

Board of County Commissioners Agenda Request 16

Date of Meeting: December 9, 2008

Date Submitted: December 3, 2008

To: Honorable Chairman and Members of the Board

From: Herbert W. A. Thiele, Esq.
County Attorney

Subject: Acceptance of Staff Report on Composition and Duties of the Leon County Educational Facilities Authority

Statement of Issue:

Acceptance of staff report on the composition and duties of the Leon County Educational Facilities Authority.

Background:

At the July 8, 2008 meeting, the Board conducted a TEFRA public hearing and adopted Resolution R08-21, which approved the Leon County Educational Facilities Authority's Bonds, Series 2008, for the purpose of converting the round Holiday Inn on Tennessee Street to student dormitory housing. During this hearing, the Board also directed the County Attorney's Office to prepare a staff report for the Board's consideration, for the purposes of outlining the composition and duties of the Leon County Educational Facilities Authority ("EFA").

Analysis:

The EFA is a public body corporate and politic of the State of Florida, which was created by Resolution of the Board, adopted July 17, 1990, pursuant to the authority given under Chapter 243, Part II, Florida Statutes (1989). A copy of the Resolution creating the EFA is attached as Attachment 1. It should be noted that Chapter 243, Part II, Florida Statutes (1989) has subsequently been renumbered as Chapter 243, Part I, Florida Statutes (2007), but the respective section numbers within the statute are still the same (§§ 243.18-243.40).

In accordance with the enabling Resolution, the EFA consists of seven members, and each member is appointed by the Board to serve a term of five years. One of the members must be a trustee, director, officer, or employee of an institution for higher education in the county. Members are eligible for reappointment, and there is no limitation on the number of terms a member may serve on the EFA. The Board may remove members from the EFA for misfeasance, malfeasance, or willful neglect of duty.

Each year the EFA elects one of its members as Chairman, and one as Vice-Chairman. The members of the EFA are not compensated but may be paid for necessary expenses incurred while performing duties on behalf of the EFA. A majority of the EFA members constitutes a quorum, and an affirmative vote of the majority of members present at a meeting is necessary for any action taken by the EFA.

The EFA also appoints an Executive Director, who shall not be a member of the EFA, and who serves at the pleasure of the EFA and is compensated. The Executive Director's duties include keeping a record of the proceedings of the EFA, and serving as custodian of the EFA's books, documents, papers, minutes, and official seal.

Within the first ninety days of each calendar year, the EFA is required to give a report to the Board of its activities for the preceding calendar year, including a complete operating and financial statement of its operations during such year. In addition, the EFA is required to cause an audit of its books and accounts to be made by a certified public accountant at least once each year.

The purpose of the EFA is to assist institutions for higher education in the construction, financing, and refinancing of projects. To accomplish its purpose, the EFA is authorized, among other powers, to acquire and convey property, enter into contracts, make loans, issue notes, and issue revenue bonds related to the acquisition, construction, and equipping of higher education-related projects. Notes, bonds or other obligations incurred by the EFA shall not be deemed a pledge of the faith or credit of the County. In June of 1997, the Board also discussed providing legal services to its independent Board. The Board voted unanimously to require all independent authorities (including the EFA) to retain their own legal counsel through their own funds. Subsequently, the Board also required the EFA to retain the same bond counsel and a financial advisor as was retained by Leon County.

Options:

1. Accept staff report on duties and composition of the Leon County Educational Facilities Authority.
2. Do not accept staff report on duties and composition of the Leon County Educational Facilities Authority.
3. Board Direction.

Recommendation:

Option 1.

Attachments:

1. Resolution dated July 17, 1990.

RESOLUTION

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF LEON COUNTY, FLORIDA, CREATING THE LEON COUNTY EDUCATIONAL FACILITIES AUTHORITY PURSUANT TO CHAPTER 243, PART II, FLORIDA STATUTES; APPOINTING THE INITIAL MEMBERS OF THE AUTHORITY; PROVIDING THAT NEITHER THE FUNDS NOR THE FAITH AND CREDIT OF THE COUNTY SHALL BE OBLIGATED BY THE AUTHORITY AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of County Commissioners finds that the youth of Leon County do not have the fullest opportunity to learn and to develop their intellectual and mental capacities because there is a shortage of educational facilities or projects at the institutions for higher education located within the county; and

WHEREAS, the Board of County Commissioners declares that there is a need in Leon County for an educational facilities authority as authorized by Chapter 243, Part II, Florida Statutes.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF LEON COUNTY, FLORIDA;

Section 1. Creation of Authority. Pursuant to Chapter 243, Part II, Florida Statutes, and upon its motion, the

Board of County Commissioners does hereby create the Leon County Educational Facilities Authority consisting of seven members, as described herein, and one of such members shall be a trustee, director, officer, or employee of an institution for higher education located in Leon County.

