STATE OF OKLAHOMA

2nd Session of the 55th Legislature (2016)

HOUSE BILL 2769 By: Strohm

AS INTRODUCED

An Act relating to roads and bridges; amending 69 O.S. 2011, Sections 1705, as amended by Section 1, Chapter 282, O.S.L. 2013, 1709, 1717 and 1719 (69 O.S. Supp. 2015, Section 1705), which relate to the Oklahoma Turnpike Authority; limiting the Authority's authority to issue bonds under certain circumstances; limiting the utilization of certain tolls to pay for certain issuances after certain date; clarifying references; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 69 O.S. 2011, Section 1705, as amended by Section 1, Chapter 282, O.S.L. 2013 (69 O.S. Supp. 2015, Section 1705), is amended to read as follows:

Section 1705. The Oklahoma Turnpike Authority is hereby authorized and empowered:

(a) To adopt bylaws for the regulation of its affairs and conduct of its business.

(b) To adopt an official seal and alter the same at pleasure.

(c) To maintain an office at such place or places within the state as it may designate.

(d) To sue and be sued in contract, reverse condemnation, equity, mandamus and similar actions in its own name, plead and be impleaded; provided, that any and all actions at law or in equity against the Authority shall be brought in the county in which the principal office of the Authority shall be located, or in the county of the residence of the plaintiff, or the county where the cause of action arose. All privileges granted to the Authority and duties enjoined upon the Authority by the provisions of Sections 1701 through 1734 of this title may be enforced in a court of competent jurisdiction in an action in mandamus.

(e) To construct, maintain, repair and operate turnpike projects and highways, with their access and connecting roads, at such locations and on such routes as it shall determine to be feasible and economically sound; provided, that until specifically authorized by the Legislature, the Authority shall be authorized to construct and operate toll turnpikes only at the following locations:

(1) The Turner Turnpike between Oklahoma City and Tulsa.

(2) The Southwestern (H.E. Bailey) Turnpike between Oklahoma City and Wichita Falls, Texas.

(3) The Northeastern (Will Rogers) Turnpike between Tulsa and Joplin, Missouri.

(4) The Eastern (Indian Nation) Turnpike between Tulsa and Paris, Texas, including all or any part thereof between McAlester and the Red River south of Hugo.

(5) The Cimarron Turnpike between Tulsa and Interstate Highway 35 north of Perry, including a connection to Stillwater.

(6) The Muskogee Turnpike between Broken Arrow and Interstate Highway 40 west of Webbers Falls.

(7) All or any part of an extension of the Muskogee Turnpike, beginning at a point on Interstate Highway 40 near the present south terminus of the Muskogee Turnpike, and extending in a southeasterly direction on an alignment near Stigler, Poteau and Heavener to the vicinity of the Arkansas State Line to furnish access to Hot Springs, Texarkana, Shreveport and New Orleans.

(8) A tollgate on the Turner Turnpike in the vicinity of Luther, Oklahoma, and in the vicinity of the intersection of State Highway 33 and Turner Turnpike in Creek County, Oklahoma, or in the vicinity of the intersection of State Highway 33 and Turner Turnpike or U.S. Highway 66 in Creek County, Oklahoma, from any monies available to the Authority.

(9) Add on the Will Rogers Turnpike a northbound automatic tollgate onto State Highway 28 and a southbound on-ramp from State Highway 28.

(10) A turnpike or any part or parts thereof beginning in the vicinity of Duncan extending east to the vicinity of the City of

Davis, and extending in a northeasterly direction, by way of the vicinity of the City of Ada, to a connection in the vicinity of Henryetta or in the vicinity of the intersection of State Highway 48 and Interstate 40; and a turnpike or any part or parts thereof from the vicinity of Snyder extending north to the vicinity of Woodward.

(11) A turnpike or any part or parts thereof beginning at a point in the vicinity of Ponca City, or at a point on the Kansas-Oklahoma state boundary line east of the Arkansas River and west of the point where Oklahoma State Highway No. 18 intersects said state boundary line, and extending in a southeasterly direction to a connection with the Tulsa Urban Expressway System in the general area of the Port of Catoosa.

(12) All or any part of an Oklahoma City toll expressway system connecting the residential, industrial and State Capitol Complex in the north part of Oklahoma City with the residential, industrial and Will Rogers World Airport Complex in the south and southwest parts of Oklahoma City.

