I Mina'Trentai Dos Na Liheslaturan Guahan

Bill Log Sheet

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
227-32 (COR)	T.C. Ada R.J. Respicio	AN ACT TO AUTHORIZE THE CREATION OF THE GUAM STREETLIGHT AUTHORITYTO ISSUE BONDS TO FINANCE THE PURCHASE AND INSTALLATION OF NEW LED STREETLIGHTS.	11/22/13 5:04 p.m.	11/25/13	Committee on General Governmental Operations and Cultural Affairs			

COMMITTEE ON RULES

I Mina'trentai Dos na Liheslaturan Guåhan • The 32nd Guam Legislature
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November 25, 2013

MEMORANDUM

To: **Rennae Meno**
Clerk of the Legislature

Attorney Therese M. Terlaje
Legislative Legal Counsel

From: **Senator Thomas C. Ada**
Acting Chairperson of the Committee on Rules

Subject: **Referral of Bill No. 227-32(COR)**

As the Acting Chairperson of the Committee on Rules, I am forwarding my referral of **Bill No. 227-32(COR)**.

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Should you have any questions, please feel free to contact our office at 472-7679.

Si Yu'os Ma'åse!

Attachment

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN

2013 (FIRST) REGULAR SESSION

Bill No. 227-32 (COR)

Introduced By:

T.C. Ada

R.J. Respicio

2013 NOV 22 PM 5:04

AN ACT TO AUTHORIZE THE CREATION OF THE GUAM STREETLIGHT AUTHORITY TO ISSUE BONDS TO FINANCE THE PURCHASE AND INSTALLATION OF NEW LED STREETLIGHTS.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent.

I Liheslaturan Guåhan finds the Guam Department of Public Works (DPW) is responsible for providing streetlights on Guam's public thoroughfares, and the Guam Power Authority (GPA) installs and provides electricity to these streetlights.

I Liheslatura further finds that based on recommendations from an energy efficiency study undertaken on behalf of GPA, the Consolidated Commission on Utilities (CCU), as governing board of GPA, and DPW have determined that it is in the best interests of GPA, DPW, and Guam's taxpayers and electric ratepayers to replace Guam's streetlights with energy-efficient LED streetlights.

I Liheslatura further finds that to replace the approximately 15,000 streetlights on Guam will require a significant investment for the initial conversion and installation. It has been determined that the issuance of revenue bonds by GPA to finance the streetlights would result in an undue burden on GPA's ratepayers, the creation of a new special-purpose governmental entity to be known as the "Guam Streetlight Authority" to issue bonds to finance the purchase and installation of the new LED streetlights would be the solution to achieving the desired objectives.

I Liheslaturan Guåhan therefore intends to approve the creation of the Guam Streetlight Authority.

Section 2. A new Chapter 82 is hereby added to Title 12 of the Guam Code Annotated, as follows:

"Chapter 82

Guam Streetlight Authority

ARTICLE I

GENERAL PROVISIONS

§ 82101. Short Title.

This Chapter may be cited as the *Guam Streetlight Authority Act.*

§ 82102. Definitions.

As used in this Chapter, the following words and phrases are defined to mean:

(a) '*Authority*' means the Guam Streetlight Authority.

(b) '*Board*' means the governing board of the Authority.

(c) '*Bonds*' means bonds, notes or other evidences of indebtedness of the Authority, issued by the Authority pursuant to this Chapter.

§ 82103. Guam Streetlight Authority.

There is hereby created a public corporation to be known as the Guam Streetlight Authority with functions, powers and responsibilities as hereinafter provided. The principal office of the Authority shall be located in Guam and the Authority shall be deemed to be a resident of Guam.

§ 82104. Purpose of the Authority.

The Authority is created with the limited and sole purpose of facilitation of the financing, acquisition, and installation of new LED streetlights for Guam public thoroughfares.

§ 82105. Powers of the Authority.

