

§6412. Standard districts; authorized to receive government aid, borrow money, issue bonds and notes

1. Definition. For the purposes of this section, the term "necessary expenses and liabilities" means expenses and liabilities necessary to the operation of a standard district, including, but not limited to:

- A. Reimbursement to a town for any organizational or other expenses and liabilities incurred by the town on behalf of the district; [PL 1995, c. 616, §10 (NEW).]
- B. Organizational expenses and liabilities incurred by the district; [PL 1995, c. 616, §10 (NEW).]
- C. Expenses and liabilities incurred in acquiring properties, paying damages and in laying pipes, mains, aqueducts and conduits; [PL 1995, c. 616, §10 (NEW).]
- D. Expenses and liabilities incurred in constructing, maintaining and operating a water plant or system; [PL 1995, c. 616, §10 (NEW).]
- E. Expenses and liabilities incurred in making renewals, additions, extensions and improvements to a water plant or system; and [PL 1995, c. 616, §10 (NEW).]
- F. Principal and interest payments associated with any of the expenses and liabilities in paragraphs A to E. [PL 1995, c. 616, §10 (NEW).]

[PL 1995, c. 616, §10 (NEW).]

2. Authorization. A standard district, through its trustees, in order to pay necessary expenses and liabilities incurred in accordance with the purposes of its incorporation, may receive state and federal aid or grants and may borrow money temporarily and issue for the money its negotiable notes in order to renew and refund the debt created.

A standard district, through its trustees, may also issue, in accordance with section 6413 and chapter 9, bonds, notes or other evidences of indebtedness of the standard district. The trustees shall determine the amount or amounts of the indebtedness, the rate or rates of interest, whether the instrument will be sold at par or at a discount or a premium, the manner of the sale, including whether the sale will be public or private and any other terms and provisions of the offering. The trustees shall determine whether the debt will be issued to mature serially or made to run for a term of years. The standard district's debt instruments may be issued with or without provisions for calling the debt prior to maturity. If the debt is callable, the trustees shall determine whether it will be callable at par or at a premium.

[PL 1995, c. 616, §10 (NEW).]

3. Certain requirements concerning indebtedness. All bonds, notes or other evidences of indebtedness must have inscribed upon their face the corporate name of the standard district, as specified in the charter creating the district, and be signed by the treasurer and countersigned by the chair of the board of trustees of the standard district. If coupon bonds are issued, the interest coupon attached to the coupon bonds must bear the facsimile signature of the treasurer.

[PL 1995, c. 616, §10 (NEW).]

4. Legal effect; tax exemption; reissue and refund authorization. All bonds, notes and other evidences of indebtedness issued by a standard district in accordance with this section are legal obligations of the standard district within the meaning of Title 30-A, section 5701. All bonds, notes and other evidences of indebtedness issued by the standard district are legal investments for savings banks in this State and are exempt from state income tax.

A standard district, through its trustees, may refund and reissue, from time to time, in one or in separate series, its bonds, notes and other evidences of indebtedness, and each authorized issue constitutes a separate loan.

[PL 1995, c. 616, §10 (NEW).]

SECTION HISTORY

PL 1995, c. 616, §10 (NEW).

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