(13) A turnpike (The Industrial Parkway) or any part or parts thereof beginning at a point on the Oklahoma-Kansas state boundary line between the point where U.S. Highway 66 intersects the boundary line and the northeast corner of Oklahoma and ending by means of a connection or connections with Shreveport, Louisiana, and Houston, Texas, in southeastern Oklahoma and at no point to exceed thirty (30) miles west of the Missouri or Arkansas border.

(14) A turnpike or any part or parts thereof beginning in the vicinity of Velma or County Line to a point intersecting with Interstate 35 in the area south of Davis.

(15) A turnpike or any part or parts thereof beginning in the vicinity of Watonga and extending south and/or east to the vicinity of north and/or west Oklahoma City.

(16) A tollgate on the Will Rogers Turnpike near the intersection of State Highway 137 and the Will Rogers Turnpike, located south of Quapaw.

(17) A tollgate on the Muskogee Turnpike in the vicinity of Porter, Oklahoma, a tollgate on the Will Rogers Turnpike in the vicinity of Adair, Oklahoma, a tollgate on the Turner Turnpike in the vicinity of Luther, Oklahoma, and a tollgate on the H.E. Bailey Turnpike at Elgin, Oklahoma, from any monies available to the Authority.

(18) A tollgate on the Turner Turnpike in the vicinity of Wellston, Oklahoma, from any monies available to the Authority.

(19) A tollgate on the Muskogee Turnpike in the vicinity of Brushy Mountain, Oklahoma, and in the vicinity of Elm Grove, Oklahoma, from any monies available to the Authority.

(20) All or any part of an Oklahoma City Outer Loop expressway system beginning in the vicinity of I-35 and the Turner Turnpike and extending west into Canadian County and then south to I-40; and then south and east to I-35 in the vicinity of Moore and Norman; and then

extending east and north to I-40 east of Tinker Field; and then extending north to the Turner Turnpike to complete the Outer Loop.

(21) All or any part of the Tulsa south bypass expressway system beginning in the vicinity of the Turner Turnpike near Sapulpa and extending south and east to U.S. 75 in the vicinity of 96th Street to 121st Street; and then east across the Arkansas River to a connection with the Mingo Valley Expressway; and then south and/or east to a point on the Tulsa-Wagoner County Line near 131st street south in the city of Broken Arrow.

(22) A new turnpike or any part thereof from near the west gate of the Will Rogers Turnpike south to the west end of south Tulsa Turnpike at the Tulsa-Wagoner County Line.

(23) A new turnpike or any parts thereof from the vicinity of the connection between State Highway 33 and U.S. 69 easterly to the Arkansas State Line.

(24) A four-lane extension of the Muskogee Turnpike from Interstate Highway 40 west of Webbers Falls to the Poteau vicinity.

(25) A new turnpike or any part or parts thereof beginning at a point in the vicinity of northwest Tulsa, and extending in a northwesterly direction, by means of a connection or connections with the cities of Pawhuska and Newkirk, to a point intersecting in the vicinity of US Highway No. 77 and the Kansas State Line.

(26) A full access interchange on the Indian Nation Turnpike south of Interstate 40, in the vicinity of Henryetta, Oklahoma, and

in the vicinity of the proposed theme park, museum or an industrial facility which qualifies for the Oklahoma Quality Jobs Program Act, from any monies available to the Authority.

(27) A new turnpike beginning at a point directly west of the Arkansas line and four-laning Highway 70 from that point to the farthest western reach of Highway 70 creating a southern route through Oklahoma.

(28) A new turnpike and bridge or any parts thereof from a point in the vicinity of the city of Mustang southerly across the South Canadian River to the H.E. Bailey Turnpike in the vicinity of the city of Tuttle; and then easterly across the South Canadian River to a point in the vicinity of the city of Norman.

(29) A new turnpike or any parts thereof beginning at a point in the vicinity of the city of Altus and extending in a northwesterly direction to a point in the vicinity of the city of Sayre.

(30) A new turnpike or any parts thereof beginning at a point in the vicinity of the city of Enid and extending in a westerly direction to a point in the vicinity of the city of Woodward.

(31) An on- and off-ramp or any parts thereof at Fletcher, Oklahoma, in the vicinity of the Interstate 44 and State Highway 277 intersection. Any existing on- or off-ramp or any parts thereof in the vicinity of Fletcher, Oklahoma, shall not be removed and shall be maintained pursuant to Section 1701 et seq. of this title.