The Authority shall have and exercise each and all of the following powers, but only to the extent necessary or desirable in furtherance of its corporate purpose:

(a) To issue, sell or dispose of revenue bonds and other obligations from time to time under such terms and conditions as the Guam Legislature, by appropriate legislation, may prescribe. The proceeds of such bonds and obligations shall be used solely to finance the acquisition and installation, of LED streetlights for Guam public thoroughfares.

(b) To have perpetual succession, unless sooner terminated by law.

(c) To adopt, alter and use a corporate seal.

(d) To establish its internal organization and management and adopt, amend and repeal bylaws and other resolutions and directives governing the conduct of its business, and the performance of the powers and duties granted to or imposed upon it by law.

(e) To enter into contracts and execute all instruments necessary or convenient in the exercise of its powers and sue and be sued in its corporate name.

(f) To determine the character of and the necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed and paid.

(g) To settle and adjust claims held by it against other persons or parties and by other persons or parties against the Authority.

(h) To acquire in accordance with Title VII-A of the Government Code, any tangible personal property and to hold, maintain, use and operate the same; and to sell, lease, encumber or otherwise dispose of the same, whenever any of the foregoing transactions are deemed necessary or appropriate to the conduct of the activities authorized by this Division, and on such terms as may be prescribed by the Authority.

(i) To acquire, in any lawful manner, any intangible personal property, and to hold, maintain, use and operate the same; and to sell, encumber or otherwise dispose of the same, whenever any of the foregoing transactions are deemed necessary or appropriate to the conduct of the activities authorized by this Division, and on such terms as may be prescribed by the Authority.

(j) To receive and accept from any source, loans, contributions or grants, in either money, property, labor or other things of value, for, or in aid of, the financing or refinancing of LED streetlights, or for the payment of principal of and interest on bonds issued by the Authority.

(k) To take such action and carry on any other operations and do all that may be necessary or appropriate to carry out the powers and duties herein or hereafter specifically granted to or imposed upon it.

§ 82106. Governance of Authority.

(a) All functions and powers of the Authority shall be vested in and be exercised by and under the direction of a Board of Directors composed of three (3) members, appointed by the Consolidated Commission on Utilities from among its members. Members of the Board shall serve for a term of four (4) years or the balance of their terms on the CCU. Members of the Board shall elect a member of the Board to serve as Chairperson.

(b) The Board shall be responsible for the management, administration, policies and direction of the Authority and shall exercise supervision through the Administrator.

(c) The Board shall meet in regular session at least once each month, and in special session as often as it may deem necessary.

(d) A majority of the Board shall constitute a quorum for the transaction of business. The Board shall act by the vote of at least two (2) of its members.

(e) The Directors shall receive no salary for their services on the Board.

§ 82107. Officers of the Authority.

The General Manager of the Guam Power Authority shall serve *ex officio* as the general manager of the Authority and shall be the chief executive officer of the Authority. The General Manager of the Authority shall be responsible for the day-to-day operation of the Authority.

The Chief Financial Officer of the Guam Power Authority shall serve *ex officio* as the chief financial officer of the Authority. The Chief Financial Officer of the Authority shall have full charge and control of the fiscal, business and accounting operations of the Authority, subject to the supervision of the Board.

The Secretary of the Guam Power Authority shall serve *ex officio* as the secretary of the Authority. The Secretary shall have charge of all records and minutes of the Board.

The Treasurer of the Guam Power Authority shall serve *ex officio* as the treasurer of the Authority. The Treasurer shall have custody of all moneys of the Authority and shall pay out such money only in accordance with the direction of the Board or as provided in connection with any indebtedness incurred pursuant to Article II of this Division.

The Attorney of the Guam Power Authority shall serve *ex officio* as the attorney of the Authority. The Attorney shall advise the Board and the General Manager on all legal matters to which the Authority is a party or in which the Authority is legally interested and may represent the Authority in connection with legal matters before the Legislature, boards and other agencies of the Territory. The Attorney General shall represent the Authority in litigation concerning the affairs of the Authority, provided that he may delegate this duty to the Attorney of the Authority, with respect to such litigation.

