

TITLE 67
STATE GOVERNMENT AND STATE AFFAIRS

CHAPTER 64
IDAHO STATE BUILDING AUTHORITY ACT

67-6401. SHORT TITLE. This chapter may be referred to as and cited as "Idaho State Building Authority Act."

[67-6401, added 1974, ch. 111, sec. 1, p. 1263.]

67-6402. DEFINITIONS. As used in this chapter the following words and terms have the following meanings, unless a different meaning clearly appears from the context:

(a) "Authority" means the Idaho state building authority created and established pursuant to section [67-6403](#), Idaho Code.

(b) "Bonds," "notes" or "bond anticipation notes" and "other obligations" mean any bonds, notes, debentures, interim certificates or other evidences of financial indebtedness, respectively, issued by the state building authority pursuant to this chapter.

(c) "Community college district" means any community college district organized and existing under [chapter 21, title 33](#), Idaho Code.

(d) "Federal government" means the United States of America, or any agency or instrumentality, corporate or otherwise of the United States of America.

(e) "Facility" means any work or undertaking, whether new construction or rehabilitation, which is designed and financed pursuant to the provisions of this act and designed for use as an office building, laboratory, library, dining room, instructional facility, motor vehicle parking, storage or service facility or for any other use by any state body or community college district and all other real or personal properties which are necessary, convenient, or desirable appurtenances, such as but not limited to streets, sewers, utilities, parks, site preparation, landscaping, and such equipment which may be necessary to constitute a fully equipped and modern building as the authority determines to be necessary or convenient to accomplish the purposes of this act.

(f) "Municipality" means any city, municipal corporation, or other political subdivision of this state.

(g) "Real property" means all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest and right, legal or equitable, therein, including terms of years and liens by way of judgment, mortgage or otherwise and the indebtedness secured by such liens.

(h) "State" means the state of Idaho.

(i) "State body" means any department, board, commission, or agency of the state of Idaho.

[67-6402, added 1974, ch. 111, sec. 2, p. 1263; am. 1978, ch. 239, sec. 1, p. 511; am. 2003, ch. 349, sec. 1, p. 933.]

67-6403. CREATION OF AUTHORITY. There is hereby created and established an independent public body corporate and politic to be known as the Idaho state building authority to carry out the provisions of this act. The authority is hereby constituted a public instrumentality exercising public

and essential governmental functions, and the exercise by the authority of the powers conferred by this act shall be deemed and held to be the performance of an essential governmental function of the state. The authority shall not have the power to levy and collect taxes.

[67-6403, added 1974, ch. 111, sec. 3, p. 1263.]

67-6404. DECLARATION OF POLICY. It is hereby declared:

(a) the functions of government have multiplied many times since the admission of the state of Idaho into the union in 1890;

(b) in view of the many increased functions of government, it is necessary that proper provision of office space and related facilities for the many departments, agencies and commissions of state government and its instrumentalities be provided; many such state governmental bodies are inadequately provided with the necessary office space and related facilities;

(c) it is to the economic benefit of the citizens of the state of Idaho to provide sufficient office space and the necessary related facilities for such state governmental bodies and thus provide a more efficient and more economical operation of state government.

It is further declared that in order to provide for a fully adequate supply of governmental facilities at costs that state government can afford, the legislature finds it necessary to create and establish a state building authority for the purpose of constructing and operating such facilities to meet the needs of the state government.

It is hereby further declared to be necessary and in the public interest that such state building authority provide for predevelopment costs, temporary financing, land development expenses, construction and operation of governmental facilities for rental to state government.

It is hereby further declared that the foregoing are public purposes and uses for which public moneys may be borrowed, expended, advanced, loaned, or granted, and that such activities serve a public purpose in improving or otherwise benefiting the people of this state; that the necessity of enacting the provisions hereinafter set forth is in the public interest and is hereby so declared as a matter of express legislative determination.

[67-6404, added 1974, ch. 111, sec. 4, p. 1263.]

