

TITLE XIX

PUBLIC BUSINESS

CHAPTER 279

REGISTERED PUBLIC OBLIGATIONS

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279.01 Short title.—This act shall be known and may be cited as the "Registered Public Obligations Act of Florida."

History.—s. 1, ch. 83-271.

279.02 Definitions.—As used in this act, the following terms have the following meanings, unless the context otherwise requires:

(1) "Authorized officer" means any individual required or permitted, alone or with others, by any provision of law or by the issuing public entity to execute on behalf of the public entity a certificated registered public obligation or a writing relating to an uncertificated registered public obligation.

(2) "Certificated registered public obligation" means a registered public obligation which is represented by an instrument.

(3) "Code" means the Internal Revenue Code of 1954, as amended.

(4) "Facsimile seal" means the reproduction of the seal of the issuer or the official or official body by engraving, imprinting, stamping, or other means.

(5) "Facsimile signature" means the reproduction of a manual signature by engraving, imprinting, stamping, or other means.

(6) "Financial intermediary" means a bank, broker, clearing corporation, or other person, or the nominee of any of them, which intermediary in the ordinary course of its business maintains registered public obligation accounts for its customers, when so acting.

(7) "Issuer" means a public entity which issues an obligation.

(8) "Obligation" means a bond, certificate, note, or other evidence of indebtedness including, but not lim-

ited to, an agreement of a public entity to pay principal and any interest thereon, whether in the form of a contract to repay borrowed money, a lease, or an instrument purchase agreement, or otherwise, and includes a share, participation, or other interest in any such agreement.

(9) "Official actions" means the actions by statute, order, ordinance, resolution, contract, or other authorized means by which the issuer provides for issuance of a registered public obligation.

(10) "Official or official body" means the officer or board of an issuer empowered under the laws of one or more states, territories, or possessions of the United States, including the District of Columbia and the State of Florida, to authorize and provide for original issuance of an obligation of the issuer by defining the obligation and its terms, conditions, and other incidents; the successor or successors of any such official or official body; and such other person or group of persons as shall be assigned duties of such official or official body with respect to a registered public obligation under applicable law from time to time.

(11) "Public entity" means any entity, department, or agency which is empowered under the laws of one or more states, territories, or possessions of the United States, including the District of Columbia and the State of Florida, to issue obligations, any interest with respect to which obligations may, under any provision of law, be provided an exemption from the income tax referred to in the code. The term "public entity" thus may include, without limitation, the State of Florida, an entity deriving powers from and acting pursuant to the State Constitution or a general or special legislative act, a political subdivision, a municipal corporation, a state university or college, a school or other special district, a joint agreement entity, a public authority, a public trust, a nonprofit corporation, and other organizations.

(12) "Registered public obligation" means an obligation issued by a public entity pursuant to a system of registration.

(13) "System of registration" or any of its variant terms means a plan that provides:

(a) With respect to a certificated registered public obligation, that:

1. The certificated registered public obligation specify a person entitled to the registered public obligation and the rights it represents; and

2. The transfer of the certificated registered public obligation and the rights it represents may be registered upon books maintained for that purpose by or on behalf of the issuer.

(b) With respect to an uncertificated registered public obligation, that:

1. Books maintained by or on behalf of the issuer for the purpose of registration of the transfer of a registered public obligation specify a person entitled to the registered public obligation and the rights evidenced thereby; and

2. The transfer of the uncertificated registered public obligation and the rights evidenced thereby be registered upon such books.

(14) "Uncertificated registered public obligation" means a registered public obligation which is not represented by an instrument.

History.—s. 2, ch. 83-271.

279.03 Legislative intent.—

(1) The code provides that interest with respect to certain obligations may not be exempt from federal income taxation unless such obligations are in registered form. It is therefore a matter of state concern that public entities be authorized to provide for the issuance of obligations in such form. It is a purpose of this act to empower all public entities to establish and maintain a system pursuant to which obligations may be issued in registered form within the meaning of the applicable provisions of the code.

(2) Obligations traditionally have been issued in bearer form rather than in registered form; and a change from bearer form to registered form may affect the relationships and rights and duties of issuers of, and persons dealing with, obligations, and by such effects may affect the costs. Such effects will impact the various issuers and varieties of obligations differently depending on their legal and financial characteristics, their markets, and their adaptability to recent and prospective technological and organizational developments. It is therefore a matter of state concern that public entities be provided flexibility in the development of such systems and control over system incidents, so as to accommodate such differing impacts. It is a purpose of this act to empower the establishment and maintenance, and amendment from time to time, of differing systems of registration of obligations, including system incidents, so as to accommodate the differing impacts upon issuers and varieties of obligations. It is further a purpose of this act to authorize systems that will facilitate the prompt and accurate transfer of registered public obligations and to develop practices with regard to the registration and transfer of registered public obligations.