§ 82108. Division to be Liberally Construed.

This Division shall be construed liberally so far as may be necessary for the purpose of effecting its general intent. The declaration of invalidity or nullity of any provision of this Division by competent court shall not affect the force and validity of the remaining provisions.

ARTICLE II

GUAM STREETLIGHT AUTHORITY REVENUE BONDS

§82201. Additional Definitions.
§82202. Bonds; Power to Issue; Purposes.
§82203. Bonds; Issuance; Authorization by Resolution; Terms.
§82204. Bonds; Negotiability.
§82205. Covenants with Bondholders.
§82206. Pledge of Revenues; Lien.
§82207. Nonliability of Members of the Authority or of the Government of Guam
§82208. Tax Exemptions; Payment in Lieu of Taxes
§82209. Bonds as Legal Investments and as Security for Performance of any Act
§82210. Inapplicability of Other Laws
§ 82211. Property of Authority; Exemption From Execution or Other Judicial Process.
§ 82212. Pledge by the Government of Guam.
§ 82213. Disposition of Funds and Projects.
§ 82214. Trustee for Authority and Holders of Bonds.
§ 82215. Duties and Powers of Trustee.
§ 82216. Issuance and Interchange of Coupon and Registered Bonds.
§82217. Redemption of Bonds Prior to Maturity.
§ 82218. Places of Payment.
§ 82219. Execution and Authentication of Bonds.
§ 82220. Dates and Maturities of Bonds.
§ 82221. Sale of Bonds.
§ 82222. Validity of Authorization and Issuance of Bonds.

§ 82201. Additional Definitions.

As used in this Chapter or in any indenture entered into pursuant thereto, unless a different meaning clearly appears from the context:

(a) '*Authority*' means the Guam Streetlight Authority.

(b) '*Board*' means the governing board of the Authority.

(c) '*Bonds*' means bonds, notes or other evidences of indebtedness of the Authority, issued by the Authority pursuant to this Chapter.

(d) '*Bondholder*' or '*holder of bonds*' or any similar term means any person who shall be:

i. the bearer of any outstanding bond or bond registered to bearer or not registered; or

ii. the registered owner of any such outstanding bond or bond which shall at the time be registered other than to bearer.

(e) '*Cost*' means:

i. the cost of acquisition, construction, reconstruction, installation, repair, alteration or improvement of a project;

ii. the cost of lands, rights-in-lands, easements, privileges, agreements, franchises, utility extensions, disposal facilities, access roads and site development deemed by the Authority to be necessary or useful and convenient for any project or in connection therewith;

iii. discount on bonds, costs of issuance of bonds, engineering and inspection costs, costs of financial, legal, professional and other estimates and advice;

iv. organization, administrative, insurance, guarantee, operating and other expenses of the Authority or any person prior to and during any acquisition or construction, and all such expenses of the Authority or any person prior to and during any acquisition or construction, and all such expenses as may be necessary or incident to the financing, acquisition, construction or completion of any project or part thereof; and

v. such provision for payment or security of principal of or interest on bonds (including reserve for such purposes) during or after such acquisition or construction as the Authority may determine.

(f) '*Credit provider*' means any municipal bond insurance company, bank or other financial institution or organization that is performing in all material respects its obligations under any credit support arrangements for some or all of the bonds.

(g) '*Credit provider reimbursement agreement*' means any agreement providing for the Authority to repay, from revenues, amounts advanced by a credit provider as credit support for bonds.

(h) '*Credit support*' means a policy of insurance, a letter of credit, a stand-by purchase agreement, revolving credit agreement or other credit arrangement pursuant to which a credit provider provides credit or liquidity support with respect to the payment of interest, principal or the purchase price of any bonds.

(i) '*Indenture*' means an agreement pursuant to which bonds are issued, regardless of whether such agreement is expressed in the form of a resolution of the Board or by other instrument.