Section 2. Appointment of Initial Members and Term of Each. The initial members of the Authority and the term of each (from the date this Resolution becomes effective) is as follows:

- | | |
|----------------------|-------------|
| 1. Penny Dehler | One Year |
| 2. Jerry Draper | Two Years |
| 3. Richard E. Flamer | Three Years |
| 4. Bob Kallum | Four Years |
| 5. John Kraft | Four Years |
| 6. Marshall Miller | Five Years |
| 7. Ray Solomon | Five Years |

Section 3. Organization of Authority. Of the members first appointed, one shall serve for one year, one for two years, one for three years, two for four years, and two for five years, and in each case until his successor is appointed and has qualified. Thereafter, the Commission shall appoint for terms of five years each a member or

members to succeed those whose terms expire. The Commission shall fill any vacancy for an unexpired term. A member of the Authority shall be eligible for reappointment. Any member of the Authority may be removed by the Commission for misfeasance, malfeasance or willful neglect of duty. Each member of the Authority before entering upon his duties shall take and subscribe the oath or affirmation required by the State Constitution. A record of each such oath shall be filed in the office of the Secretary of State and with the Clerk. The Authority shall annually elect one of its members as Chairman and one as Vice-Chairman, and shall also appoint an executive director who shall not be a member of the Authority and who shall serve at the pleasure of the Authority and shall receive such compensation as shall be fixed by the Authority. The Executive Director shall keep a record of the proceedings of the Authority and shall be custodian of all books, documents, and papers filed with the Authority and of the minute book or journal of the Authority and of its official seal. He may cause copies to be made of all minutes and other records and documents of the Authority and may give certificates under the official seal of the Authority to the effect that such copies are true copies,

and all persons dealing with the Authority may rely upon such certificates. A majority of the Authority shall constitute a quorum and the affirmative vote of a majority of the members present at a meeting of the Authority shall be necessary for any action taken by an Authority; provided, however, any action may be taken by an Authority with the unanimous consent of all of the members of the Authority. No vacancy in the membership of the Authority shall impair the right of a quorum to exercise all the rights and perform all the duties of the Authority. Any action taken by the Authority under the provisions of Chapter 243 may be authorized by resolution at any regular or special meeting, and each such resolution shall take effect immediately and need not be published or posted. The members of the Authority shall receive no compensation for the performance of their duties hereunder, but each such member shall be paid his necessary expenses incurred while engaged in the performance of such duties. Notwithstanding any other law to the contrary, it shall not be or constitute a conflict of interest for a trustee, director, officer, or employee of an institution for higher education to serve as a member of the Authority.

Section 4. Powers of Authority. The Authority is vested with those powers specified in Chapter 243, Part II, and no other powers or authority, such powers to be exercised in accordance with the provisions of Chapter 243, Part II.

Section 5. Expenses. All expenses incurred in carrying out the provisions of Chapter 243 shall be payable solely from funds provided under the authority of Chapter 243 and no liability or obligations shall be incurred by an Authority hereunder beyond the extent to which moneys shall have been provided under the provisions of Chapter 243. Neither the notes, bonds nor any other obligation incurred by the Authority shall be deemed a pledge of the faith or credit of Leon County nor shall any act or inaction of the Authority directly or indirectly or contingently obligate Leon County to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment.

Section 6. Reports. Within the first ninety (90) days of each calendar year, the Authority shall make a report to the governing body of the county of its activities for the preceding calendar year. Each such report shall set forth a

complete operating and financial statement covering its operations during such year. The Authority shall cause an audit of its books and accounts to be made at least once each year by certified public accountants and the cost thereof shall be paid by the Authority from funds available to it pursuant to Chapter 243.

Section 7. Effective Date. The provisions of this resolution shall become effective upon its enactment.

DULY PASSED AND ADOPTED by the Board of County Commissioners of Leon County, Florida, this 17th day of July, 1990.

BOARD OF COUNTY COMMISSIONERS
LEON COUNTY, FLORIDA

By: [Signature]
Gary Yordon, Chairman

APPROVED AS TO FORM:
[Signature]
Herbert W.A. Thiele, Esq.
County Attorney

[Seal]
By: [Signature]
Sam Hurst
Deputy Clerk

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shall be validated, and said board's capacity to act in such cases ratified and confirmed.

PART II

COUNTIES HIGHER EDUCATIONAL FACILITIES AUTHORITIES LAW

- 243.18 Short title.
- 243.19 Findings and declaration of necessity.
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- 243.36 Reports.
- 243.37 State agreement.
- 243.38 Alternate means.
- 243.39 Liberal construction.
- 243.40 Provisions of part controlling.

243.18 Short title.—Part II of chapter 243, may be referred to as the "Higher Educational Facilities Authorities Law."

243.19 Findings and declaration of necessity.—It is declared that for the benefit of the people of the state, and the increase of their commerce, welfare, and prosperity, and the improvement of their health and living conditions, it is essential that this and future generations of youth be given the fullest opportunity to learn and to develop their intellectual and mental capacities; that it is essential that institutions for higher education within each county in the state be provided with appropriate levels of learning and development of their intellectual and mental capacities and that it is the purpose of part II of this chapter to provide a measure of assistance and an alternate method to enable institutions to develop the facilities and structures which are sorely needed to accomplish the purposes of this part. The necessity in the public interest of the provisions hereinafter enacted is hereby declared as a matter of legislative determination.

