(1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A STATE UNIT SHALL ISSUE BONDS UNDER THIS SECTION IN ACCORDANCE WITH THE PROCEDURES THAT APPLIED TO ISSUANCE OF THE BONDS THAT ARE BEING REFUNDED.

(2) IF, AT A PUBLIC MEETING, THE STATE UNIT DETERMINES THAT IT WOULD BE IN THE PUBLIC INTEREST, THE STATE UNIT MAY SELL BONDS ISSUED UNDER THIS SECTION AT A PRIVATE SALE, WITHOUT SOLICITING BIDS.

(G) REDEMPTION OF OUTSTANDING BONDS.

BONDS THAT ARE BEING REFUNDED AND THAT ARE SUBJECT TO REDEMPTION BEFORE THEIR STATED DATES OF MATURITY MAY BE CALLED FOR REDEMPTION:

(1) ON THE EARLIEST REDEMPTION DATE; OR

(2) AT A LATER DATE THAT THE STATE UNIT DETERMINES.

(H) PROCEEDS.

(1) A STATE UNIT SHALL INVEST AND APPLY PROCEEDS OF A SALE OF BONDS ISSUED UNDER THIS SECTION TO ENSURE THAT THE PRINCIPAL AND REDEMPTION PREMIUM OF, AND INTEREST ON, THE BONDS THAT ARE BEING REFUNDED WILL BE PAID IN FULL WHEN DUE.

(2) THE STATE UNIT MAY DEPOSIT ANY PART OF THE PROCEEDS OF THE SALE OF BONDS ISSUED UNDER THIS SECTION IN A TRUST FUND WITH A TRUST COMPANY OR OTHER BANKING INSTITUTION, IN THE NAME OF THE STATE UNIT.

(3) THE TRUSTEE MAY INVEST AND REINVEST MONEY IN THE TRUST FUND IN:

(I) OBLIGATIONS OF THE UNITED STATES;

(II) OBLIGATIONS GUARANTEED BY THE UNITED STATES;

(III) CERTIFICATES OF DEPOSIT OR TIME DEPOSITS SECURED BY AN OBLIGATION OF THE UNITED STATES; OR

(IV) CERTIFICATES OF DEPOSIT OR TIME DEPOSITS SECURED BY AN OBLIGATION GUARANTEED BY THE UNITED STATES.

(4) INTEREST, INCOME, AND PROFITS ON THE INVESTMENT MAY BE:

(I) CONSIDERED TO BE REVENUE OF A REVENUE PROJECT; AND

(II) APPLIED IN ANY LAWFUL MANNER, INCLUDING TO THE PAYMENT OF: