

FOR UNLIMITED AD VALOREM TAXATION, SUFFICIENT IN EACH YEAR IN WHICH ANY OF THE LOCAL OBLIGATIONS ARE OUTSTANDING TO PROVIDE FOR THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON THE LOCAL OBLIGATIONS.

B. IF AT THE TIME OF ISSUANCE OF ANY LOCAL OBLIGATIONS THERE IS A CHARTER OR STATUTORY LIMITATION UPON THE POWER OF AN ISSUER TO LEVY PROPERTY TAXES, THEN A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER SHALL CONSTITUTE A COVENANT OF THE ISSUER TO LEVY AD VALOREM TAXES IN RATE AND AMOUNT SUFFICIENT IN EACH YEAR IN WHICH ANY OF THE LOCAL OBLIGATIONS ARE OUTSTANDING TO PROVIDE FOR THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON THE LOCAL OBLIGATION WITHIN THE LIMITATIONS SO PRESCRIBED BY LAW.

C. NO LOCAL OBLIGATIONS SHALL BE ISSUED BY AN ISSUER, IF THE ISSUANCE CAUSES THE ISSUER TO EXCEED ANY EXISTING MAXIMUM LIMITS ON THE POWER OF THE ISSUER TO INCUR INDEBTEDNESS FIXED BY THE CHARTER OF THE ISSUER OR BY STATUTE, PROVIDED THAT A MAXIMUM LIMITATION IMPOSED AFTER THE ISSUE OF ANY LOCAL OBLIGATIONS SHALL NOT IMPAIR OR IN ANY MANNER AFFECT THE OBLIGATION THEREOF, NOR SHALL ANY OUTSTANDING LOCAL OBLIGATIONS OF AN ISSUER BE IMPAIRED OR IN ANY MANNER AFFECTED BY THE ISSUANCE OF LOCAL OBLIGATIONS BECAUSE OF AN INCREASE IN THE MAXIMUM LIMITATION ON THE POWER TO INCUR INDEBTEDNESS, OR THE ELIMINATION OF THE MAXIMUM LIMITATION, ENACTED AFTER THE ISSUE OF THE OUTSTANDING LOCAL OBLIGATIONS.

2. REVENUE OBLIGATIONS:

A. AN ISSUER MAY SECURE PAYMENT ON ITS LOCAL OBLIGATION BY THE PLEDGE OF SPECIFIC REVENUES OF THE ISSUER, INCLUDING PAYMENTS TO THE ISSUER FROM THE STATE GOVERNMENT OR FEDERAL GOVERNMENT AND SPECIAL BENEFIT ASSESSMENTS, TAXES, FEES, OR SERVICE CHARGES WHICH THE ISSUER IS AUTHORIZED AND EMPOWERED TO IMPOSE, LEVY, OR CHARGE; OR

B. AN ISSUER MAY SECURE PAYMENT ON ITS LOCAL OBLIGATION BY SPECIFIC REVENUES EXPECTED TO BE GENERATED BY THE FACILITY TO BE FINANCED.

(VI) ALL LOCAL OBLIGATIONS ISSUED BY ANY ISSUER UNDER THIS PARAGRAPH SHALL HAVE AND POSSESS ALL THE ATTRIBUTES OF NEGOTIABLE INSTRUMENTS AS PROVIDED IN ARTICLE 31, § 8 OF THE CODE. THE PRINCIPAL OF AND INTEREST ON ANY LOCAL OBLIGATIONS IN THE HANDS OF THE OWNER OR OWNERS THEREOF FROM TIME TO TIME, SHALL BE AND REMAIN EXEMPT FROM TAXATION OF ANY KIND OR NATURE WHATSOEVER BY THE STATE OR ANY COUNTY, MUNICIPAL CORPORATION, OR OTHER POLITICAL SUBDIVISION OF THE STATE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1996.

Approved April 30, 1996.