

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; providing definitions; authorizing certain  
4       local government entities to finance the cost of a  
5       utility project by issuing utility cost containment  
6       bonds upon application by a local agency; specifying  
7       application requirements; requiring any successor  
8       entity 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; authorizing an  
11      authority to issue utility cost containment bonds for  
12      specified purposes related to utility projects;  
13      authorizing an authority to form alternate entities to  
14      finance utility projects; requiring the governing body  
15      of the authority to adopt a financing resolution and  
16      impose a utility project charge on customers of a  
17      publicly owned utility as a condition of utility  
18      project financing; specifying required and optional  
19      provisions of the financing resolution; specifying  
20      powers of the authority; requiring the local agency or  
21      its publicly owned utility to assist the authority in  
22      the establishment or adjustment of the utility project  
23      charge; requiring that customers of the public utility  
24      specified in the financing resolution pay the utility  
25      project charge; providing for adjustment of the  
26      utility project charge; establishing ownership of the  
27      revenues of the utility project charge; requiring the  
28      local agency or its publicly owned utility to collect  
29      the utility project charge; conditioning a customer's

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

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59 federal or state laws; providing for construction;  
 60 endowing public entities with certain powers;  
 61 providing an effective date.

62  
 63 Be It Enacted by the Legislature of the State of Florida:

64  
 65 Section 1. Utility Cost Containment Bond Act.-

66 (1) SHORT TITLE.-This section may be cited as the "Utility  
 67 Cost Containment Bond Act."

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

69 (a) "Authority" means an entity created pursuant to s.  
 70 163.01(7)(g), Florida Statutes, which provides public utility  
 71 services and whose membership consists of at least three  
 72 counties. The term includes any successor to the powers and  
 73 functions of such an entity.

74 (b) "Cost," as applied to a utility project or a portion of  
 75 a utility project financed under this act, means:

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

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

85 3. Finance charges.

86 4. Interest, as determined by the authority.

87 5. Provisions for working capital and debt service

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88 reserves.

89 6. Expenses for extensions, enlargements, additions,  
90 replacements, renovations, and improvements.

91 7. Expenses for architectural, engineering, financial,  
92 accounting, and legal services, plans, specifications,  
93 estimates, and administration.

94 8. Any other expense necessary or incidental to determining  
95 the feasibility of constructing any utility project or  
96 incidental to the construction, acquisition, or financing of any  
97 utility project.

98 (c) "Customer" means a person receiving water, wastewater,  
99 electric, or stormwater service from a publicly owned utility.

100 (d) "Financing costs" means any of the following:

101 1. Interest and redemption premiums that are payable on  
102 utility cost containment bonds.

103 2. The cost of retiring the principal of utility cost  
104 containment bonds, whether at maturity, including acceleration  
105 of maturity upon an event of default, or upon redemption,  
106 including sinking fund redemption.

107 3. The cost related to issuing or servicing utility cost  
108 containment bonds, including any payment under an interest rate  
109 swap agreement and any type of fee.

110 4. A payment or expense associated with a bond insurance  
111 policy; financial guaranty; a contract, agreement, or other  
112 credit or liquidity enhancement for bonds; or a contract,  
113 agreement, or other financial agreement entered into in  
114 connection with utility cost containment bonds.

115 5. Any coverage charges.

116 6. The funding of one or more reserve accounts relating to

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117 utility cost containment bonds.

118 (e) "Finance" or "financing" includes refinancing.

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

126 (g) "Governing body" means the body that governs a local  
127 agency.

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

134 (i) "Public utility services" means any of the following  
135 services provided by a publicly owned utility:

136 1. Water.

137 2. Wastewater.

138 3. Electric.

139 4. Stormwater.

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

144 (k) "Revenue" means income and receipts of the authority  
145 from any of the following:

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146       1. A bond purchase agreement.

147       2. Bonds acquired by the authority.

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

150       4. Utility projects financed or refinanced by the  
151 authority.

152       5. Grants and other sources of income.

153       6. Moneys paid by a local agency.

154       7. Interlocal agreements with a local agency.

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

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

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

172       (n) "Utility project property" means the property right  
173 created pursuant to subsection (6) including the right, title,  
174 and interest of an authority in any of the following:

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175 1. The financing resolution, the utility project charge,  
176 and any adjustment to the utility project charge established in  
177 accordance with subsection (5).