(32) A new bridge crossing the Arkansas River between South Delaware Avenue and Memorial Drive in Tulsa County. This project shall commence upon a determination by the Oklahoma Transportation Authority that such bridge shall be self-sufficient at some point over a thirty-year time period from the toll charges associated with the bridge project.

(33) An exit ramp or any parts thereof from the eastbound lane of the Turner Turnpike at 96th Street in Tulsa.

(34) An on- and off-ramp or any parts thereof on the Cimarron Turnpike in the vicinity of the northside of the Glencoe, Oklahoma, municipal limits.

(35) A new turnpike or any parts thereof beginning at Interstate 44 at or near its intersection with 49th West Avenue, past State Highway 64/412, turning northeasterly, crossing 41st West Avenue, and continuing eastward to the L.L. Tisdale Expressway in Tulsa, Oklahoma.

All access roads, interchanges, or lead roads connecting such turnpikes with existing highways must be built by funds furnished by the Authority.

The minimum and maximum wages for the construction of the roads, highways and projects provided for in Sections 1701 through 1734 of this title shall be in accordance with the schedules of wages used or adopted by the Commission in construction of state highways.

The Authority is hereby authorized to enter into contracts or agreements with agencies and instrumentalities of other states or the national government for construction, maintenance and operation of interstate turnpikes or highways.

The Authority is hereby required to construct and install automatic tollgates on the Will Rogers Turnpike at State Highway No. 28 near Adair.

(f) ~~To~~ Except as provided by subsection C of Section 1717 of this title, to issue turnpike revenue bonds of the Authority, payable solely from revenues, including the revenues accruing to the trust fund created by Sections 1701 through 1734 of this title, for the purpose of paying all or any part of the cost of any one or more turnpike projects. Provided that any bonds issued for the construction of the proposed turnpike referred to in subparagraphs (10), (20), (21) and (22) of paragraph (e) of this section shall be issued as one issue for all four of the proposed turnpikes and shall be financed, constructed and operated under one bond indenture.

(g) To fix and revise from time to time tolls for the use of any turnpike projects.

Any common carrier having authority at the time of opening any turnpike project to operate upon a highway approximately paralleling the turnpike project shall be granted without further showing authority to operate over the turnpike project to all municipalities which such carrier is serving at the time the turnpike project is

opened to traffic. But nothing herein shall be construed as granting any new operation rights to any common carriers.

(h) To acquire, hold, and dispose of real and personal property in the exercise of its powers and the performance of its duties.

(i) To acquire in the name of the Authority by purchase or otherwise on such terms and conditions and in such manner as it may deem proper, or by exercise of the right of condemnation in manner hereinafter provided, such public or private lands, including public parks, playgrounds, or reservations, or parts thereof or rights therein, rights-of-way, property, rights, easements, and interests, as it may deem necessary for carrying out the provisions of Sections 1701 through 1734 of this title; provided, that all public property damaged in carrying out the powers granted by Sections 1701 through 1734 of this title shall be restored or repaired and placed in its original condition as nearly as practicable.

(j) To designate, except as is provided for herein, the location, and establish, limit and control such points of ingress to and egress from each turnpike project as may be necessary or desirable in the judgment of the Authority to insure the proper operation and maintenance of such project, and to prohibit entrance to such project from any point or points not so designated.

(k) To make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers, and to employ consulting engineers,

attorneys, accountants, construction and financial experts, superintendents, managers, and such other employees and agents as may be necessary in its judgment, and to fix their compensation; provided, that all such expenses shall be payable solely from the proceeds of turnpike revenue bonds issued under the provisions of Sections 1701 through 1734 of this title or from revenues; provided, further, no attorney employed by the Authority, nor any member of any law firm of which the attorney may be connected, shall ever be paid any fee or compensation for any special or extraordinary services.

(l) To receive and accept from any federal agency grants for or in aid of the construction of any turnpike project, provided, the acceptance of such grants will not reduce the amount of federal aid for the construction, repair, or maintenance of farm-to-market roads and other highways and bridges in this state; and to receive and accept aid or contributions from any source of either money, property, labor, or other things of value, to be held, used, and applied only for the purposes for which such grants and contributions may be made.