67-6405. APPOINTMENT AND REMOVAL OF COMMISSIONERS. (a) The powers of the authority shall be vested in a board of seven (7) commissioners appointed by the governor for terms of five (5) years with advice and consent of a majority of the members of the senate. No commissioner appointed after January 1, 1978, shall also serve as a member of the permanent building council created in section [67-5710](#), Idaho Code. Of the commissioners first appointed, two (2) commissioners shall serve for terms ending one (1) year from January first next succeeding the date of their appointment, two (2) commissioners shall serve for terms ending two (2) years from January first next succeeding their appointment and one (1) of the remaining three (3) commissioners shall serve for a term of three (3), four (4) and five (5) years, respectively. Any vacancies in the membership of the authority shall be filled in like manner but only for the remainder of an unexpired term. Each commissioner shall hold office for the term of his appointment and until his successor shall have been appointed and qualified. Any commissioner shall be eligible for reappointment.

(b) The commissioners shall elect from among their number a chairman and a vice chairman annually and such other officers as it may determine. Meetings shall be held at the call of the chairman or whenever two (2) commissioners so request. Four (4) commissioners of the authority shall constitute a quorum and the affirmative vote of four (4) commissioners shall be necessary for any action taken by 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.

(c) Commissioners shall be compensated as provided by section [59-509](#)(o), Idaho Code.

(d) For incompetency or neglect of duty or malfeasance in office, a commissioner of the authority may be removed from office by the governor in the manner provided by law.

[67-6405, added 1974, ch. 111, sec. 5, p. 1263; am. 1978, ch. 239, sec. 2, p. 512; am. 1980, ch. 247, sec. 93, p. 654; am. 2001, ch. 34, sec. 1, p. 53.]

67-6406. EXECUTIVE DIRECTOR. (a) The commissioners shall employ an executive director who shall also be the secretary and who shall administer, manage and direct the affairs and business of the authority, subject to the policies, control and direction of the commissioners. The commissioners may employ technical experts and such other officers, agents and employees, permanent and temporary, as it may require, and shall determine their qualifications, duties and compensation. The commissioners may delegate to one or more of its agents or employees such administrative duties as it may deem proper.

(b) The secretary 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 its minute book and seal. He shall have authority to cause to be made copies of all minutes and other records and documents of the authority and to give certificates under the 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.

[67-6406, added 1974, ch. 111, sec. 6, p. 1263.]

67-6407. CONFLICT OF INTEREST. No commissioner or employee of the authority shall acquire any interest direct or indirect in any facility financed under this act or in any property included or planned to be included in any such facility, nor shall he have any interest direct or indirect in any contract or proposed contract for materials or services to be furnished or used in connection with any such facility. If any commissioner or employee of the authority owns or controls an interest direct or indirect in any property included or planned to be included in any such facility, he immediately shall disclose the same in writing to the authority and such disclosure shall be entered upon the minutes of the authority. Failure so to disclose such interest shall constitute misconduct in office. Upon such disclosure such commissioner or employee shall not participate in any action by the authority affecting such property.

[67-6407, added 1974, ch. 111, sec. 7, p. 1263.]

67-6408. NO FORFEITURE OF OFFICE. Notwithstanding the provisions of any other law, no officer or employee of this state shall be deemed to have forfeited or shall forfeit his office or employment by reason of his acceptance of membership on the authority or his service thereon.

[67-6408, added 1974, ch. 111, sec. 8, p. 1263.]