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243.20 Definitions.—The following terms, wherever used or referred to in this part of chapter 243 shall have the following respective meanings, unless a different meaning clearly appears from the context:

- (1) "Authority" or "educational facilities authority" means any of the public corporations created by s. 243.21 or any board, body, commission, department, or officer of the county succeeding to the principal functions inhereof or to whom the powers conferred upon each authority by this part shall be given by this part.
- (2) "Commission" means the board of county commissioners or other legislative body charged with governing the county (as the case may be).
- (3) "Clerk" means the clerk of the commission or the officer of the county charged with the duties customarily imposed upon the clerk thereof.
- (4) "Real property" includes all lands, including improvements and fixtures thereon, and any property of any nature appurtenant thereto, or used in connection therewith and every estate, interest and right, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage or otherwise and the indebtedness secured by such liens.
- (5) "Project" means a structure suitable for use as a dormitory or other housing facility, dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, health care facility, and maintenance, storage, utility facility, and other structures or facilities related thereto, or required thereof, or required or useful for the instruction of students, or the conducting of research, or the operation of an institution for higher education, including parking and other facilities or structures, essential or convenient for the orderly conduct of such institution for higher education and shall also include equipment and machinery and other similar items necessary or convenient for the operation of a particular facility or structure in the manner for which its use is intended but shall not include such items as books, fuel, supplies or other items which are customarily deemed to result in a current operating charge.

(6) "Cost," as applied to a project or any portion thereof financed under the provisions of this part, embraces all or any part of the cost of construction and acquisition of all lands, structures, real or personal property, rights, rights-of-way, franchises, easements and interests acquired or used for a project, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be removed, the cost of all machinery and equipment, financing charges, interest prior to, during and for a period of 30 months after completion of such construction, provisions for working capital, reserves for principal and interest and for extensions, enlargements, additions and improvements, cost of engineering, financial and legal services, plans, specifications, studies, surveys, estimates of cost and of revenues, administrative expenses, expenses necessary or incident to determining the feasibility or practicability of constructing the project and such other expenses as may be necessary or incident to the construction and acquisition of the project, the financing of such

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construction and acquisition and the placing of the project in operation.

- (7) "Bonds" or "revenue bonds" mean revenue bonds of the authority issued under the provisions of this part, including revenue refunding bonds, notwithstanding that the same may be secured by mortgage or the full faith and credit of a participating institution for higher education or any other lawfully pledged security of a participating institution for higher education.
- (8) "Institution for higher education" means an educational institution which by virtue of law or charter is an accredited, nonprofit educational institution empowered to provide a program of education beyond the high school level.
- (9) "Participating institution" means an institution for higher education which, pursuant to the provisions of this part, shall undertake the financing and construction or acquisition of a project or shall undertake the refunding or refinancing of obligations or of a mortgage of advances as provided in and permitted by this part.

(4) The aforementioned ordinance or resolution shall designate not less than five persons as members of the authority created for said county. One of such members shall be a trustee, director, officer, or employee of an institution for higher education if there be such an institution located in such county. Of the members first appointed, one shall serve for 1 year, one for 2 years, one for 3 years, one for 4 years, and the remainder for 5 years, and in each case until his successor is appointed and has qualified. Thereafter, the commission shall appoint for terms of 5 years each a member or members to succeed those whose terms expire. The commission of the authority shall be eligible for reappointment. A member of the authority may be removed by the commission for misfeasance, malfeasance, or willful neglect of duty. Each member of the authority before entering upon his duties shall take and subscribe the oath or affirmation required by the State Constitution. A record of each such oath shall be filed in the office of the Department of State and with the clerk.

243.21 Creation of educational facilities authority.

(1) In each county there is hereby created a public body corporate and politic to be known as the County Educational Facilities Authority. Each of said authorities is constituted as a public instrumentality and the exercise by an authority of the powers conferred by this part shall be deemed and held to be the performance of an essential public function. Each of said authorities shall not transact any business or exercise any power hereunder until and unless the commission by proper ordinance or resolution shall declare that there is a need for an authority to function in such county. The determination as to whether there is such need for an authority to function;

(a) May be made by the commission on its own motion, or

(b) Shall be made by the commission upon filing of a petition signed by 25 residents of the county asserting that there is need for an authority to function in such county and requesting that the commission so declare.

(2) The commission may adopt the ordinance or resolution declaring that there is need for an educational facilities authority in the county if it shall find that the youth of the county do not have the fullest opportunity to learn and to develop their intellectual and mental capacities because there is a shortage of educational facilities or projects at the institutions for higher education located within the county.

(3) In any suit, action, or proceeding involving the validity or enforcement of or relating to any contract of the authority, the authority shall be conclusively deemed to have been established and authorized to transact business and exercise its powers hereunder upon proof of the adoption of an ordinance or resolution by the commission declaring the need for the authority. Such ordinance or resolution shall be sufficient if it declares that there is such a need for an authority in the county. A copy of such ordinance or resolution duly certified by the clerk shall be admissible in evidence in any suit, action or proceeding.