178 2. The financing costs of the utility cost containment  
179 bonds and all revenues, and all collections, claims, payments,  
180 moneys, or proceeds for, or arising from, the utility project  
181 charge.

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

184 (3) UTILITY PROJECTS.—

185 (a) A local agency that owns and operates a publicly owned  
186 utility may apply to an authority to finance the costs of a  
187 utility project using the proceeds of utility cost containment  
188 bonds. In its application to the authority, the local agency  
189 shall specify the utility project to be financed by the utility  
190 cost containment bonds and the maximum principal amount, the  
191 maximum interest rate, and the maximum stated terms of the  
192 utility cost containment bonds.

193 (b) A local agency may not apply to an authority for the  
194 financing of a utility project under this section unless the  
195 governing body has determined all of the following:

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

197 2. The local agency will finance costs of the utility  
198 project and the financing costs associated with the financing  
199 will be paid from utility project property, including the  
200 utility project charge for the utility cost containment bonds.

201 3. Based on the best information available to the governing  
202 body, the rates charged to the local agency's retail customers  
203 by the publicly owned utility, including the utility project

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204 charge resulting from the financing of the utility project with  
205 utility cost containment bonds, are expected to be lower than  
206 the rates that would be charged if the project was financed with  
207 bonds payable from revenues of the publicly owned utility.

208 (c) A determination by the governing body that a project to  
209 be financed with utility cost containment bonds is a utility  
210 project is final and conclusive and the utility cost containment  
211 bonds issued to finance the utility project and the utility  
212 project charge shall be valid and enforceable as set forth in  
213 the financing resolution and the documents relating to the  
214 utility cost containment bonds.

215 (d) If a local agency that has outstanding utility cost  
216 containment bonds ceases to operate a water, wastewater,  
217 electric, or stormwater utility, directly or through its  
218 publicly owned utility, references in this section to the local  
219 agency or to its publicly owned utility shall be to the  
220 successor entity. The successor entity shall assume and perform  
221 all obligations of the local agency and its publicly owned  
222 utility required by this section and shall assume the servicing  
223 agreement required under subsection (4) while the utility cost  
224 containment bonds remain outstanding.

225 (4) FINANCING UTILITY PROJECTS.-

226 (a) An authority may issue utility cost containment bonds  
227 to finance or refinance utility projects; refinance debt of a  
228 local agency incurred in financing or refinancing utility  
229 projects, provided such refinancing results in present value  
230 savings to the local agency; or, with the approval of the local  
231 agency, refinance previously issued utility cost containment  
232 bonds.



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

234 a. Form a single-purpose limited liability company and  
235 authorize the company to adopt the financing resolution of such  
236 utility project; or

237 b. Create a new single-purpose entity by interlocal  
238 agreement whose membership shall consist of the authority and  
239 two or more of its members or other public agencies.

240 2. A single-purpose limited liability company or a single-  
241 purpose entity may be created by the authority solely for the  
242 purpose of performing the duties and responsibilities of the  
243 authority specified in this section and shall constitute an  
244 authority for all purposes of this section. Reference to the  
245 authority includes a company or entity created under this  
246 paragraph.

247 (b) The governing body of an authority that is financing  
248 the costs of a utility project shall adopt a financing  
249 resolution and shall impose a utility project charge as  
250 described in subsection (5). All provisions of a financing  
251 resolution adopted pursuant to this section are binding on the  
252 authority.

253 1. The financing resolution must:

254 a. Provide a brief description of the financial calculation  
255 method the authority will use in determining the utility project  
256 charge. The calculation method shall include a periodic  
257 adjustment methodology to be applied at least annually to the  
258 utility project charge. The authority shall establish the  
259 allocation of the utility project charge among classes of  
260 customers of the publicly owned utility. The decision of the  
261 authority shall be final and conclusive, and the method of

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262 calculating the utility project charge and the periodic  
263 adjustment may not be changed.

264 b. Require each customer in the class or classes of  
265 customers specified in the financing resolution who receives  
266 water, wastewater, electric, or stormwater service through the  
267 publicly owned utility to pay the utility project charge  
268 regardless of whether the customer has an agreement to receive  
269 water, wastewater, electric, or stormwater service from a person  
270 other than the publicly owned utility.