67-6409. GENERAL POWERS OF THE AUTHORITY. The authority is hereby granted, has and may exercise all powers necessary or appropriate to carry out and effectuate its corporate purposes, including, without limitation, the following:

- (a) sue and be sued in its own name;
- (b) have an official seal and to alter the same at pleasure;
- (c) have perpetual succession;
- (d) maintain an office at such place or places within this state as it may designate;
- (e) adopt and from time to time amend and repeal bylaws and rules and regulations, not inconsistent with this chapter, to carry into effect the powers and purposes of the authority and the conduct of its business;
- (f) make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions;
- (g) acquire real or personal property, or any interest therein, on either a temporary or long-term basis in the name of the authority by gift, purchase, transfer, foreclosure, lease or otherwise including rights or easements; hold, sell, assign, lease, encumber, mortgage or otherwise dispose of any real or personal property, or any interest therein, or mortgage interest owned by it or under its control, custody or in its possession and release or relinquish any right, title, claim, lien, interest, easement or demand however acquired, including any equity or right of redemption in property foreclosed by it and to do any of the foregoing by public sale, with such public bidding as shall be required by the provisions of any other law;
- (h) to lease or rent any lands, buildings, structures, facilities or equipment from private parties to effectuate the purposes of this act;
- (i) to enter into agreements or other transactions with and accept grants and the cooperation of the United States or any agency thereof or of the state of Idaho or any agency or governmental subdivision thereof in furtherance of the purposes of this act, including but not limited to the development, maintenance, operation and financing of any facility and to do any and all things necessary in order to avail itself of such aid and cooperation;
- (j) to receive and accept aid or contributions from any source of money, property, labor or other things of value, to be held, used and applied to carry out the purposes of this act subject to such conditions upon which such grants and contributions may be made, including, but not limited to, gifts or grants from any department or agency of the United States or this state or any community college district for any purpose consistent with this act;
- (k) to employ architects, engineers, attorneys, accountants, building construction and financial experts and such other advisors, consultants and agents as may be necessary in its judgment and to fix their compensation;
- (l) to procure insurance against any loss in connection with its property and other assets in such amounts and from such insurers as it deems desirable;
- (m) to invest any funds not needed for immediate use or disbursement, including any funds held in reserve, in:

- (1) bonds, notes and other obligations of the United States or any agency or instrumentality thereof and other securities secured by such bonds, notes or other obligation;
- (2) money market funds which are insured or the assets of which are limited to obligations of the United States or any agency or instrumentality thereof;
- (3) time certificates of deposit and savings accounts;
- (4) commercial paper which, at the time of its purchase, is rated in the highest category by a nationally recognized rating service; and
- (5) property or securities in which the state treasurer may invest funds in the state treasury pursuant to section [67-1210](#), Idaho Code.
- (n) to borrow money and issue bonds and notes or other evidences of indebtedness thereof as hereinafter provided;
- (o) to the extent permitted under its contract with the holders of bonds, notes and other obligations of the authority to consent to any modification of any contract, lease or agreement of any kind to which the authority is a party;
- (p) to manage or operate real and personal property, in the state, take assignments of leases and rentals, proceed with foreclosure actions, or take any other action necessary or incidental to the performance of its corporate duties;
- (q) to make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this chapter;
- (r) to plan, carry out, acquire, lease and operate facilities and to provide for the construction, reconstruction, improvement, alteration or repair of any facility or part thereof;
- (s) to sell, lease, rent or sublease to any state body or community college district, any facility or any space embraced in any facility constructed or leased under this act, to establish and revise the rents or charges therefor and to do any other acts necessary to the management and operation of its facilities;
- (t) to do any act necessary or convenient to the exercise of the powers herein granted or reasonably implied therefrom.

[67-6409, added 1974, ch. 111, sec. 9, p. 1263; am. 1978, ch. 239, sec. 3, p. 513; am. 1986, ch. 151, sec. 1, p. 436; am. 2003, ch. 349, sec. 2, p. 933.]

67-6410. PROCEDURE PRIOR TO FINANCING BUILDING DEVELOPMENTS OR BUILDING PROJECTS. Notwithstanding any other provision of this act, the authority is not empowered to finance any facility pursuant to section [67-6409](#), Idaho Code, unless:

- (a) Prior approval by the legislature has been given by concurrent resolution authorizing a state body or community college district to have the authority provide a specific facility;
- (b) A state body or community college district has entered into an agreement with the authority for the authority to provide a facility; and
- (c) The authority finds that the building development or building project to be assisted pursuant to the provisions of this act, will be of public use and will provide a public benefit.