(5) The authority shall annually elect one of its members as chairman and one as vice chairman, and shall also appoint an executive director who shall not be a member of the authority and who shall serve at the pleasure of the authority and receive such compensation as shall be fixed by the authority.

(6) The executive director shall keep a record of the proceedings of the authority and shall be custodian of all books, documents and papers filed with the authority and of the minute book or journal of the authority and of its official seal. He may cause copies to be made of all minutes and other records and documents of the authority and may give certificates under the official seal of the authority to the effect that such copies are true copies, and all persons dealing with the authority may rely upon such certificates.

(7) A majority of the members of the authority shall constitute a quorum, and the affirmative vote of a majority of the members present at a meeting of the authority shall be necessary for any action taken by an authority. However, any action may be taken by an authority with the unanimous consent of all of the members of an authority. No vacancy in the membership of the authority shall impair the right of a quorum to exercise all the rights and perform all the duties of the authority. Any action taken by the authority under the provisions of this part may be authorized by resolution at any regular or special meeting, and each such resolution shall take effect immediately and need not be published or posted.

(8) The members of the authority shall receive no compensation for the performance of their duties hereunder but each such member shall be paid his necessary expenses incurred while engaged in the performance of such duties.

(9) Notwithstanding any other law to the contrary, if the director, officer, or employee of an institution for higher education to serve as a member of the authority shall not be or constitute a conflict of interest for such institution, he shall not be or constitute a conflict of interest for such institution to serve as a member of the authority.

243.22 Powers of authority.—The purpose of the authority shall be to assist institutions for higher education.

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tion in the construction, financing, and refinancing of projects, and for this purpose the authority is authorized and empowered:

(1) To have perpetual succession as a body politic and corporate and to adopt bylaws for the regulation of its affairs and the conduct of its business.

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

(3) To maintain an office at such place or places in the county as it may designate.

(4) To sue and be sued in its own name, and plead and be pleaded.

(5) To determine the location and character of any project to be financed under the provisions of this part; and

(a) To construct, reconstruct, maintain, repair, operate, lease as lessee or lessor and regulate the same;

(b) To enter into contracts for any or all of such purposes;

(c) To enter into contracts for the management and operation of a project; and

(d) To designate a participating institution for higher education as its agent to determine the location and character of a project undertaken by such participating institution for higher education under the provisions of this part and as the agent of the authority, to construct, reconstruct, maintain, repair, operate, lease as lessee or lessor, and regulate the same, and, as the agent of the authority, to enter into contracts for any or all of such purposes, including contracts for the management and operation of such project.

(6) To issue bonds, bond anticipation notes and other obligations of the authority for any of its corporate purposes, and to fund or refund the same, all as provided in this part.

(7) Generally, to fix and revise from time to time and charge and collect rates, rents, fees and charges for the use of and for the services furnished or to be furnished by a project or any portion thereof and to contract with any person, partnership, association, or corporation or other body public or private in respect thereof.

(8) To establish rules and regulations for the use of a project or any portion thereof and to designate a participating institution for higher education as its agent to establish rules and regulations for the use of a project undertaken by such participating institution for higher education.

(9) To employ consulting engineers, architects, 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.

(10) To receive and accept from any public agency loans or grants for or in aid of the construction of a project or any portion thereof, and to receive and accept loans, grants, 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 loans, grants, aid, and contributions are made.

(11) To mortgage any project and the site thereof for the benefit of the holders of revenue bonds issued to finance such projects.

(12) To make loans to any participating institution for higher education for the cost of a project in accordance with an agreement between the authority and the participating institution for higher education; provided no such loan shall exceed the total cost of the project as determined by the participating institution for higher education and approved by the authority.

(13) To make loans to a participating institution for higher education to refund outstanding obligations, mortgages or advances issued, made or given by such participating institution for higher education for the cost of a project.

(14) To charge to and equitably apportion among participating institutions for higher education its administrative costs and expenses incurred in the exercise of the powers and duties conferred by this part.

(15) To do all things necessary or convenient to carry out the purposes of this part.

History.— 5, ch. 88-345.

243.23 Payment of expenses.—All expenses incurred in carrying out the provisions of this part shall be payable solely from funds provided under the authority of this part, and no liability or obligation shall be incurred by an authority hereunder beyond the extent to which moneys shall have been provided under the provisions of this part.

History.— 4, ch. 88-345.

243.24 Acquisition of real property.—The authority is authorized and empowered, directly or by and through a participating institution for higher education as its agent, to acquire by purchase solely from funds provided under the authority of this part, or by gift or devise, such lands, structures, property, real or personal, rights, rights-of-way, franchises, easements, and other interests in lands, including lands lying under water and riparian rights, which are located within or without the state as it may deem necessary or convenient for the construction or operation of a project, upon such terms and at such prices as may be considered by it to be reasonable and can be agreed upon between it and the owner thereof, and to take title thereto in the name of the authority or in the name of a participating institution for higher education as its agent.