271 c. Require that the utility project charge be charged  
272 separately from other charges on the bill of customers of the  
273 publicly owned utility in the class or classes of customers  
274 specified in the financing resolution.

275 d. Require that the authority enter into a servicing  
276 agreement with the local agency or its publicly owned utility to  
277 collect the utility project charge.

278 2. The authority may require in the financing resolution  
279 that, in the event of a default by the local agency or its  
280 publicly owned utility with respect to revenues from the utility  
281 project property, the authority, upon application by the  
282 beneficiaries of the statutory lien as set forth in subsection  
283 (6), shall order the sequestration and payment to the  
284 beneficiaries of revenues arising from utility project property.  
285 This provision does not limit any other remedies available to  
286 the beneficiaries by reason of default.

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

289 (5) UTILITY PROJECT CHARGE.—

290 (a) The authority shall impose a sufficient utility project

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291 charge, based on estimates of water, wastewater, electric, or  
292 stormwater service usage, to ensure timely payment of all  
293 financing costs with respect to utility cost containment bonds.  
294 The local agency or its publicly owned utility shall provide the  
295 authority with information concerning the publicly owned utility  
296 which may be required by the authority in establishing the  
297 utility project charge.

298 (b) The utility project charge is a nonbypassable charge to  
299 all present and future customers of the publicly owned utility  
300 in the class or classes of customers specified in the financing  
301 resolution upon its adoption. If a customer of the publicly  
302 owned utility that is subject to a utility project charge enters  
303 into an agreement to purchase water, wastewater, electric, or  
304 stormwater service from a person other than the publicly owned  
305 utility, the customer shall remain liable for the payment of the  
306 utility project charge as if the customer had not entered into  
307 the agreement. The customer may discharge the liability by  
308 continuing to pay the utility project charge as it accrues or by  
309 making a one-time payment, as determined by the authority.

310 (c) The authority shall determine at least annually and at  
311 such additional intervals as provided in the financing  
312 resolution and documents related to the applicable utility cost  
313 containment bonds whether adjustments to the utility project  
314 charge are required. The authority shall use the adjustment to  
315 correct for any overcollection or undercollection of financing  
316 costs from the utility project charge or to make any other  
317 adjustment necessary to ensure the timely payment of the  
318 financing costs of the utility cost containment bonds, including  
319 adjustment of the utility project charge to pay any debt service

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320 coverage requirement for the utility cost containment bonds. The  
321 local agency or its publicly owned utility shall provide the  
322 authority with information concerning the publicly owned utility  
323 which may be required by the authority in adjusting the utility  
324 project charge.

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

328 2. The adjustment may not impose the utility project charge  
329 on a class of customers that was not subject to the utility  
330 project charge pursuant to the financing resolution imposing the  
331 utility project charge.

332 (d) Revenues from a utility project charge are special  
333 revenues of the authority and do not constitute revenue of the  
334 local agency or its publicly owned utility for any purpose,  
335 including, but not limited to, any dedication, commitment, or  
336 pledge of revenue, receipts, or other income that the local  
337 agency or its publicly owned utility has made or will make for  
338 the security of any of its obligations.

339 (e) The local agency or its publicly owned utility shall  
340 act as a servicing agent for collecting the utility project  
341 charge throughout the duration of the servicing agreement  
342 required by the financing resolution. The local agency or its  
343 publicly owned utility shall hold the money collected in trust  
344 for the exclusive benefit of the persons entitled to have the  
345 financing costs paid from the utility project charge and the  
346 money does not lose its character as revenues of the authority  
347 by virtue of possession by the local agency or its publicly  
348 owned utility.

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349 (f) The timely and complete payment of all utility project  
350 charges by the customer shall be a condition of receiving water,  
351 wastewater, electric, or stormwater service from the publicly  
352 owned utility. The local agency or its publicly owned utility  
353 may use its established collection policies and remedies  
354 provided under law to enforce collection of the utility project  
355 charge. A customer liable for a utility project charge may not  
356 withhold payment, in whole or in part, thereof.

357 (g) The pledge of a utility project charge to secure  
358 payment of utility cost containment bonds is irrevocable, and  
359 the state, or any other entity, may not reduce, impair, or  
360 otherwise adjust the utility project charge, except that the  
361 authority shall implement the periodic adjustments to the  
362 utility project charge as provided under this subsection.