(m) To adopt such rules, and to do any and all things necessary to comply with rules, regulations, or requirements of the Bureau of Public Roads, Multistate Economic Development Regional Commission, as defined in Sections 1151 through 1153, inclusive, of Title 74 of the Oklahoma Statutes, Ozarka Region Commission or any other federal

agency administering any law enacted by the Congress of the United States to aid or encourage the construction of highways.

(n) To do all things necessary or convenient to carry out the powers expressly granted in Sections 1701 through 1734 of this title. The design standards for all paving shall comply with the design standards of the American Association of State Highway and Transportation Officials as modified by the Oklahoma Department of Transportation. All contracts for construction work on turnpike projects shall be let to the lowest responsible bidder, or bidders, after notice by publication in a newspaper published in the county where the work is to be done in two consecutive weekly issues of the newspaper. In all cases where more than eight (8) miles of construction is let at the same time and is not an advertisement for a surface-treatment-only project, such advertisement shall provide for bids on sections of the turnpike not to exceed eight (8) miles. If the project advertised is a surface-treatment-only project of more than twenty (20) miles of road, the advertisement shall provide for bids on sections of the road no longer than twenty (20) miles, as well as bids on the project as a whole. Subject to the following restrictions and limitations, the Authority shall, when contracting for construction work, divide such work into paving projects, bridge projects, including underpasses and overpasses, and earthmoving or miscellaneous projects, according to the type of work to be done. Each project shall be let under a separate contract or contracts and

no contract or project shall include more than one of such types of construction work. Each contract for construction work shall contain a provision that ninety percent (90%) of all labor employed on the project shall be residents of Oklahoma. However, contracts for bridges may include earthwork and structures for the approaches thereto.

(o) It shall be unlawful for any member, officer or employee of the Authority to transact with the Authority, either directly or indirectly, any business for profit of such member, officer, or employee; and any person, firm, or corporation knowingly participating therein shall be equally liable for violation of this provision.

The term "business for profit" shall include, but not be limited to, the acceptance or payment of any fee, commission, gift, or consideration to such member, officer, or employee.

Violation of this provision shall constitute a felony punishable by incarceration in the State Penitentiary for a term not to exceed five (5) years or a fine of not less than Five Hundred Dollars ($500.00) and not more than Five Thousand Dollars ($5,000.00), or both such imprisonment and fine.

(p) In the event of a national emergency, the Authority, subject to any vested rights or claims, may enter into contracts with the federal government or any authorized agency thereof to allow the federal government or agency thereof to use such turnpikes

partly or exclusively during the existence of such emergency, provided, that the federal government agrees in such contract to pay, during the term of such contract, an amount sufficient, when added to any tolls collected, to meet all operating and maintenance expenses, interest payments, and the minimum sinking fund and reserve requirements of the trust agreement for the turnpike covered by the contract.

(q) All meetings of the Authority shall be open public meetings, and all records shall be public records, except when considering personnel or litigation.

SECTION 2. AMENDATORY 69 O.S. 2011, Section 1709, is amended to read as follows:

Section 1709. A. ~~The~~ Except as provided by subsection C of Section 1717 of this title, the Oklahoma Turnpike Authority may provide by resolution, at one time or from time to time, for the issuance of turnpike revenue bonds of the Authority for the purpose of paying all or any part of the cost of any one or more turnpike projects. ~~The~~ Except as provided by subsection C of Section 1717 of this title, the Authority, when it finds that it would be economical and beneficial to do so, may combine two or more, or any part thereof, or all of its proposed projects into one unit and consider the same as one project to the same extent and with like effect as if the same were a single project. The principal of and the interest on the bonds shall be payable solely from the funds

provided for such payment. The bonds of each issue shall be dated, shall bear interest at such rate or rates not exceeding the limitations pertaining to public trust indebtedness from time to time expressed in subsection E of Section 176 of Title 60 of the Oklahoma Statutes, shall mature at such time or times not exceeding forty (40) years from their date or dates, as may be determined by the Authority, and may be made redeemable before maturity at the option of the Authority at such price or prices and pursuant to such terms and conditions as may be fixed by the Authority prior to the issuance of the bonds. The Authority shall determine the form of the bonds, including any interest coupons to be attached thereto, and the manner of execution of the bonds, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest, which may be at any bank or trust company within or without the state. If any officer whose signature or facsimile of whose signature appears on any bonds or coupons shall cease to be said officer before the delivery of the bonds, the signature or the facsimile shall nevertheless be valid and sufficient for all purposes the same as if the person had remained in office until such delivery. All bonds issued pursuant to the provisions of this article shall have all the qualities and incidents of negotiable instruments subject to the negotiable instruments law of this state. The bonds may be issued in coupon or in registered form, or both, as the Authority may determine, and

provisions may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds of any bonds registered as to both principal and interest. The Authority may sell the bonds in such amounts and in such manner, either at public or private sale, and for such price, as it may determine to be in the best interest of this state, but in no event at a discount in excess of that from time to time expressed in said subsection E of Section 176 of Title 60 of the Oklahoma Statutes.

