shall provide the authority with  
315 information concerning the publicly owned utility which may be  
316 required by the authority in establishing the utility project  
317 charge.

318 (b) The utility project charge is a nonbypassable charge  
319 to all present and future customers of the publicly owned  
320 utility in the class or classes of customers specified in the  
321 financing resolution upon its adoption. If the regulatory  
322 structure for the water or wastewater industry changes in a  
323 manner that authorizes a customer to choose to take service from  
324 an alternative supplier and the customer chooses an alternative  
325 supplier, the customer remains liable for paying the utility  
326 project charge if the customer continues to receive any service  
327 from the publicly owned utility for the transmission,  
328 distribution, processing, delivery, or metering of the  
329 underlying water or wastewater service.

330 (c) The authority shall determine at least annually and at  
331 such additional intervals as provided in the financing  
332 resolution and documents related to the applicable utility cost  
333 containment bonds whether adjustments to the utility project  
334 charge are required. The authority shall use the adjustment to  
335 correct for any overcollection or undercollection of financing  
336 costs from the utility project charge or to make any other  
337 adjustment necessary to ensure the timely payment of the  
338 financing costs of the utility cost containment bonds, including

339 adjustment of the utility project charge to pay any debt service  
340 coverage requirement for the utility cost containment bonds. The  
341 local agency or its publicly owned utility shall provide the  
342 authority with information concerning the publicly owned utility  
343 which may be required by the authority in adjusting the utility  
344 project charge.

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

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

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

359 (e) The local agency or its publicly owned utility shall  
360 act as a servicing agent for collecting the utility project  
361 charge throughout the duration of the servicing agreement  
362 required by the financing resolution. The local agency or its  
363 publicly owned utility shall hold the money collected in trust  
364 for the exclusive benefit of the persons entitled to have the

365 financing costs paid from the utility project charge, and the  
366 money does not lose its designation as revenues of the authority  
367 by virtue of possession by the local agency or its publicly  
368 owned utility.

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

377 (g) The pledge of a utility project charge to secure  
378 payment of utility cost containment bonds is irrevocable, and  
379 the state, or any other entity, may not reduce, impair, or  
380 otherwise adjust the utility project charge, except that the  
381 authority shall implement the periodic adjustments to the  
382 utility project charge as provided under this subsection.

383 (6) UTILITY PROJECT PROPERTY.—

384 (a) A utility project charge constitutes utility project  
385 property on the effective date of the financing resolution  
386 authorizing such utility project charge. Utility project  
387 property constitutes property, including contracts for securing  
388 utility cost containment bonds, regardless of whether the  
389 revenues and proceeds arising with respect to the utility  
390 project property have accrued. Utility project property shall

391 continuously exist as property for all purposes with all of the  
392 rights and privileges of this section through the end of the  
393 period provided in the financing resolution or until all  
394 financing costs with respect to the related utility cost  
395 containment bonds are paid in full, whichever occurs first.

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

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

406 2. The lien attaches to the utility project property  
407 regardless of the current ownership of the utility project  
408 property, including any local agency or its publicly owned  
409 utility, the authority, or any other person.

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

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



417 accrued.

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

427 (7) UTILITY COST CONTAINMENT BONDS.—

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

436 (b) Utility cost containment bonds shall be issued as set  
437 forth in this section and s. 163.01(7)(g)8., Florida Statutes,  
438 and may be validated pursuant to s. 163.01(7)(g)9., Florida  
439 Statutes.

440 (c) The authority shall pledge the utility project  
441 property as security for the payment of the utility cost  
442 containment bonds. All rights of an authority with respect to

443 utility project property pledged as security for the payment of  
444 utility cost containment bonds shall be for the benefit of, and  
445 enforceable by, the beneficiaries of the pledge to the extent  
446 provided in the financing documents relating to the utility cost  
447 containment bonds.

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

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

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

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

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

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

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

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

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

493  
494 (f) Notwithstanding any other law or this section, a

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

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

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

516 (i) Except as otherwise provided in this section with  
517 respect to adjustments to a utility project charge, the recovery  
518 of the financing costs for the utility cost containment bonds  
519 from the utility project charge is irrevocable, and the  
520 authority does not have the power, by rescinding, altering, or

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

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

546 (8) LIMITATION ON DEBT RELIEF.—Notwithstanding any other

547 law, an authority that issued utility cost containment bonds may  
548 not, and a governmental officer or organization may not  
549 authorize the authority to, become a debtor under the United  
550 States Bankruptcy Code or become the subject of any similar case  
551 or proceeding under any other state or federal law if any  
552 payment obligation from utility project property remains with  
553 respect to the utility cost containment bonds.

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

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