(j) '*Organic Act*' means the Organic Act of Guam as amended and in effect on the effective date of this Article (Title 48, §1421 et seq. of the United States Code.).

(k) '*Person*' includes any individual, firm, corporation, association, partnership, trust, business trust or receiver or trustee or conservator for any thereof, and also includes the United States, Guam or any public corporation, political subdivision, city, county or district or any agency or instrumentality of the United States or of Guam.

(l) '*Project*' means the acquisition, construction, installation, equipping, repair, replacement, alteration or improvement of energy efficient streetlights for any public thoroughfare in Guam, whether or not in existence or under construction.

(m) '*Revenue*' means

i. receipts, fees, rentals or other payments to be received on account of lease, mortgage conditional sale or sale, and payments and other income derived from the lease, sale or other disposition of a project;

ii. money in such reserve and insurance funds or accounts or other funds and accounts (and income from the investment thereof) established in connection with the issuance of bonds for a project or projects; and

iii. fees, charges or other money to be received by the Authority with respect to projects and contracts with persons related to projects.

(n) '*United States*' means the United States of America.

§ 82202. Bonds; Power to Issue; Purposes.

The Authority shall have the power to authorize or provide for the issuance of bonds pursuant to this Chapter for the purpose of providing funds to pay or cause to be paid all or any part of the cost of any project or projects, or for the refinancing of any bonds. It is hereby declared that each project is and shall be a public improvement or undertaking as that term is used in Section 11 of the Organic Act (§1423a, Title 48, U.S. Code).

§ 82203. Bonds; Issuance; Authorization by Resolution; Terms.

(a) By resolution approved by the Governor, the Authority shall have the power to incur indebtedness, borrow money and issue its bonds for the purposes stated in § 82202 of this Chapter. Except as may otherwise be expressly provided by the Authority, every issue of its bonds shall be special obligations of the Authority payable solely from the revenues or money of the Authority specified in the resolution providing for its issuance, subject only to any agreement with the holders of particular bonds pledging any particular revenues or money. Such bonds shall bear such date or dates, mature at such time or times, bear interest at a rate or rates, be in such denominations, be in form, either coupon or registered, carry such conversion or registration privileges, have such rank or priority be executed in such manner, payable from such source and have such terms of redemption (with or without premium) as such resolution may provide. Bonds of the Authority may be sold by the Authority to public or private sale at such price or prices and under such conditions and terms as the Authority shall determine.

(b) Every bond shall recite that it is not a general indebtedness of the Authority, but rather is a special obligation of the Authority payable solely from the revenues specified in the Resolution providing for its issuance. Every bond shall recite that it is not public indebtedness of the Territory as that term is used in §11 of the Organic Act of Guam.

§ 82204. Bonds; Negotiability.

Any provision of any law to the contrary notwithstanding, any bond or other obligation issued pursuant to this Chapter shall be fully negotiable for all purposes, and each holder or owner of such a bond or other obligation, or of any coupon appurtenant thereto, by accepting such bond or coupon shall be conclusively deemed to have agreed that such bond, obligation or coupon is and shall be fully negotiable for all purposes, subject in each case to any provisions for registration in the bond, obligation or coupon or in the resolution or indenture authorizing its issuance.

§ 82205. Covenants With Bondholders.

In order to secure the payment of such bonds and in addition to its other powers, the Authority shall have power by resolution to covenant and agree with the several holders of such bonds, as to:

(a) The custody, security, use, expenditure or application of the proceeds of the bonds;

(b) The use, regulation, operation, maintenance, insurance or disposition of all or any part of any project or projects;

(c) Payment of the principal of or interest on the bonds, or any other obligations, and the sources and methods thereof, the rank or priority of any such bonds or obligations as to any lien or security, or the acceleration of the maturity of any such bonds or obligations;

(d) The use and disposition of any money of the Authority, including all revenues or other money derived or to be derived from any project or projects;

(e) Pledging, setting aside, depositing or trusteeing all or any part of the proceeds, revenues or other money of the Authority to secure the payment of the principal of or interest on the bonds or any other obligations and the power and duties of any trustee with regard thereto;