History.— 1, ch. 88-345.

243.25 Conveyance of title or interest to participating institutions.—When the principal of and interest on revenue bonds of the authority issued to finance the cost of a particular project or projects at a participating institution for higher education, including any revenue refunding bonds issued to refund and reliance such revenue bonds, have been fully paid and retired or when adequate provision has been made fully to pay and retire the same, and all other conditions of the resolution or trust agreement authorizing and securing the same have been satisfied and the lien of such resolution or trust agreement has been released in accordance with the provisions thereof, the authority shall promptly do such things and execute such deeds and conveyances as are necessary and required to convey title to such project or projects to such participating institution for higher education, free and clear of all liens and encum-

brances, all to the extent that title to such project or projects shall not, at the time, then be vested in such participating institution for higher education.

History.— 1, ch. 88-345.

243.26 Notes of authority.—The authority is authorized from time to time to issue its negotiable notes for any corporate purpose and renew from time to time any notes by the issuance of new notes, whether the notes to be renewed have or have not matured. The authority may issue notes partly to renew notes or to discharge other obligations then outstanding and partly for any other purpose. The notes may be authorized, sold, executed and delivered in the same manner as bonds. Any resolution or resolutions authorizing notes of the authority or any issue thereof may contain any provisions which the authority is authorized to include in any resolution or resolutions authorizing revenue bonds of the authority of any issue thereof, and the authority may include in any notes any terms, covenants or conditions which it is authorized to include in any bonds. All such notes shall be payable solely from the revenues of the authority, subject only to any contractual rights of the holders of any of its notes or other obligations then outstanding.

History.— 3, ch. 88-345.

243.27 Revenue bonds.—

(1) The authority is authorized from time to time to issue its negotiable revenue bonds for any corporate purpose. In anticipation of the sale of such revenue bonds, the authority may issue negotiable bond anticipation notes and may renew the same from time to time, but the maximum maturity of any such note, including renewals thereof, shall not exceed 5 years from the date of issue of the original note. Such notes shall be paid from any revenues of the authority available therefor and not otherwise pledged, or from the proceeds of sale of the revenue bonds of the authority in anticipation of which they were issued. The notes shall be issued in the same manner as the revenue bonds. Such notes and the resolution or resolutions authorizing the same may contain any provisions, conditions, or limitations which a bond resolution of the authority may contain.

(2) The revenue bonds and notes of every issue shall be payable solely out of revenues of the authority, subject only to any agreements with the holders of particular revenue bonds or notes pledging any particular revenues. Notwithstanding that revenue bonds and notes may be payable from a special fund, they shall be and be deemed to be for all purposes negotiable instruments, subject only to the provisions of the revenue bonds and notes for registration.

(3) The revenue bonds may be issued as serial bonds or as term bonds; or the authority, in its discretion, may issue bonds of both types. The revenue bonds shall be authorized by resolution of the members of the authority and shall bear such date or dates, mature at such time or times not exceeding 50 years from their respective dates, bear interest at such rate or rates, be payable at such time or times, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States at such place or places, and be subject to such terms of

redemption, as such resolution or resolutions may provide. The revenue bonds or notes may be sold at public or private sale for such price or prices as the authority shall determine. Pending preparation of the definitive bonds, the authority may issue interim receipts or certificates which shall be exchanged for such definitive bonds.

(4) Any resolution or resolutions authorizing any revenue bonds or any issue of revenue bonds may contain provisions, which shall be a part of the contract with the holders of the revenue bonds to be authorized, as to:

(a) Pledging of all or any part of the revenues of a project or any revenue-producing contract or contracts made by the authority with any individual, partnership, corporation, or association of other body, public or private, to secure the payment of the revenue bonds or any particular issue of revenue bonds, subject to such agreements with bondholders as may then exist.

(b) The rentals, fees, and other charges to be charged, and the amounts to be raised in each year thereby, and the use and disposition of the revenues.

(c) The setting aside of reserves or sinking funds, and the regulation and disposition thereof.

(d) Limitations on the right of the authority or its agent to restrict and regulate the use of the project.

(e) Limitations on the purpose to which the proceeds of sale of any issue of revenue bonds then or thereafter to be issued may be applied and pledging such proceeds to secure the payment of the revenue bonds or any issue of the revenue bonds.

(f) Limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the refunding of outstanding bonds.

(g) The procedure, if any, by which the terms of any contract with bondholders 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.

(h) Limitations on the amount of moneys derived from the project to be expended for operating, administrative, or other expenses of the authority.

(i) The acts or omissions to act which shall constitute a default in the duties of the authority to hold its obligations and providing the rights and remedies of such holders in the event of a default.

(j) The mortgaging of a project and the site thereof for the purpose of securing the bondholders.

(5) Neither the members of the authority nor any person executing the revenue bonds or notes shall be liable personally on the revenue bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof.