History.—s. 3, ch. 83-271.

279.04 System of registration.—

(1) Each issuer or its designated agent is authorized to establish and maintain a system of registration with respect to each obligation which it issues. The system may be either:

(a) A system pursuant to which only certificated registered public obligations are issued;

(b) A system pursuant to which only uncertificated registered public obligations are issued; or

(c) A system pursuant to which both certificated and uncertificated registered public obligations are issued.

The issuer may amend, discontinue, or reinstitute any system, from time to time, subject to covenants with the holders of the obligations.

(2) The system shall be established, amended, discontinued, or reinstated for the issuer by, and shall be maintained for the issuer as provided by, the official or official body.

(3) The system shall be described in the registered public obligation or in the official actions which provide for original issuance of the registered public obligation, and in subsequent official actions providing for amendments and other matters from time to time. Such description may be made by reference to a program of the issuer which is established by the official or official body.

(4) The system shall define the method or methods by which transfer of the registered public obligation shall be effective with respect to the issuer and by which payment of principal and any interest shall be made. The system may permit the issuance of a registered public obligation in any denomination to represent several registered public obligations of smaller denominations. The system also may provide for the form of any certificated registered public obligation or of any writing relating to an uncertificated registered public obligation; for identifying numbers or other designations; for a sufficient supply of certificates for subsequent transfers; for record and payment dates; for varying denominations; for communications to holders or owners of obligations; and for accounting, canceled certificate destruction registration, and the release of security interests and other incidental matters. Unless the issuer provides otherwise, the record date for interest payable on the 1st day or the 15th day of a month shall be the 15th day or the last business day of the preceding month, respectively, and the record date for interest payable on other than the 1st or 15th day of a month shall be the 15th calendar day before the interest payment date.

(5) Under a system pursuant to which both certificated and uncertificated registered public obligations are issued, both types of registered public obligations may be regularly issued, or one type may be regularly issued and the other type issued only under described circumstances or to particular described categories of owners, and provision may be made for registration and release of security interests in registered public obligations.

(6) The system may include covenants of the issuer as to amendments, discontinuances, and reinstatements of the system and the effects of such on the exemption of interest from the income tax provided for by the code.

(7) Whenever an issuer issues an uncertificated registered public obligation, the system of registration may provide that a true copy of the official actions of the issuer relating to such uncertificated registered public obligation be maintained by the issuer or by the person, if any, maintaining such system on behalf of the issuer, so long as the uncertificated registered public obligation remains outstanding and unpaid. A copy of such official actions, verified to be such by an authorized officer, shall be admissible before any court of record, administrative body, or arbitration panel without further authentication.

(8) Nothing in this act precludes a conversion from one of the forms of registered public obligations provided for by this act to a form of obligation not provided for by this act if interest on the obligation so converted will continue to be exempt from the income tax provided for by the code.

(9) The rights provided by other laws with respect to obligations in forms not provided for by this act shall, to the extent not inconsistent with this act, apply with respect to registered public obligations issued in forms authorized by this act.

History.—s. 4, ch. 83-271; s. 61, ch. 85-80.

279.06 Execution of certificated registered public obligations.—

(1) A certificated registered public obligation shall be executed by the issuer by the manual or facsimile signature or signatures of authorized officers. Any signature of an authorized officer may be attested by the manual or facsimile signature of another authorized officer.

(2) In addition to the signatures referred to in subsection (1), any certificated registered public obligation or any writing relating to an uncertificated registered public obligation may include a certificate or certificates signed by the manual or facsimile signature of an authenticating agent, registrar, transfer agent, or trustee, or the like.

(3) At least one signature of an authorized officer or other person set forth in subsection (2), required or permitted to be placed on a certificated registered public obligation, shall be a manual signature.

History.—s. 5, ch. 83-271.

279.07 Valid and binding execution; signatures.—

(1) Any certificated registered public obligation which is signed by the authorized officers at the time of its signing shall remain valid and binding, notwithstanding the fact that, before its issuance, any or all of such officers have ceased to fill their respective offices.

(2) Any authorized officer who is empowered to sign any certificated registered public obligation may adopt as and for his or her signature the signature of a predecessor in office in the event that the predecessor's signature appears on such obligation. An authorized officer incurs, by adoption of a predecessor's signature, no liability that would not be incurred by such authorized officer if the signature were that of such authorized officer.

History.—s. 6, ch. 83-271; s. 62, ch. 85-80; s. 187, ch. 95-148.

279.08 Seal.—When a seal is required or permitted in the execution of any certificated registered public obligation, an authorized officer may cause the seal to be printed, engraved, stamped, or otherwise placed in facsimile on the obligation. The facsimile seal has the same legal effect as the impression of the seal.