(f) The setting aside out of the proceeds, revenues or other money of the Authority of reserves and sinking funds, and the source, custody, security, regulation application and disposition thereof;

(g) The rents, fees or other charges for the use of any project or projects, including any parts thereof theretofore constructed or acquired and any parts, replacements or improvements thereof thereafter constructed or acquired, and the fixing, establishment, collection and enforcement of the same;

(h) Limitation on the issuance of additional bonds or any other obligations or on the incurrence of indebtedness of the Authority;

(i) Vesting in a trustee or trustees, fiscal or escrow agent or agents within or without the Territory such property, rights, powers and duties in trust as the Authority may determine and limiting the rights, duties and powers of such trustee or agent;

(j) Payment of costs or expenses incident to the enforcement of the bonds or of the provisions of the resolution or of any covenant or contract with the holders of the bonds;

(k) The procedure, if any, by which the terms of any covenant or contract with, or duty to, the holders of bonds may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given or evidenced; or

(l) Any other matter or course of conduct which, by recital in the resolution is declared to further secure the payment of the principal of or interest on the bonds.

All such provisions of the resolution and all such covenants and agreements shall constitute valid and legally binding contracts between the Authority and the several holders of the bonds, regardless of the time of issuance of such bonds, and shall be enforceable by any such holder or holders by appropriate action, suit or proceeding in any court of competent jurisdiction, or by proceeding in lieu of prerogative writ.

§ 82206. Pledge of Revenues; Lien.

Any pledge of revenues or other money made by the Authority shall be valid and binding from the time when the pledge is made; the revenues or other money so pledged and thereafter received by the Authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be filed or recorded except in the records of the Authority.

§ 82207. Nonliability of Members of the Authority or of the Government of Guam.

Neither the members of the Authority nor any person executing bonds issued pursuant to this Chapter shall be liable personally on the bonds by reason of the issuance thereof. Bonds or other obligations issued by the Authority pursuant to this Chapter shall not be in any way a debt or liability of the Government of Guam or of any political subdivision thereof, either legal, moral or otherwise, and nothing in this Chapter contained shall be construed to authorize the Authority to incur any indebtedness on behalf of or in any way to obligate the Government of Guam and all such bonds shall contain on the face thereof a statement to that effect.

§ 82208. Tax Exemptions; Payments in Lieu of Taxes.

The exercise of the powers granted by this Chapter shall constitute the performance of an essential governmental function and the Authority shall not be required to pay any taxes or assessments upon or in respect of a project, or any property of money of the Authority, and the Authority, its projects, property and money and any bonds and notes issued under the provisions of this Chapter, their transfer and the income therefrom, including any profit made on the sale thereof, shall at all times be free from taxation of every kind. Bonds issued pursuant to the provisions of this Chapter and the interest income therefrom are exempt from taxation in accordance with the provision of the last sentence of §11 of the Organic Act of Guam (§1423a, Title 48, U.S. Code).

§ 82209. Bonds as Legal Investments and as Security for Performance of any Act.

Notwithstanding any restriction contained in any other law, the Government of Guam, its officers, boards, commissions, departments or other agencies, all banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking or investment business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and other fiduciaries, and all other persons whatsoever who now are or may hereafter be authorized to invest in bonds or other obligations of the Government of Guam, may properly and legally invest any sinking funds, money or other funds, including capital, belonging to them or within their contract in any bonds or notes issued by the Authority under the provisions of this Chapter; and the bonds and notes are made securities which may properly and legally be deposited with and received for the performance of any act whenever any evidence of indebtedness of the Government of Guam for any purpose for which the deposit of bonds or other obligations of the Government of Guam is now or may hereafter be authorized by law.

§ 82210. Blank

§ 82211. Property of Authority; Exemption From Execution or Other Judicial Process.

