

Effective 7/1/2014

Renumbered 7/1/2015

63H-7-401 Bond authorized -- Payment -- Security -- Liability -- Purpose -- Exemption from certain taxes.

- (1) The authority may:
 - (a) issue bonds from time to time for any of its corporate purposes provided in Section 63H-7-102;
 - (b) issue refunding bonds for the purpose of paying or retiring bonds previously issued by it;
 - (c) issue bonds on which the principal and interest are payable:
 - (i) exclusively from the income, purchase or lease payments, and revenues of all or a portion of the communications network; or
 - (ii) from its revenues generally.
- (2) Any bonds issued by the authority may be additionally secured by a pledge of any loan, lease, grant, agreement, or contribution, in whole or in part, from the federal government or other source, or a pledge of any income or revenue of the authority.
- (3) The officers of the authority and any person executing the bonds are not liable personally on the bonds.
- (4)
 - (a) The bonds and other obligations of the authority are not a debt of any member or state representative of the authority, and do not constitute indebtedness for purposes of any constitutional or statutory debt limitation or restrictions.
 - (b) The face of the bonds and other obligations shall state the provisions of Subsection (4)(a).
- (5) Any bonds of the authority shall be revenue obligations, payable solely from the proceeds, revenues, or purchase and lease payments received by the authority for the communications network.
- (6) The full faith and credit of any member or state representative may not be pledged directly or indirectly for the payment of the bonds.
- (7) A member or state representative may not incur any pecuniary liability under this chapter until it enters into a service contract, lease, or other financing obligation with the authority. Once a member enters into a service contract, lease, or other financing obligation with the authority, the member shall be obligated to the authority as provided in that contract, lease, or financing obligation.
- (8) A bond or obligation may not be made payable out of any funds or properties other than those of the authority.
- (9) Bonds of the authority are:
 - (a) declared to be issued for an essential public and governmental purpose by public instrumentalities; and
 - (b) together with interest and income, exempt from all taxes, except the corporate franchise tax.
- (10) The provisions of this chapter exempting the properties of the authority and its bonds and interest and income on them from taxation shall be considered part of the contract for the security of bonds and have the force of contract, by virtue of this part and without the necessity of this being restated in the bonds, between the bondholders, including all transferees of the bonds, the authority and the state.