[67-6410, added 1974, ch. 111, sec. 10, p. 1263; am. 1978, ch. 239, sec. 4, p. 515; am. 2003, ch. 349, sec. 3, p. 935.]

67-6411. COOPERATION WITH MUNICIPALITIES, STATE BODIES OR COMMUNITY COLLEGE DISTRICTS. (a) The authority may obtain the aid and cooperation of the municipalities in which such facilities are to be located and shall have the power to enter into:

(1) such agreements and arrangements as it deems necessary or advisable to obtain such aid and cooperation; and

(2) agreements with municipalities or counties for the furnishing, installing, opening, or closing of streets, roads, alleys, sidewalks or other places, or for the furnishing of property, sewage, water, and other services in connection with facilities financed under this act or for the changing of the map of a political subdivision of the planning, replanning, zoning, or rezoning of any part of a political subdivision.

(b) The authority and any state body or community college district may join or cooperate with each other, either jointly or otherwise, in the exercise of any of their powers for the purpose of planning, undertaking, owning, constructing or contracting with respect to a facility.

[67-6411, added 1974, ch. 111, sec. 11, p. 1263; am. 2003, ch. 349, sec. 4, p. 935.]

67-6412. EXEMPTION FROM TAXATION. (a) As set forth in the declaration of finding and purpose herein, the authority will be performing an essential governmental function in the exercise of the powers conferred upon it by this chapter, and the notes and bonds of the authority issued pursuant to this act, and the income therefrom including any profit made on the sale thereof and all its fees, charges, gifts, grants, revenues, receipts, and other moneys received, pledged to pay or secure the payment of such notes or bonds shall at all times be free from taxation of every kind by the state and by the municipalities and all other political subdivisions of the state.

(b) The property of the authority and its income and operation shall be exempt from taxation or assessments upon any property acquired or used by the authority under the provisions of this act.

[67-6412, added 1974, ch. 111, sec. 12, p. 1263.]

67-6413. ANNUAL REPORT. The authority shall submit to the governor within ninety (90) days after the end of its fiscal year a complete and detailed report setting forth:

(a) its operations and accomplishments;

(b) its receipts and expenditures during such fiscal year in accordance with the categories or classifications established by the authority for its operating and capital outlay purposes;

(c) its assets and liabilities at the end of its fiscal year, including the status of reserve, special or other funds; and

(d) a schedule of its notes and bonds outstanding at the end of its fiscal year, together with a statement of the amounts redeemed and incurred during such fiscal year.

[67-6413, added 1974, ch. 111, sec. 13, p. 1263.]

67-6414. BONDING PROVISIONS. (a) (1) The authority shall have power and is hereby authorized to issue from time to time its notes and bonds in such principal amount as the authority shall determine to be necessary to provide sufficient funds for achieving any of its corporate purposes, including the

payment of interest on notes and bonds of the authority, establishment of reserves to secure such notes and bonds, and all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers.

(2) The authority shall have the power, from time to time, to issue (i) notes to renew notes and (ii) bonds, to pay notes, including the interest thereon, and whenever it deems refunding expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and to issue bonds partly to refund bonds then outstanding and partly for any of its corporate purposes. The refunding bonds may be (i) exchanged for bonds to be refunded or (ii) sold and the proceeds applied to the purchase, redemption or payment of such bonds.

(3) Except as may otherwise be expressly provided by the authority, every issue of its notes and bonds shall be general obligations of the authority payable out of any revenues or moneys of the authority, subject only to any agreements with the holders of particular notes or bonds pledging any particular revenues.