(6) The authority shall have power out of any funds available therefor to purchase its bonds or notes. The authority may hold, pledge, cancel, or reset such bonds, subject to and in accordance with agreements with bondholders.

History.— 10, ch. 88-345, § 27, ch. 73-307, § 7, ch. 77-174, § 2, ch. 81-195.

243.28 Security of bondholders.—In the discretion of the authority any revenue bonds issued under the provisions of this part may be secured by a trust agreement by and between the authority and a corporate trustee

or trustees, which may be any trust company or bank having the powers of a trust company within or without the state. Such trust agreement or the resolution providing for the issuance of such revenue bonds may pledge or assign the revenues to be received or proceeds of any contract or contracts pledged and may convey or mortgage the project or any portion thereof. Such trust agreement or resolution providing for the issuance of such revenue bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including particularly such provisions as have hereinabove been specifically authorized to be included in any resolution or resolutions of the authority authorizing revenue bonds thereon. Any bank or trust company incorporated under the laws of this state which may act as depository of the proceeds of bonds or of revenues or other moneys may furnish such indemnifying bonds or pledge such securities as may be required by the authority. Any such trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees, and may restrict the individual right of action by bondholders. In addition to the foregoing, any such trust agreement or resolution may contain such other provisions as the authority may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of such trust agreement or resolution may be treated as a part of the cost of the operation of a project.

History.—s. 1, ch. 89-243

243.29 Payment of bonds.—Revenue bonds issued under the provisions of this part shall not be deemed to constitute a debt or liability of the state or of the county or a pledge of the faith and credit of the state or of any such county, but shall be payable solely from the funds herein provided therefor from revenues. All such revenue bonds shall contain on the face thereof a statement to the effect that neither the State of Florida nor the authority shall be obligated to pay the same or the interest thereon except from revenues of the project or the portion thereof for which they are issued and that neither the faith and credit nor the taxing power of the state or of any political subdivision thereof is pledged to the payment of the principal of or the interest on such bonds. The issuance of revenue bonds under the provisions of this part shall not directly or indirectly or contingently obligate the state or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment.

History.—s. 12, ch. 89-243, s. 1, ch. 77-174

243.30 Rates, rents, fees, and charges.—

(1) The authority is authorized to fix, revise, charge and collect rates, rents, fees and charges for the use of and for the services furnished or to be furnished by each project and to contract with any person, partnership, association or corporation, or other body, public or private, in respect thereof. Such rates, rents, fees and charges shall be fixed and adjusted in respect of the aggregate of rates, rents, fees and charges from such project so as to provide funds sufficient with other revenues, if any:

(a) To pay the cost of maintaining, repairing and operating the project and each and every portion thereof,

to the extent that the payment of such cost has not otherwise been adequately provided for.

(b) To pay the principal of and the interest on outstanding revenue bonds of the authority issued in respect of such project as the same shall become due and payable.

(c) To create and maintain reserves required or provided for in any resolution authorizing, or trust agreement securing, such revenue bonds of the authority.

Such rates, rents, fees and charges shall not be subject to supervision or regulation by any department, commission, board, body, bureau or agency of this state other than the authority.

(2) A sufficient amount of the revenues derived in respect of a project, except such part of such revenues as may be necessary to pay the cost of maintenance, repair and operation and to provide reserves and for renewals, replacements, extensions, enlargements and improvements as may be provided for in the resolution authorizing the issuance of any revenue bonds of the authority or in the trust agreement securing the same, shall be set aside at such regular intervals as may be provided in such resolution or trust agreement in a sinking or other similar fund which is hereby pledged to, and charged with, the payment of the principal of and the interest on such revenue bonds as the same shall become due, and the redemption price of the purchase price of bonds retired by call or purchase as therein provided. Such pledge shall be valid and binding from the time when the pledge is made; the rates, rents, fees and charges and other revenues or other moneys 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 trust agreement by which a pledge is created need be filed or recorded except in the records of the authority.

(3) The use and disposition of moneys to the credit of such sinking or other similar fund shall be subject to the provisions of the resolution authorizing the issuance of such bonds or of such trust agreement. Except as may otherwise be provided in such resolution or such trust agreement, such sinking or other similar fund shall be a fund for all such revenue bonds issued to finance projects at a particular institution for higher education without distinction or priority of one over another; provided the authority in any such resolution or trust agreement may provide that such sinking or other similar fund shall be the fund for a particular project at an institution for higher education and for the revenue bonds issued to finance a particular project and may, additionally, permit and provide for the issuance of revenue bonds having a subordinate lien in respect of the security herein authorized to other revenue bonds of the authority and, in such case, the authority may create separate sinking or other similar funds in respect of such subordinate lien bonds.

History.—s. 13, ch. 89-243.

243.31 Trust funds.—All moneys received pursuant to the authority of this part, whether as proceeds from the sale of bonds or as revenues, shall be deemed to be trust funds to be held and applied solely as provided in this part. Any officer with whom, or any bank or trust company with which, such moneys shall be deposited shall act as trustee of such moneys and shall hold and apply the same for the purposes hereof, subject to such regulations as this act and the resolution authorizing the bonds of any issue or the trust agreement securing such bonds may provide.