History.—s. 7, ch. 83-271.

279.09 Agents.—

(1) An issuer may appoint for such term as may be agreed, including the period for so long as a registered public obligation may be outstanding, corporate or other authenticating agents, transfer agents, registrars, or paying or other agents and may specify the terms of their appointments, including their rights, their compen-

sation and duties, the limits upon their liabilities, and provision for their payment of liquidated damages in the event of breach of certain duties of the duties imposed, which liquidated damages may be made payable to the issuer, the owner, or a financial intermediary. None of such agents needs to have an office or to do business within the state.

(2) An issuer may agree with custodian banks and financial intermediaries, and nominees of any of them, in connection with the establishment and maintenance by others of a central depository system for the transfer or pledge of registered public obligations. Any such custodian banks, financial intermediaries, and nominees may, if qualified and acting as fiduciaries, also serve as authenticating agents, transfer agents, registrars, or paying or other agents of the issuer with respect to the same issue of registered public obligations.

(3) Nothing shall preclude the issuer from performing, either alone or jointly with other issuers, any transfer, registration, authentication, payment, or other function described in this section.

History.—s. 8, ch. 83-271; s. 63, ch. 85-80.

279.10 Expenses; payment of costs.—

(1) An issuer, prior to or at original issuance of registered public obligations, may provide as part of a system of registration for the means of payment of the costs thereof.

(2) The issuer may, as part of a system of registration, provide for reimbursement or for satisfaction of its liability by payment by others. The issuer may enter into agreements with others respecting such reimbursement or payment, may establish fees and charges pursuant to such agreements or otherwise, and may provide that the amount or estimated amount of such fees and charges be reimbursed or paid from the same sources and by means of the same collection and enforcement procedures, and with the same priority and effect, as the sources, procedures, and priority and effect with respect to the obligations.

History.—s. 9, ch. 83-271.

279.11 Records.—

(1) Records with regard to the ownership of, or security interests in, registered public obligations are not subject to inspection or copying under any law of the state relating to the right of the public to inspect or copy public records and shall be confidential and exempt from the provisions of s. 119.07(1). This exemption is subject to the Open Government Sunset Review Act in accordance with 's. 119.14.

(2) Registration records of the issuer may be maintained at such locations within or without the state as the issuer determines.

History.—s. 11, ch. 83-271; s. 1, ch. 89-65; s. 100, ch. 90-360.

Note.—

A. Repealed by s. 1, ch. 95-217.

B. Section 4, ch. 95-217, provides that "[n]otwithstanding any provision of law to the contrary, exemptions from chapter 119, Florida Statutes, or chapter 286, Florida Statutes, which are prescribed by law and are specifically made subject to the Open Government Sunset Review Act in accordance with section 119.14, Florida Statutes, are not subject to review under that act, and are not abrogated by the operation of that act, after October 1, 1995."

279.13 Obligations issued by public entities.—

Obligations issued by public entities under the laws of

one or more states, territories, or possessions, including the District of Columbia and the State of Florida, which obligations are in registered form, whether or not represented by an instrument, and which, except for their form, satisfy the requirements with regard to security for deposits of moneys of public agencies prescribed pursuant to any law of the state, shall be deemed to satisfy all such requirements even though they are in registered form if a security interest in such obligations is perfected on behalf of the public agencies the moneys of which are so deposited.

History.—s. 10, ch. 83-271.

279.15 Applicability.—

(1) Unless at any time prior to or at original issuance of a registered public obligation the official or official body of the issuer determines otherwise, this act is applicable to such registered public obligation notwithstanding any provision of law to the contrary. When this act is applicable, no contrary provision shall apply.

(2) Nothing in this act limits or prevents issuance of obligations in any other form or manner authorized by law.

(3) Unless determined otherwise pursuant to subsection (1), the provisions of this act are applicable with respect to obligations which heretofore have been

approved by vote, referendum, or hearing, authorizing or permitting the authorization of obligations in bearer and registered form, or in bearer form only; and such obligations need not be resubmitted for a further vote, referendum, or hearing, for the purpose of authorizing or permitting the authorization of registered public obligations pursuant to this act.

History.—s. 12, ch. 83-271.

279.16 Construction.—This act shall be construed in conjunction with chapters 671 through 680 and the principles of contract law relative to the registration and transfer of obligations.

History.—s. 13, ch. 83-271.

279.18 Laws in conflict with act superseded.—Any special or general law in conflict with the provisions of this act authorizing the issuance of bonds in registered form is hereby superseded to the extent of such conflict.

History.—s. 16, ch. 83-271.

279.19 Covenant of state.—The State of Florida hereby covenants with the owners of any registered public obligations that it will not amend or repeal this act if the effect may be to impair the exemption from income taxation of interest on registered public obligations.

History.—s. 14, ch. 83-271.