

57 other obligations issued by the interlocal entity; and

58 (I) sell or contract for the sale of the services, output, product, or other benefits
59 provided by the interlocal entity to:

60 (I) public agencies inside or outside the state; and

61 (II) with respect to any excess services, output, product, or benefits, any person on
62 terms that the interlocal entity considers to be in the best interest of the public agencies that are
63 parties to the agreement creating the interlocal entity; and

64 [(ii)] (iii) may not levy, assess, or collect ad valorem property taxes.

65 (b) An assignment, pledge, or other conveyance under Subsection (1)(a)[(i)](ii)(G)
66 may, to the extent provided by the documents under which the assignment, pledge, or other
67 conveyance is made, rank prior in right to any other obligation except taxes or payments in lieu
68 of taxes payable to the state or its political subdivisions.

69 (c) (i) ~~Ĥ→~~ (A) ~~[An]~~ **Except as provided in Subsection (1)(c)(i)(B), an ~~←Ĥ~~ interlocal**
69a **entity is subject to each ~~Ĥ→~~ state ~~←Ĥ~~ law that governs each public agency that is**
70 **a member of the entity ~~Ĥ→~~ to the extent that the law governs an activity or action of the public**
70a **agency in which the interlocal entity is also engaged.**

70b **(B) Subsection (1)(c)(i)(A) does not apply if an interlocal entity is expressly exempt from**
70c **the law ~~←Ĥ~~ .**

70d ~~Ĥ→~~ (C) **A law described in Subsection (1)(c)(i)(A) does not include a local ordinance or**
70e **other local law. ~~←Ĥ~~**

71 (ii) If a ~~Ĥ→~~ state ~~←Ĥ~~ law that governs a public agency that is a member of the
71a interlocal entity
72 conflicts with a ~~Ĥ→~~ state ~~←Ĥ~~ law that governs another member entity, ~~Ŝ→~~ **[the most restrictive**
72a **~~Ĥ→~~ state ~~←Ĥ~~ law governs.] the interlocal entity shall choose and comply with one of the**
72b **conflicting state laws ~~←Ŝ~~**

73 (iii) (A) If a public agency that is a member of the interlocal entity is an institution of
74 higher education, the interlocal entity shall adopt the policies of the Board of Regents.

75 (B) If a policy of the Board of Regents adopted by an interlocal entity in accordance
76 with Subsection (1)(c)(iii)(A) conflicts with a ~~Ĥ→~~ state ~~←Ĥ~~ law that governs a public agency
76a that is a
77 member entity, the ~~Ĥ→~~ state ~~←Ĥ~~ law governs.

78 (2) An energy services interlocal entity:

79 (a) except with respect to any ownership interest it has in facilities providing additional
80 project capacity, is not subject to:

81 (i) Part 3, Project Entity Provisions; or