(b) The notes and bonds shall be authorized by resolution or resolutions of the authority, shall bear such date or dates and shall mature at such time or times as such resolution or resolutions may provide, except that no bond shall mature more than fifty (50) years from the date of its issue. The bonds may be issued as serial bonds payable in annual installments or as term bonds or as a combination thereof. The notes and bonds shall bear interest at such rate or rates, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption as such resolution or resolutions may provide. The notes and bonds of the authority may be sold by the authority, at public or private sale, at such price or prices as the authority shall determine.

(c) Any resolution or resolutions authorizing any notes or bonds or any issue thereof may contain provisions, which shall be a part of the contract or contracts with the holders thereof, as to:

(1) pledging all or any part of the revenues to secure the payment of the notes or bonds or of any issue thereof, subject to such agreements with noteholders or bondholders as may then exist;

(2) pledging all or any part of the assets of the authority to secure the payment of the notes or bonds or of any issue of notes or bonds, subject to such agreements with noteholders or bondholders as may then exist;

(3) the setting aside of reserves or sinking funds and the regulation and disposition thereof;

(4) limitations on the purpose to which the proceeds of sale of notes or bonds may be applied and pledging such proceeds to secure the payment of the notes or bonds or of any issue thereof;

(5) limitations on the issuance of additional notes or bonds; the terms upon which additional notes or bonds may be issued and secured; and the refunding of outstanding or other notes or bonds;

(6) the procedure, if any, by which the terms of any contract with noteholders or bondholders may be amended or abrogated, the amount of notes or bonds the holders of which must consent thereto; and the manner in which such consent may be given;

(7) limitations on the amount of moneys to be expended by the authority for operating expenses of the authority;

(8) vesting in a trustee or trustees such property, rights, powers and duties in trust as the authority may determine which may include any or all of the rights, powers and duties of the trustee appointed by the bondholders pursuant to this act and limiting or abrogating the right of the bondholders to appoint a trustee under this act or limiting the rights, powers and duties of such trustee;

(9) defining the acts or omissions to act which shall constitute a default in the obligations and duties of the state building authority to the holders of the notes or bonds and providing for the rights and remedies of the holders of the notes or bonds in the event of such default, including as a matter of right the appointment of a receiver; provided, however, that such rights and remedies shall not be inconsistent with the general laws of the state and the other provisions of this act;

(10) any other matters, of like or different character, which in any way affect the security or protection of the holders of the notes or bonds.

(d) Any pledge made by the authority shall be valid and binding from the time when the pledge is made; the revenues, moneys or property 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 recorded.

(e) Neither the commissioners of the authority nor any other person executing such notes or bonds shall be subject to any personal liability or accountability by reason of the issuance thereof.

(f) The authority, subject to such agreements with noteholders or bondholders as may then exist, shall have power out of any funds available therefor to purchase notes or bonds of the authority, which shall thereupon be cancelled, at a price not exceeding

(1) if the notes or bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment thereon, or

(2) if the notes or bonds are not then redeemable, the redemption price applicable on the first date after such purchase upon which the notes or bonds become subject to redemption plus accrued interest to such date.

(g) In the discretion of the authority, the bonds may be secured by a trust indenture by and between the authority and a corporate trustee which may be any trust company or bank having the power of a trust company in the state. Such trust indenture 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 covenants setting forth the duties of the authority in relation to the exercise of its corporate powers and the custody, safeguarding and application of all moneys. The authority may provide by such trust indenture for the payment of the proceeds of the bonds and the revenues to the trustee under such trust indenture or other depository, and for the method of disbursement thereof, with such safeguards and restrictions as it may determine. All expenses incurred in carrying out such trust indenture may be treated as a part of the operating expenses of the authority. If the bonds shall be secured by a trust indenture, the bondholders shall have no authority to appoint a separate trustee to represent them.

(h) Whether or not the notes and bonds are of such form and character as to be negotiable instruments under the terms of the uniform commercial code,

the notes and bonds are hereby made negotiable instruments within the meaning of and for all the purposes of the uniform commercial code, subject only to the provisions of the notes and bonds for registration.