B. The proceeds of the bonds of each issue shall be used solely for the payment of the cost of the turnpike project for which such bonds have been issued, and shall be disbursed in such manner and pursuant to such restrictions, if any, as the Authority may provide in the resolution authorizing the issuance of such bonds or in the trust agreement securing the same. If the proceeds of the bonds of any issue, by error of estimates or otherwise, shall be less than such cost, additional bonds may in like manner be issued to provide the amount of such deficit, and, unless otherwise provided for in the resolution authorizing the issuance of such bonds or in the trust agreement securing the same, shall be deemed to be of the same issue and shall be entitled to payment from the same fund without preference or priority of the bonds first issued. If the proceeds of the bonds of any issue shall exceed such cost, the surplus shall be deposited to the credit of the sinking fund for such bonds, or

shall be used by the Authority in implementing any other power expressly granted to the Authority in this article.

C. Prior to the preparation of definitive bonds, the Authority, subject to like restrictions, may issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds have been executed and are available for delivery. The Authority may also provide for the replacement of any bonds which have become mutilated or were destroyed or lost. Bonds may be issued pursuant to the provisions of this article without obtaining the consent of any department, division, commission, board, bureau, or agency of this state, and without any other proceedings or the occurrence of any other conditions or things than those proceedings, conditions, or things that are specifically required by this article.

D. The Authority is hereby authorized to provide that the bonds:

1. Be made payable from time to time on demand or tender for purchase by the owner provided a credit facility supports such bonds, unless the Authority specifically determines that a credit facility is not required;

2. Be additionally supported by a credit facility;

3. Be made subject to redemption prior to maturity, with or without premium, on such notice and at such time or times and with such redemption provisions as may be determined by the Authority or

with such variations as may be permitted in connection with a par formula;

4. Bear interest at a rate or rates that may vary as permitted pursuant to a par formula and for such period or periods of time, all as may be determined by the Authority; and

5. Be made the subject of a remarketing agreement whereby an attempt is made to remarket the bonds to new purchasers prior to their presentment for payment to the provider of the credit facility or to the Authority.

No credit facility, repayment agreement, par formula or remarketing agreement shall become effective without the approval of the Authority.

E. As used in this section, the following terms shall have the following meanings:

1. "Credit facility" means an agreement entered into by the Authority with any bank, savings and loan association or other banking institution; an insurance company, reinsurance company, surety company, or other insurance institution; a corporation, investment banker or other investment institution; or any other financial institution providing for prompt payment of all or any part of the principal, whether at maturity, presentment for purchase, redemption or acceleration, redemption premium, if any, and interest on any bonds payable on demand or tender by the owner issued in accordance with this section, in consideration of the

Authority's agreeing to repay the provider of such credit facility in accordance with the terms and provisions of such repayment agreement; provided, that any such repayment agreement shall provide that the obligation of the Authority thereunder shall have only such sources of payment as are permitted for the payment of the bonds issued under this article; and

2. "Par formula" means any provision or formula adopted by the Authority to provide for the adjustment, from time to time, of the interest rate or rates borne by any such bonds so that the purchase price of such bonds in the open market would be as close to par as possible.

F. Nothing in any law heretofore enacted or enacted at the present session of the Legislature shall be deemed to limit or restrict the right of the Authority to issue bonds or other obligations the interest income, in whole or in part, on which is subject, directly or indirectly, to federal income taxation.

G. The Authority may enter into transactions utilizing derivative products, and other financial products intended to hedge interest rate risk, including any option to enter into or terminate any of them, that the Authority deems to be necessary or desirable in connection with any bonds issued prior to, at the same time as, or after entering into such arrangement and containing terms and provisions, and may be with such parties, as determined by the Authority. Provided, any action taken by the Authority pursuant to

this subsection must first be approved by the Oklahoma State Bond Advisor and the Council of Bond Oversight pursuant to the provisions of the Oklahoma Bond Oversight and Reform Act.

