

Part 3

Transfer or Liquidation of Bonds

63B-1b-301 State treasurer may sell, assign, or liquidate agency bonds -- Marketing plan required.

- (1) One or more authorizing agencies may from time to time request the state treasurer to sell, assign, or liquidate agency bonds on behalf of the authorizing agencies as provided in Section 63B-1b-302.
- (2)
 - (a) Agency bonds shall be sold, assigned, transferred, or liquidated by the state treasurer pursuant to a marketing plan provided by the state treasurer under Section 63B-1b-302.
 - (b) The governor or the governor's designee and the appropriate authorizing agency shall approve the marketing plan, in writing.

Renumbered and Amended by Chapter 382, 2008 General Session

63B-1b-302 Marketing plan and related agreements -- Use of proceeds of liquidation of agency bonds -- Report to Division of Finance -- Special funds -- Limitation on liability.

- (1)
 - (a) Before the liquidation of any agency bonds pursuant to the request of an authorizing agency as provided in Section 63B-1b-301, the state treasurer shall provide a written marketing plan to the governor or the governor's designee and the appropriate authorizing agency or agencies for written approval.
 - (b) The marketing plan may provide for:
 - (i) the terms and conditions under which the agency bonds may be sold, assigned, or liquidated by the state treasurer;
 - (ii) the particular agency bonds to be sold, assigned, or liquidated, or a maximum par amount of agency bonds to be sold, assigned, or liquidated;
 - (iii) the price or a range of prices of the agency bonds to be sold, assigned, or liquidated, which may be at, above, or below par, as the state treasurer determines in the marketing plan;
 - (iv) the terms and conditions of agreements entered into by the state treasurer on behalf of the state with financial and other institutions for financial advisory services, trustee services, insurance, letters of credit, reimbursement agreements, tender agreements, put agreements, repurchase agreements, and indexing and tender agent agreements to facilitate the marketing plan or to secure or provide liquidity to support any agreement, obligation, or contract entered into by the state treasurer on behalf of the state in connection with the sale, assignment, or liquidation of the agency bonds and any repurchase, remarketing, or other liquidation of the agency bonds and any insurance, repurchase, remarketing, tender, put, letter of credit, or agreement, obligation, or contract entered in connection with them, including payment of fees, charges, or other amounts coming due under agreements entered into with financial or other institutions by the state treasurer, from the proceeds of any sale, assignment, or other liquidation of agency bonds, and from any investment earnings on such proceeds, and no other state money may be used for this purpose;
 - (v) the application of the proceeds received from the sale, assignment, or liquidation of agency bonds, and any investment earnings on them; and

- (vi) all other details relating to the sale, assignment, or liquidation of agency bonds and any related, attached, or accompanying insurance, tender, put, repurchase, remarketing, letter of credit, or other agreement, obligation, or contract deemed necessary or appropriate by the state treasurer.
 - (c) The state treasurer, on behalf of the state, may enter into the agreements contemplated in the marketing plan.
- (2)
- (a) After the payment of, or provision for payment of, the fees, charges, or other amounts pursuant to Subsection (1), the state treasurer shall deliver the proceeds of the sale, assignment, or other liquidation of agency bonds under this section to the appropriate authorizing agency to be applied as authorized by the law creating or authorizing the loan or grant program of the authorizing agency.
 - (b)
 - (i) The marketing plan may provide that if any agreement, obligation, or contract entered into by the state treasurer on behalf of the state with respect to the sale, repurchase, remarketing, tender, put, assignment, or other liquidation of the agency bonds remains outstanding under the marketing plan, the proceeds, and investment earnings on them, may be pledged, escrowed, held in trust, or otherwise held in reserve by the state treasurer to secure these agreements, obligations, or contracts of the state treasurer entered into on behalf of the state.
 - (ii) Any obligations of the state treasurer entered into on behalf of the state under Subsection (2)(b)(i) shall be limited solely to those proceeds and the investment earnings on them.
 - (c) No holder or beneficiary of any put, tender, repurchase, remarketing, or other similar rights under such agreements, obligations, or contracts of the state treasurer entered into on behalf of the state has any rights against the state, the state treasurer or any state agency, or funds of the state, the state treasurer, or any state agency, other than those expressly set forth in the agreement or contract embodying those rights, consistent with the marketing plan and the limitation set forth in this Subsection (2).
- (3)
- (a)
 - (i) The state treasurer may establish more than one marketing plan under this section.
 - (ii) Agency bonds may be combined in any combination and sold, pledged, assigned, or otherwise liquidated in any amounts, at any time, and from time to time as provided in the applicable marketing plan.
 - (b) The state treasurer may, by order, set forth the sale price, form, manner of execution, payment, manner of sale, assignment, or other liquidation, and all details of agreements or contracts entered into in connection with them, including the application of any proceeds and the investment earnings on them, consistent with the marketing plan and this section.
 - (c) The state treasurer shall make a verified return to the Division of Finance immediately upon completion of each transaction of:
 - (i) the amount of agency bonds involved;
 - (ii) the amounts received in each transaction entered into under this section; and
 - (iii) a brief description of any pledge or other restriction on the proceeds of the transaction or the investment earnings on the proceeds.
- (4) The state treasurer may:
- (a) create any funds necessary to carry out the purposes of this section;

- (b) invest all money held in those funds in accordance with Title 51, Chapter 7, State Money Management Act, and in accordance with any agreement of the state, pursuant to the marketing plan, with respect to the investment and application of the money; and
 - (c) invest money held in the funds in obligations of any state, territory, or possession of the United States, or of any of the political subdivisions of any state, territory, or possession of the United States, or of the District of Columbia, described in Section 103, Internal Revenue Code of 1986.
- (5) The limitations contained in this section with respect to the liability of the state or its agencies may not be construed to limit or alter the obligations of political subdivisions on the bonds in the hands of the holders of them in any manner.

Renumbered and Amended by Chapter 382, 2008 General Session