

Maine Revised Statutes

Title 5: ADMINISTRATIVE PROCEDURES AND SERVICES

Chapter 383: ECONOMIC AND COMMUNITY DEVELOPMENT

§13083-N. BONDS

1. Hearing required. The authority may issue bonds to finance its activities only after giving notice of the proposed issuance and its terms at least twice in a newspaper of general circulation in the appropriate counties and holding a duly advertised public hearing on the issuance.

[2005, c. 599, §1 (NEW) .]

2. Authority. The authority may issue bonds from time to time in its discretion to finance the undertaking of an authorized activity under this article, including but not limited to the payment of principal and interest upon advances for surveys and plans, and may issue refunding bonds for the payment or retirement of bonds previously issued.

A. The principal and interest of bonds must be made payable solely from the income, proceeds, revenues and funds of the authority derived from or held for activities under this article. Payment of the principal and interest of bonds may be further secured by a pledge of a loan, grant or contribution from the Federal Government or other source in aid of activities of the authority under this article and by a mortgage of an urban activity or a project or part of a project, title to which is in the authority. [2005, c. 599, §1 (NEW) .]

B. Bonds issued under this section do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction and are not subject to other laws or charters relating to the authorization, issuance or sale of bonds. Bonds issued under this article are declared to be issued for an essential public and governmental purpose and, together with interest on and income from the bonds, are exempt from all taxes. [2005, c. 599, §1 (NEW) .]

C. Bonds may not be issued by the authority until the authority has received a certificate of approval from the Finance Authority of Maine authorizing issuance of the bonds. Before issuing a certificate of approval under this section, the Finance Authority of Maine must determine that there is a reasonable likelihood that the income, proceeds, revenues and funds of the authority derived from or held for activities under this article or otherwise pledged to payment of the bonds will be sufficient to pay the principal, the interest and all other amounts that may at any time become due and payable under the bonds. In making this determination, the Finance Authority of Maine shall consider the authority's analysis of the proposed bond issue and the revenues to make payments on the bonds and may require such information, projections, studies and independent analyses as it considers necessary or desirable and may charge the authority reasonable fees and expenses. The issuance by the Finance Authority of Maine of a certificate of approval under this section does not constitute an endorsement of the bonds or the projects or purposes for which those bonds are issued and neither the authority nor any other person or entity, including, without limitation, any holders of bonds of the authority, have any cause of action against the Finance Authority of Maine with respect to any such certificate of approval. The Finance Authority of Maine may require that it be indemnified, defended and held harmless by the authority for any liability or cause of action arising out of or with respect to the bonds. [2005, c. 599, §1 (NEW) .]

[2005, c. 599, §1 (NEW) .]

3. General characteristics. Bonds authorized under this section may be issued in one or more series. The resolution, trust indenture or mortgage under which the bonds are issued may include the following:

A. The date or dates borne by the bonds; [2005, c. 599, §1 (NEW) .]

- B. Whether the bonds are payable upon demand or mature at a certain time or times; [2005, c. 599, §1 (NEW).]
- C. The interest rate or rates of the bonds; [2005, c. 599, §1 (NEW).]
- D. The denomination or denominations of the bonds; [2005, c. 599, §1 (NEW).]
- E. The form of the bonds, whether coupon or registered; [2005, c. 599, §1 (NEW).]
- F. The conversion or registration privileges carried by the bonds; [2005, c. 599, §1 (NEW).]
- G. The rank or priority of the bonds; [2005, c. 599, §1 (NEW).]
- H. The manner of execution of the bonds; [2005, c. 599, §1 (NEW).]
- I. The medium and place or places of payment; [2005, c. 599, §1 (NEW).]
- J. The terms of redemption of the bonds, with or without premium; [2005, c. 599, §1 (NEW).]
- K. The manner secured; and [2005, c. 599, §1 (NEW).]
- L. Any other characteristics of the bonds. [2005, c. 599, §1 (NEW).]

[2005, c. 599, §1 (NEW) .]

4. Price sold. The bonds may be:

- A. [2009, c. 641, §4 (RP).]
- B. Exchanged for other bonds on the basis of par; [2009, c. 641, §4 (AMD).]
- C. Sold to the Federal Government at private sale at not less than par. If less than all of the authorized principal amount of the bonds is sold to the Federal Government, the balance may be sold at private sale at not less than par at an interest cost to the municipality that does not exceed the interest cost to the municipality of the portion of the bonds sold to the Federal Government; or [2009, c. 641, §4 (AMD).]
- D. Sold to a person on such terms as the authority may negotiate. [2009, c. 641, §4 (NEW).]

[2009, c. 641, §4 (AMD) .]

5. Signatures of outgoing officers; negotiability. If an official of the authority whose signature appears on a bond or coupon issued under this article ceases to be an official before the bond is delivered, the signature is nevertheless valid for all purposes as if the official had remained in office until the delivery. Notwithstanding contrary provisions of law, bonds issued under this article are fully negotiable.

[2005, c. 599, §1 (NEW) .]

6. Bond recitation; conclusive presumptions. In actions or proceedings involving the validity or enforceability of a bond issued under this article or the security for that bond, a bond reciting in substance that it has been issued by the authority in connection with an activity is conclusively deemed to have been issued for that purpose and the activity is conclusively deemed to have been planned, located and carried out in accordance with this article.

[2005, c. 599, §1 (NEW) .]

7. No personal liability; not debt of State or municipality. Neither the trustees of the authority nor the person executing the bonds is liable personally on the bonds by reason of the issuance of the bonds. The bonds and other obligations of the authority must have stated on their face that they are not a debt of the State and that the State is not liable on the bonds. The bonds or obligations may not be payable out of funds or properties other than those of the authority acquired for the purposes of this article.

[2005, c. 599, §1 (NEW) .]

8. Bonds as legal investments. Public officers, municipal corporations, political subdivisions and public bodies; banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business; insurance companies, insurance associations and other persons carrying on an insurance business; and executors, administrators, curators, trustees and other fiduciaries may legally invest sinking funds, money or other funds belonging to them or within their control in bonds or other obligations issued by the authority under this article. These bonds or other obligations are authorized security for all public deposits. It is the purpose of this section to authorize persons, political subdivisions and officers, public or private, to use funds owned or controlled by them for the purchase of these bonds or other obligations. This section does not relieve a person of any duty or of exercising reasonable care in selecting securities.

[2005, c. 599, §1 (NEW) .]

9. Investment of funds; redemption of bonds. The authority may:

A. Invest, in property or securities in which savings banks may legally invest funds subject to their control, funds held in reserves, sinking funds or funds not required for immediate disbursement; and
[2005, c. 599, §1 (NEW) .]

B. Cancel its bonds by redeeming them at the redemption price established in the bonds or by purchasing them at less than redemption price. [2005, c. 599, §1 (NEW) .]

[2005, c. 599, §1 (NEW) .]

SECTION HISTORY

2005, c. 599, §1 (NEW). 2009, c. 641, §4 (AMD).

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