SECTION 3. AMENDATORY 69 O.S. 2011, Section 1717, is amended to read as follows:

Section 1717. A. When all bonds issued under the provisions of this article and the interest thereon shall have been paid or a sufficient amount for the payment of all such bonds and the interest thereon to the maturity thereof shall have been set aside in trust for the benefit of the bondholders, such projects, if then in good condition and repair to the satisfaction of the Transportation Commission, shall become part of the state highway system and shall thereafter be maintained by the Commission free of tolls. ~~Provided, that~~

B. Except as provided in subsection C of this section, when all bonds for any turnpike project and the interest thereon shall have been paid or such provision for payment made, prior to payment of the bonds and interest on any other project or projects, such project shall continue to be operated as a toll facility at toll rates not less than the lowest rate being charged on any project, until all bonds issued by the Oklahoma Turnpike Authority and the interest thereon shall have been paid or such provisions for payment made. The revenues of such paid-out projects shall be used and applied by the Authority in paying the obligations or depositing in

the sinking fund of such other turnpike projects in the following order: (a) To any project or projects in default on interest: (b) to any project or projects in default on principal; (c) to any project or projects having insufficient reserves or sinking fund under its trust agreement. If all such other projects have sufficient reserves then the revenues from such paid-out project shall be prorated between such other projects on the basis of the outstanding bonds of each project. If two (2) or more projects fall within any of the above categories, then the revenues shall be prorated between them on the basis of the outstanding bonds of each project.

C. All bonds issued by the Authority for any turnpike project, initiated on or after January 1, 2017, shall only be paid from the tolls collected from such project until the bonds and the interest thereon have been paid. No tolls collected from any other turnpike project shall be used to pay for any bonds issued:

1. By the Authority for any projects initiated on or after January 1, 2017;

2. As a means of refinancing any project existing before January 1, 2017, that results in a longer maturation period than the bonds being refinanced; or

3. As a combination of paragraphs 1 and 2 of this subsection.

SECTION 4. AMENDATORY 69 O.S. 2011, Section 1719, is amended to read as follows:

Section 1719. (a) ~~The~~ Except as provided by subsection C of section 1717 of this title, the Oklahoma Turnpike Authority is hereby authorized to provide by resolution for the issuance of turnpike revenue refunding bonds of the Authority for the purpose of refunding any bonds then outstanding which shall have been issued under the provisions of this article including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds, and, if the Authority shall so determine, for the additional purpose of constructing improvements, extensions, or enlargements of the turnpike project or projects in connection with which the bonds to be refunded shall have been issued. ~~The~~ Except as provided by subsection C of section 1717 of this title, the Authority is further authorized to provide for the issuance of its turnpike revenue bonds for the combined purpose of (a) refunding any bonds then outstanding which shall have been issued under the provisions of this article, including the payment of any redemption premium thereon and any interest accrued, or to accrue to the date of redemption of such bonds, and (b) paying all or any part of the cost of any additional turnpike project or projects as authorized by this article. The issuance of such bonds, the maturities and other details thereof, the rights of the holders thereof, and the rights, duties, and obligations of the Authority in respect of the same, shall be governed by the provisions of this article insofar as the same may be applicable.

(b) ~~Bonds~~ Except as provided by subsection C of Section 1717 of this title, bonds may be issued by the Authority under the provisions of this section at any time prior to the maturity or maturities or the date selected for the redemption of the bonds being refunded thereby. Pending the application of the proceeds of such refunding bonds, with any other available funds, to the payment of the principal, accrued interest, and any redemption premium of the bonds being refunded, and if so provided or permitted in the resolution authorizing the issuance of such refunding bonds or in the trust agreement securing the same, to the payment of any interest on such refunding bonds, and any expenses in connection with such refunding, such proceeds may be invested in direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America which shall mature or which shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates when the proceeds, together with the interest accruing thereon, will be required for the purposes intended, or, in lieu of such investments, all or any part of such proceeds may be placed in interest bearing time deposits or other similar arrangements may be made with regard thereto which will assure that such proceeds, together with the interest accruing thereon, will be available when required for the purposes intended.

SECTION 5. This act shall become effective November 1, 2016.

55-2-7990 JM 01/17/16