History.—s. 14, ch. 89-243.

243.32 Remedies of bondholders.—Any holder of revenue bonds issued under the provisions of this part or any of the coupons appertaining thereto, and the trustee or trustees under any trust agreement, except to the extent the rights herein given may be restricted by any resolution authorizing the issuance of, or any such trust agreement securing, such bonds, may, either at law or in equity, by suit, action, mandamus or other proceedings, protect and enforce any and all rights under the laws of the state or granted hereunder or under such resolution or trust agreement, and may enforce and compel the performance of all duties required by this part or by such resolution or trust agreement to be performed by the authority or by any officer, employee or agent thereof, including the fixing, charging and collecting of the rates, rents, fees and charges herein authorized and required by the provisions of such resolution or trust agreement to be fixed, established and collected.

History.—s. 15, ch. 89-243

243.33 Tax exemption.—The exercise of the powers granted by this part will be in all respects for the benefit of the people of this state, for the increase of their commerce, welfare and prosperity, and for the improvement of their health and living conditions, and as the operation and maintenance of a project by the authority or its agent will constitute the performance of an essential public function, neither the authority nor its agent shall be required to pay any taxes or assessments upon or in respect of a project or any property acquired or used by the authority or its agents under the provisions of this part or upon the income therefrom, and any bonds issued under the provisions of this part, 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 by the state, the county and by the municipalities and other political subdivisions in the state. The exemption granted by this section shall not be applicable to any tax imposed by chapter 220 on interest, income or profits on debt obligations owned by corporations.

History.—s. 16, ch. 89-243, s. 1, ch. 77-121

243.34 Refunding bonds.—

(1) The authority is hereby authorized to provide for the issuance of revenue bonds of the authority for the purpose of refunding any revenue bonds of the authority then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue to the earliest or subsequent date of redemption, purchase or maturity of such revenue bonds, and, if

deemed advisable by the authority, for the additional purpose of paying all or any part of the cost of constructing and acquiring additions, improvements, extensions or enlargements of a project or any portion thereof.

(2) The proceeds of any such revenue bonds issued for the purpose of refunding outstanding revenue bonds may, in the discretion of the authority, be applied to the purchase or retirement at maturity or redemption of such outstanding revenue bonds either on their earliest or any subsequent redemption date or upon the purchase or at the maturity thereof and may, pending such application, be placed in escrow to be applied to such purchase or retirement at maturity or redemption on such date as may be determined by the authority.

(3) Any such escrowed proceeds, per se, use, may be invested and reinvested in direct obligations of the United States of America, or in certificates of deposit or time deposits secured by direct obligations of the United States, maturing at such time or times as shall be appropriate to assure the prompt payment, as to principal, interest and redemption premium, if any, of the outstanding revenue bonds to be so refunded. The interest, income, and profits, if any, earned or realized on any such investment may also be applied to the payment of the outstanding revenue bonds to be so refunded. After the terms of the escrow have been fully satisfied and carried out, any balance of such proceeds and interest, income and profits, if any, earned or realized on the investments thereof may be returned to the authority for use by it in any lawful manner.

(4) The portion of the proceeds of any such revenue bonds issued for the additional purpose of paying all or any part of the cost of constructing and acquiring additions, improvements, extensions or enlargements of a project may be invested and reinvested in direct obligations of the United States, or in certificates of deposit or time deposits secured by direct obligations of the United States, maturing not later than the time or times when such proceeds will be needed for the purpose of paying all or any part of such cost. The interest, income and profits, if any, earned or realized on such investment may be applied to the payment of all or any part of such cost or may be used by the authority in any lawful manner.

(5) All such revenue bonds shall be subject to the provisions of this part in the same manner and to the same extent as other revenue bonds issued pursuant to this part.

History.—s. 17, ch. 89-243

243.35 Legal investment.—Bonds issued by the authority under the provisions of this part are hereby made securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which they

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deposit of bonds or obligations of the state is now or may hereafter be authorized by law.
History.—s. 19, ch. 29-345

243.36 Reports.—Within the first 90 days of each calendar year, the authority shall make a report to the governing body of the county of its activities for the preceding calendar year. Each such report shall set forth a complete operating and financial statement covering its operations during such year. The authority shall cause an audit of its books and accounts to be made at least once each year by certified public accountants and the cost thereof shall be paid by the authority from funds available to it pursuant to this part.
History.—s. 19, ch. 29-345

243.37 State agreement.—The state does hereby pledge to and agree with the holders of any obligations issued under this part, and with those parties who may enter into contracts with an authority pursuant to the provisions of this part, that the state will not limit or alter the rights hereby vested in the authority until such obligations, together with the interest thereon, are fully met and discharged and such contracts are fully performed on the part of the authority, provided nothing herein contained shall preclude such limitation or alteration if and when adequate provision shall be made by law for the protection of the holders of such obligations of an authority or those entering into such contracts with an authority. An authority is authorized to include this pledge

and undertaking for the state in such obligations or contracts.
History.—s. 19, ch. 29-345