All property of the Authority shall be exempt from levy and sale by virtue of an execution and no execution or other judicial process shall issue against the same nor shall any judgment against the Authority be a charge or lien upon its property; provided, that nothing herein contained shall apply to or limit the rights of the holder of any bonds to pursue any remedy for the enforcement of any pledge of lien given by the Authority on or with respect to any project or any revenues or other money.

§ 82212. Pledge by the Government of Guam.

The government of Guam hereby pledges that while any bonds of the Authority issued under this Article remain outstanding and not fully performed or discharged shall: (a) to maintain the rights, powers and duties of the Board to fulfill the terms of any agreements made with bondholders in accordance with this Article, and (b) to maintain the rights and remedies of bondholders provided in this Article and any indenture.

§ 82213. Disposition of Funds and Projects.

Any balance remaining in any of the funds or accounts created by this Article or any indenture after payment of all costs, expenses and charges required or authorized to be expended therefrom, may be allocated and used for such other purposes relating to the project or to the Authority, as the Board may determine, subject to the limitations and restrictions in any indenture. When the principal of and interest on bonds of the Authority issued to finance the costs of a particular project, including any refunding bonds issued to refinance all or any part of these bonds, have been fully paid and retired, or when adequate provisions have been made for their payment and retirement and all other conditions of any resolution, indenture, security interest or any other instrument authorizing and securing the bonds have been satisfied, and any lien created has been released in accordance with the provisions thereof, the Authority is authorized, upon the terms and conditions it prescribes, to execute releases, released deeds, reassignments, deeds and conveyances and to do all things necessary or required to convey or release its rights, title and interest in the project financed and in any other instruments pledged or transferred to secure bonds to the Government of Guam or any political subdivision thereof, as their respective interests may appear.

§ 82214. Trustee for Authority and Holders of Bonds.

(a) The Authority or any agent designated by the Authority shall act as trustee for the Authority and the holders of bonds issued hereunder and the Authority may authorize the trustee to act on behalf of the holders of the bonds or any stated percentage thereof and to exercise and prosecute on behalf of the holders of the bonds such rights and remedies as may be available to the holders.

(b) The Authority may provide in an indenture:

(i) for the deposit of all or any portion of the revenues with the Authority and for the holding thereof by the Authority in one or more separate funds or accounts in the Guam Streetlight Authority Revenue Fund; and

(ii) for the transfer to the trustee of all or any portion of the revenues as are provided as security for the bonds and for the holding thereof by the trustee in one or more separate funds or accounts. All money in each such fund or account shall be disbursed only as provided herein and in the indenture.

§ 82215. Duties and Powers of Trustee.

The Authority shall prescribe in any indenture the duties and powers of the trustee with respect to the issuance, authentication, sale and delivery of the bonds provided for in such indenture and with respect to the payment of principal of and interest on such bonds, the redemption thereof, the registration and discharge from registration thereof and the management of any and all funds provided as security therefore.

§ 82216. Issuance and Interchange of Coupon and Registered Bonds.

An indenture may provide that bonds may be issued as coupon bonds or as registered bonds and for the interchange of coupon bonds for registered bonds and registered bonds for coupon bonds, and may provide that bonds shall be registered as to principal only or as to both principal and interest or otherwise as the Authority may determine.

§ 82217. Redemption of Bonds Prior to Maturity.

An indenture may provide that bonds may be redeemed prior to maturity upon such terms, conditions and upon such notice as are stated in the indenture and upon the payment of such premium as may be fixed by the indenture.

§ 82218. Places of Payment.

An indenture may provide for the payment of the principal and interest of bonds at any one or more places in Guam or in the United States and in any specified coin or currency of the United States.

§ 82219. Execution and Authentication of Bonds.

An indenture may provide for the execution and authentication of bonds by the manual or facsimile signature of any one or more officers of the Authority and by additional authentication by endorsement by the manual signature or a signature stamp of any one or more officers of the Authority or of any agent designated by the Authority as trustee. If any officer or agent whose signature, countersignature or endorsement appears upon the bonds or coupons ceases to be an officer or agent before the delivery of the bonds or coupons, his signature, countersignature or endorsement is nevertheless valid and of the same force and effect as if he had remained such officer or agent until the delivery of the bonds and coupons.