363 (6) UTILITIY PROJECT PROPERTY.—

364 (a) A utility project charge constitutes utility project  
365 property on the effective date of the financing resolution  
366 authorizing such utility project charge. Utility project  
367 property constitutes property, including for contracts securing  
368 utility cost containment bonds, regardless of whether the  
369 revenues and proceeds arising with respect to the utility  
370 project property have accrued. Utility project property shall  
371 continuously exist as property for all purposes with all of the  
372 rights and privileges of this section for the period provided in  
373 the financing resolution or until all financing costs with  
374 respect to the related utility cost containment bonds are paid  
375 in full, whichever occurs first.

376 (b) Upon the effective date of the financing resolution,  
377 the utility project property is subject to a first priority

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378 statutory lien to secure the payment of the utility cost  
379 containment bonds.

380 1. The lien secures the payment of all financing costs then  
381 existing or subsequently arising to the holders of the utility  
382 cost containment bonds, the trustee or representative for the  
383 holders of the utility cost containment bonds, and any other  
384 entity specified in the financing resolution or the documents  
385 relating to the utility cost containment bonds.

386 2. The lien attaches to the utility project property  
387 regardless of the current ownership of the utility project  
388 property, including any local agency or its publicly owned  
389 utility, the authority, or other person.

390 3. Upon the effective date of the financing resolution, the  
391 lien is valid and enforceable against the owner of the utility  
392 project property and all third parties and additional public  
393 notice is not required.

394 4. The lien is a continuously perfected lien on all  
395 revenues and proceeds generated from the utility project  
396 property, regardless of whether the revenues or proceeds have  
397 accrued.

398 (c) All revenues with respect to utility project property  
399 related to utility cost containment bonds, including payments of  
400 the utility project charge, shall be applied first to the  
401 payment of the financing costs of the utility cost containment  
402 bonds then due, including the funding of reserves for the  
403 utility cost containment bonds. Any excess revenues shall be  
404 applied as determined by the authority for the benefit of the  
405 utility for which the utility cost containment bonds were  
406 issued.

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407 (7) UTILITY COST CONTAINMENT BONDS.—

408 (a) Utility cost containment bonds shall be within the  
409 parameters of the financing provided by the authority pursuant  
410 to this section. The proceeds of the utility cost containment  
411 bonds made available to the local agency or its publicly owned  
412 utility shall be used for the utility project identified in the  
413 application for financing of the utility project or used to  
414 refinance indebtedness of the local agency which financed or  
415 refinanced utility projects.

416 (b) Utility cost containment bonds shall be issued in  
417 accordance with this section and s. 163.01(7)(g)8., Florida  
418 Statutes, and may be validated pursuant to s. 163.01(7)(g)9,  
419 Florida Statutes.

420 (c) The authority shall pledge the utility project property  
421 as security for the payment of the utility cost containment  
422 bonds. All rights of an authority with respect to utility  
423 project property pledged as security for the payment of utility  
424 cost containment bonds shall be for the benefit of, and  
425 enforceable by, the beneficiaries of the pledge to the extent  
426 provided in the financing documents relating to the utility cost  
427 containment bonds.

428 1. If utility project property is pledged as security for  
429 the payment of utility cost containment bonds, the local agency  
430 or its publicly owned utility shall enter into a contract with  
431 the authority which requires, at a minimum, that the publicly  
432 owned utility:

433 a. Continue to operate its publicly owned utility,  
434 including the utility project that is being financed or  
435 refinanced.

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436 b. Collect the utility project charge from customers for  
437 the benefit and account of the authority and the beneficiaries  
438 of the pledge of the utility project charge.

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

441 2. The pledge of a utility project charge to secure payment  
442 of utility cost containment bonds is irrevocable, and the state  
443 or any other entity may not reduce, impair, or otherwise adjust  
444 the utility project charge, except that the authority shall  
445 implement periodic adjustments to the utility project charge as  
446 provided under subsection (5).

447 (d) Utility cost containment bonds shall be nonrecourse to  
448 the credit or any assets of the local agency or the publicly  
449 owned utility but shall be payable from, and secured by a pledge  
450 of, the utility project property relating to the utility cost  
451 containment bonds and any additional security or credit  
452 enhancement specified in the documents relating to the utility  
453 cost containment bonds. If, pursuant to subsection (4), the  
454 authority is financing the project through a single-purpose  
455 limited liability company, the utility cost containment bonds  
456 shall be payable from, and secured by, a pledge of amounts paid  
457 by the company to the authority from the applicable utility  
458 project property. This provision shall be the exclusive method  
459 of perfecting a pledge of utility project property by the  
460 company securing the payment of financing costs under any  
461 agreement of the company in connection with the issuance of  
462 utility cost containment bonds.