(i) In case any of the commissioners or officers of the authority whose signatures appear on any notes or bonds or coupons shall cease to be such commissioners or officers before the delivery of such notes or bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such commissioners or officers had remained in office until such delivery.

[67-6414, added 1974, ch. 111, sec. 14, p. 1263.]

67-6415. REFUNDING OBLIGATIONS -- ISSUANCE. The authority may provide for the issuance of refunding obligations for the purpose of refunding any obligations then outstanding which have been issued under the provisions of this chapter, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such obligations and for any corporate purpose of the authority. The issuance of such obligations, 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 chapter which relate to the issuance of obligations, insofar as such provisions may be appropriate therefor.

[67-6415, added 1974, ch. 111, sec. 15, p. 1263.]

67-6416. REFUNDING OBLIGATIONS -- USE OF PROCEEDS. Refunding obligations issued as provided in section [67-6412](#) may be sold or exchanged for outstanding obligations issued under this act and, if sold, the proceeds thereof may be applied, in addition to any other authorized purposes, to the purchase, redemption or payment of such outstanding obligations. Pending the application of the proceeds of any such refunding obligations, with any other available funds, to the payment of the principal, accrued interest and any redemption premium on the obligations being refunded, and, if so provided or permitted in the resolution authorizing the issuance of such refunding obligations or in the trust agreement securing the same, to the payment of any interest on such refunding obligations 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 holders thereof, at the option of such holders, not later than the respective dates when the proceeds, together with the interest accruing thereon, will be required for the purposes intended.

[67-6416, added 1974, ch. 111, sec. 16, p. 1263.]

67-6417. DEPOSIT OF AUTHORITY MONEYS. (a) All moneys of the authority except as otherwise authorized or provided in this act shall be deposited as soon as practicable in a separate account or accounts in banks or trust companies organized under the laws of the state or national banking association. The moneys in such accounts shall be paid out on checks signed by the executive director or such other officers or employees of the authority as the authority shall authorize. All deposits of such moneys shall, if re-

quired by the authority, be secured by obligations of the United States, of the state or of any municipalities or political subdivisions or agencies of the state at a market value equal at all times to the amount of the deposit, and all banks and trust companies are authorized to give such security for such deposits.

(b) Notwithstanding the provisions of this section, the authority shall have power to contract with the holders of any of its notes or bonds as to the custody, collection, securing, investment and payment of any moneys of the authority and of any moneys held in trust or otherwise for the payment of notes or bonds, and to carry out such contract. Moneys held in trust or otherwise for the payment of notes or bonds or in any way to secure notes or bonds and deposits of such moneys may be secured in the same manner as moneys of the authority, and all banks and trust companies are authorized to give such security for such deposits.

[67-6417, added 1974, ch. 111, sec. 17, p. 1263.]

67-6418. CONTRACT OF THE STATE. The state does hereby pledge to and agree with the holders of any notes or bonds issued under this chapter that the state will not limit or alter the rights hereby vested in the authority to fulfill the terms of any agreements made with the said holders thereof or in any way impair the rights and remedies of such holders until such notes and bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged. The authority is authorized to include this pledge and agreement of the state in any agreement with the holders of such notes or bonds.

[67-6418, added 1974, ch. 111, sec. 18, p. 1263.]

67-6419. LIMITATION OF LIABILITY ON AUTHORITY OBLIGATIONS. The notes, bonds or other obligations of the authority shall not be or become an indebtedness or obligation of the state of Idaho, or of any department, board, commission, agency, political subdivision, body corporate and politic, or instrumentality of or county within the state nor shall such notes, bonds or obligations of the authority constitute the giving or loaning of the credit of the state of Idaho, or of any department, board, commission, agency, political subdivision, body corporate and politic or instrumentality of or municipality or county within the state, nor shall they be payable out of any funds other than those of the authority; and such notes and bonds shall contain on the face thereof a statement to such effect.