§ 82220. Dates and Maturities of Bonds.

Bonds shall bear dates prescribed by the Authority in the indenture providing for their issuance. Bonds may be serial bonds, term bonds or sinking fund bonds with such maturities as the indenture shall specify. No bond by its terms shall mature more than [fifty (50)] years after its date of issuance.

§ 82221. Sale of Bonds.

Bonds authorized to be issued under this Article shall be sold by the Authority for cash, in accordance with the provisions of a resolution providing for such sale adopted by the Board. The bonds may be sold at either public or private sale, and upon such terms and conditions as shall be authorized by the Board, which may provide that the bonds may be sold at less than their par or face value.

§ 82222. Validity of Authorization and Issuance of Bonds.

The validity of the authorization and issuance of any bonds by the Authority is not dependent on nor affected in any way by:

(a) Proceedings taken by the Authority for the acquisition, construction or improvement of a project or any part thereof;

(b) Any contracts made by the Authority in connection with the acquisition, construction or improvement of a project or any part thereof; or

(c) The failure to complete the project or any part thereof for which bonds are authorized to be issued.

§ 82223. Tax Exemptions.

Bonds issued pursuant to the provisions of this Article and the interest or income therefrom are exempt from taxation to the extent permitted by the provisions of Section 11 of the Organic Act.

§ 82224. Guam Streetlight Authority Revenue Fund.

All revenues received from or on account of projects shall be deposited to the credit of the Guam Streetlight Authority Revenue Fund, which fund is hereby created. Moneys in the Guam Streetlight Authority Revenue Fund may be used for any of the following purposes in the order of priority set forth in any indenture:

(a) to pay principal or interest on any bonds;

(b) to pay any amounts due and owing under any credit provider reimbursement agreement; and

(c) for any other purposes of the Authority; all as provided in any indenture or indentures and subject to any restrictions provided by law or any indenture.

§ 82225. Investment of Money in Funds.

Moneys in the Guam Streetlight Authority Revenue Fund may be invested by the Authority and any revenues in any other fund or account held by or on behalf of the Authority or its agent may be invested by the Authority or its agent, as the case may be, in any investment authorized by any indenture providing for the issuance of bonds. All interest or other earnings received pursuant to such investments shall be collected by the Authority or its agent, as the case may be, and shall be deposited to the credit of the fund or account from which such interest or other earnings are derived, unless otherwise provided in an indenture.

§ 82226. Appropriation of Money in Funds.

All money in the funds and accounts created by this Article or any indenture is hereby appropriated for expenditure in carrying out the purposes herein and therein provided

§ 82227. Credit Enhancement.

The Board has the power and is hereby authorized to cause the Authority to enter into such contracts or agreements with such banks, insurance companies or other financial institutions as it determines are necessary or desirable to improve the security and marketability of the bonds. Such contracts or agreements may contain an obligation to reimburse, with interest, any such banks, insurance companies or other financial institutions for advances used to pay principal of or interest on the bonds and to indemnify any such banks, insurance companies or other financial institutions for costs and expenses incurred in connection with any such advance; provided, that any obligation of the Authority under any reimbursement agreement shall be payable solely from revenues.

Any reimbursement agreement may include a provision that the obligations of the Authority under the agreement shall be secured by all or by part of revenues; provided that, at the time of execution and delivery of each such agreement, any such provision shall be in compliance with and shall not violate or breach any provision of any indenture then in effect with respect to bonds."

Section 3. Effective Date. This Act shall become effective upon enactment

Section 4. Severability. If any section, part, phrase or provision of this Chapter or the application thereof to any person, project or circumstances, be adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the section part, phrase, provision or application directly involved in the controversy in which such judgment shall have been rendered and shall not effect or impair the validity of the remainder of this Chapter or the application thereof to other persons, projects or circumstances.