243.38 Alternate means.—The foregoing sections of this part shall be deemed to provide an additional and alternative method for the doing of the things authorized thereby, and shall be regarded as supplemental and additional to powers conferred by other laws; provided the issuance of revenue bonds and revenue refunding bonds under the provisions of this part need not comply with the requirements of any other law applicable to the issuance of bonds. Except as otherwise expressly provided in this part, none of the powers granted to the authority under the provisions of this part shall be subject to the supervision or regulation or require the approval or consent of any municipality or political subdivision or any commission, board, body, bureau, official or agency thereof or of the state.
History.—s. 21, ch. 29-345

243.39 Liberal construction.—This part, being necessary for the welfare of the state and its inhabitants, shall be liberally construed to effect the purposes hereof.
History.—s. 22, ch. 29-345

243.40 Provisions of part controlling.—To the extent that the provisions of this part are inconsistent with the provisions of any general statute or special act or parts thereof, the provisions of this part shall be deemed controlling.
History.—s. 23, ch. 29-345 & s. 1, ch. 77-177

CHAPTER 244

EDUCATIONAL COMPACTS

- PART I SOUTHERN REGIONAL COMPACT (ss. 244.01-244.03)
- PART II NATIONAL COMPACT (ss. 244.06, 244.08)
- PART III COMPACT ON QUALIFICATIONS OF EDUCATIONAL PERSONNEL (ss. 244.09-244.11)

PART I

SOUTHERN REGIONAL COMPACT

- 244.01 Regional education; state policy.
- 244.02 Regional compact.
- 244.03 Copies to other states approving

244.01 Regional education; state policy.—It is hereby declared to be the policy of the state to promote the development and maintenance of regional educational services and facilities in the Southern States in the professional, technological, scientific, literary and other fields so as to provide greater educational advantages for the citizens of the state and the citizens in the several states in said region; and it is found and determined by the Legislature of the state that greater educational advantages and facilities for the citizens of the state in certain phases of the professional, technological, scientific, literary and other fields in education can best be accomplished by the development and maintenance of regional educational services and facilities, under the plan embodied in "The Regional Pact" hereinafter adopted; and this law shall be liberally construed to accomplish such purposes.
History.—s. 1, ch. 25017, 1948

244.02 Regional compact.—The compact entered into by the state and other Southern States by and through their respective governors on February 8, 1948, as amended, relative to the development and maintenance of regional education services and schools in the Southern States in the professional, technological, scientific, literary and other fields so as to promote greater educational facilities for the citizens of the several states who reside in said region, a copy of said compact, as amended, being as follows:

THE REGIONAL COMPACT
(as amended)

WHEREAS, The States who are parties hereto have during the past several years conducted careful investigation looking toward the establishment and maintenance of jointly owned and operated regional educational institutions in the Southern States in the professional, technological, scientific, literary, and other fields, so as to provide greater educational advantages and facilities for the citizens of the several states who reside within such region; and

WHEREAS, Meharry Medical College of Nashville, Tennessee, has proposed that its lands, buildings, equipment, and the net income from its endowment be

turned over to the Southern States, or to an agency acting in their behalf, to be operated as a regional institution for medical, dental and nursing education upon terms and conditions to be hereafter agreed upon between the Southern States and Meharry Medical College, which proposal, because of the present financial condition of the institution, has been approved by the said states who are parties hereto; and

WHEREAS, the said states desire to enter into a compact with each other providing for the planning and establishment of regional educational facilities;

NOW, THEREFORE, in consideration of the mutual agreements, covenants and obligations assumed by the respective states who are parties hereto (hereinafter referred to as "states"), the said several states do hereby form a geographical district or region consisting of the areas lying within the boundaries of the contracting states which, for the purposes of this compact, shall constitute an area for regional education supported by public funds derived from taxation by the constituent states and derived from other sources for the establishment, acquisition, operation and maintenance of regional educational schools and institutions for the benefit of citizens of the respective states residing within the region so established as may be determined from time to time in accordance with the terms and provisions of this compact.

The states do further hereby establish and create a joint agency which shall be known as the Board of Control for Southern Regional Education (hereinafter referred to as the "board"). The members of which shall consist of the governor of each state, *ex officio*, and four additional citizens of each state to be appointed by the governor thereof, at least one of whom shall be selected from the field of education, and at least one of whom shall be a member of the legislature of that state. The governor shall continue as a member of the board during his tenure of office as governor of the state, but the members of the board appointed by the governor shall hold office for a period of four years except that in the original appointments one board member so appointed by the governor shall be designated at the time of his appointment to serve an initial term of two years, one board member to serve an initial term of three years, and the remaining board member to serve the full term of four years, but thereafter the successor of each appointed board member shall serve the full term of four years. Vacancies on the board caused by death, resignation, refusal or inability to serve, shall be filled by appointment by the governor for the unexpired portion of the term. The officers of the board shall be a chairman,