[67-6419, added 1974, ch. 111, sec. 19, p. 1263.]

67-6420. REMEDIES OF BOND AND NOTE HOLDERS. (a) In the event that the authority shall default in the payment of principal of or interest on any issue of notes and bonds after the same shall become due, whether at maturity or upon call for redemption, and such default shall continue for a period of thirty (30) days, or in the event that the authority shall fail or refuse to comply with the provisions of this act, or shall default in any agreement made with the holders of any issue of notes or bonds, the holders of twenty-five per cent (25%) in aggregate principal amount of the notes or bonds of such issue then outstanding, may appoint a trustee to represent the holders of such notes or bonds for the purposes herein provided.

(b) Such trustee may, and upon written request of the holders of twenty-five per cent (25%) in principal amount of such notes or bonds then outstanding shall, in his or its own name:

(1) by suit, action or proceeding enforce all rights of the noteholders or bondholders, including the right to require the authority to carry out any agreements with such holders and to perform its duties under this act;

(2) bring suit upon such notes or bonds;

(3) by action or suit, require the authority to account as if it were the trustee of an express trust for the holders of such notes or bonds;

(4) by action or suit, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of such notes or bonds;

(5) declare all such notes or bonds due and payable, and if all defaults shall be made good, then, with the consent of the holders of twenty-five per cent (25%) of the principal amount of such notes or bonds then outstanding, annul such declaration and its consequences.

(c) Before declaring the principal of notes or bonds due and payable, the trustee shall first give thirty (30) days' notice in writing to the authority.

[67-6420, added 1974, ch. 111, sec. 20, p. 1263.]

67-6421. STATE GRANTS AND LEASES TO AUTHORITY. The state may make grants of money or property and may lease property to the authority for the purpose of enabling it to carry out its corporate purposes and for the exercise of its powers, including, but not limited to, deposits to the reserve funds of the authority. Notwithstanding any other provision of law to the contrary, the state may lease, with or without consideration, real or personal property to the authority for a term not to exceed fifty (50) years. This section shall not be construed to limit any other power the state may have to make such grants or to lease property to the authority, or to enter into other transactions with the authority.

[67-6421, added 1974, ch. 111, sec. 21, p. 1263; am. 2001, ch. 34, sec. 2, p. 54.]

67-6422. AUTHORITY OBLIGATIONS ARE LEGAL INVESTMENTS. The notes and bonds of the authority shall be legal investments in which all public officers and public bodies of this state, its political subdivisions, all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, banking associations, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or in other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them. The notes and bonds are also hereby made securities which may properly and legally be deposited with and received by all public officers and bodies of the state or any agency or political subdivisions of the state and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of the state is now or may hereafter be authorized by law.

[67-6422, added 1974, ch. 111, sec. 22, p. 1263.]

67-6423. ACT NOT A LIMITATION OF POWERS. Neither this act nor anything herein contained is or shall be construed as a restriction or limitation upon any powers which the authority might otherwise have under any laws of this state, and this act is cumulative to any such powers. This act does and shall be construed to provide a complete, 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. However, the issuance of bonds, notes and other obligations and refunding bonds under the provisions of this act need not comply with the requirements of any other state law applicable to the issuance of bonds, notes and other obligations. Contracts for the construction and acquisition of any facilities undertaken pursuant to this act need not comply with the provisions of any other state law applicable to contracts for the construction and acquisition of property by the state or a community college district. No proceedings, notice or approval shall be required for the issuance of any bonds, notes and other obligations or any instrument as security therefor, except as is provided in this act.

[67-6423, added 1974, ch. 111, sec. 23, p. 1263; am. 2003, ch. 349, sec. 5, p. 936.]

67-6424. INCONSISTENCY WITH OTHER LAWS. Insofar as the provisions of this act are inconsistent with the provisions of any other law, general, specific or local, the provisions of this act shall be controlling.

[67-6424, added 1974, ch. 111, sec. 25, p. 1263.]