

Effective 5/10/2016

63H-6-203 Sources from which a corporation bond may be made payable -- Corporation powers regarding corporation bond.

- (1) The principal and interest on a corporation bond may be made payable from the income and revenues of the corporation.
- (2) In connection with the issuance of a corporation bond, the corporation may:
 - (a) pledge all or any part of the corporation's gross or net revenues to which the corporation:
 - (i) has a right that exists at issuance of the corporation bond; or
 - (ii) may have a right that comes into existence after issuance of the corporation bond; and
 - (b) make any covenant or perform any act calculated to make the bond more marketable.
- (3) A member of the board or other person executing a corporation bond is not liable personally on the corporation bond.
- (4)
 - (a) A corporation bond:
 - (i) is not a general obligation or liability of the state or any of the state's political subdivisions; and
 - (ii) does not constitute a charge against the general credit or taxing powers of the state or any of the state's political subdivisions.
 - (b) A corporation bond is not payable out of money or properties other than those of the corporation pledged for the payment of the bond.
 - (c) A community, the state, or a political subdivision of the state may not be liable on a corporation bond.
 - (d) A corporation bond does not constitute indebtedness within the meaning of a constitutional or statutory debt limitation.
- (5) A corporation bond is fully negotiable.
- (6) A corporation bond is:
 - (a) issued for an essential public and governmental purpose; and
 - (b) together with interest on the corporation bond and income from the corporation bond, exempt from state taxes except the corporate franchise tax.
- (7) Nothing in this section may be construed to limit the right of an obligee to pursue a remedy for the enforcement of a pledge or lien given under this part by the corporation on the corporation's rents, fees, grants, properties, or revenues.

Enacted by Chapter 301, 2016 General Session