463 (e) The issuance of utility cost containment bonds does not  
464 obligate the state or any political subdivision thereof to levy



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465 or to pledge any form of taxation to pay the utility cost  
466 containment bonds or to make any appropriation for their  
467 payment. All utility cost containment bonds must contain on  
468 their face a statement in substantially the following form:

469  
470 "Neither the full faith and credit nor the taxing power of the  
471 State of Florida or any political subdivision thereof is pledged  
472 to the payment of the principal of, or interest on, this bond."

473  
474 (f) Notwithstanding any other law or this section, a  
475 financing resolution or other resolution of the authority, or  
476 documents relating to utility cost containment bonds, the  
477 authority may not rescind, alter, or amend any resolution or  
478 document that pledges utility cost charges for payment of  
479 utility cost containment bonds.

480 (g) Subject to the terms of the pledge document created  
481 under this part, the validity and relative priority of a pledge  
482 is not defeated or adversely affected by the commingling of  
483 revenues generated by the utility project property with other  
484 funds of the local agency or the publicly owned utility  
485 collecting a utility project charge on behalf of an authority.

486 (h) Financing costs in connection with utility cost  
487 containment bonds are a special obligation of the authority and  
488 do not constitute a liability of the state or any political  
489 subdivision thereof. Financing costs are not a pledge of the  
490 full faith and credit of the state or any political subdivision  
491 thereof, including the authority, but are payable solely from  
492 the funds in the documents relating to the utility cost  
493 containment bonds. This provision does not preclude guarantees

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494 or credit enhancements in connection with utility cost  
495 containment bonds.

496 (i) Except as otherwise provided in this section with  
497 respect to adjustments to a utility project charge, the recovery  
498 of the financing costs for the utility cost containment bonds  
499 from the utility project charge shall be irrevocable and the  
500 authority does not have the power, either by rescinding,  
501 altering, or amending the applicable financing resolution, to  
502 revalue or revise for ratemaking purposes the financing costs of  
503 utility cost containment bonds; to determine that the financing  
504 costs for the related utility cost containment bonds or the  
505 utility project charge is unjust or unreasonable; or to in any  
506 way reduce or impair the value of utility project property that  
507 includes the utility project charge, either directly or  
508 indirectly. The amount of revenues arising with respect to the  
509 financing costs for the related utility cost containment bonds  
510 or the utility project charge are not subject to reduction,  
511 impairment, postponement, or termination for any reason until  
512 all financing costs to be paid from the utility project charge  
513 are fully met and discharged.

514 (j) Except as provided in subsection (5) with respect to  
515 adjustments to a utility project charge, the state does hereby  
516 pledge and agree with the owners of utility cost containment  
517 bonds that the state shall neither limit nor alter the financing  
518 costs or the utility project property, including the utility  
519 project charge, relating to the utility cost containment bonds,  
520 or any rights in, to, or under the utility project property  
521 until all financing costs with respect to the utility cost  
522 containment bonds are fully met and discharged. This paragraph

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523 does not preclude limitation or alteration if adequate provision  
524 is made by law for the protection of the owners. The authority  
525 may include this pledge by the state in the governing documents  
526 for utility cost containment bonds.

527 (8) LIMITATION ON DEBT RELIEF.—Notwithstanding any other  
528 law, an authority that issued utility cost containment bonds may  
529 not, and no governmental officer or organization shall so  
530 authorize the authority to, become a debtor under the United  
531 States Bankruptcy Code or become the subject of any similar case  
532 or proceeding under any other state or federal law if any  
533 payment obligation from utility project property remains with  
534 respect to the utility cost containment bonds.

535 (9) CONSTRUCTION.—This section and all grants of power and  
536 authority in this section shall be liberally construed to  
537 effectuate their purposes. All incidental powers necessary to  
538 carry into effect the provisions of this section are expressly  
539 granted to, and conferred upon, public entities.

540 Section 2. This act shall take effect July 1, 2014.