

Effective 5/10/2016

17C-1-507 Obligee rights -- Board may confer other rights.

- (1) In addition to all other rights that are conferred on an obligee of a bond issued by an agency under this part and subject to contractual restrictions binding on the obligee, an obligee may:
- (a) by mandamus, suit, action, or other proceeding, compel an agency and the agency's board, officers, agents, or employees to perform every term, provision, and covenant contained in any contract of the agency with or for the benefit of the obligee, and require the agency to carry out the covenants and agreements of the agency and to fulfill all duties imposed on the agency by this part; and
 - (b) by suit, action, or other proceeding, enjoin any acts or things that may be unlawful or violate the rights of the obligee.
- (2)
- (a) In a board resolution authorizing the issuance of a bond or in a trust indenture, mortgage, lease, or other contract, a board may confer upon an obligee holding or representing a specified amount in bonds, the rights described in Subsection (2)(b), to accrue upon the happening of an event or default prescribed in the resolution, indenture, mortgage, lease, or other contract, and to be exercised by suit, action, or proceeding in any court of competent jurisdiction.
 - (b)
 - (i) The rights that the board may confer under Subsection (2)(a) are the rights to:
 - (A) cause possession of all or part of the project area development to be surrendered to an obligee;
 - (B) obtain the appointment of a receiver of all or part of an agency's project area development and of the rents and profits from the project area development; and
 - (C) require the agency and the board and employees to account as if the agency and the board and employees were the trustees of an express trust.
 - (ii) If a receiver is appointed through the exercise of a right granted under Subsection (2)(b)(i) (B), the receiver:
 - (A) may enter and take possession of the project area development or any part of the project area development, operate and maintain the project area development, and collect and receive all fees, rents, revenues, or other charges arising from the project area development after the receiver's appointment; and
 - (B) shall keep money collected as receiver for the agency in a separate account and apply the money pursuant to the agency obligations as the court directs.

Amended by Chapter 350, 2016 General Session