

§11449. Capital reserve funds; obligation of the State

1. Capital reserve fund. The authority may create and establish one or more capital reserve funds and may pay into any capital reserve fund any money appropriated and made available by the State for the purposes of any such fund, any proceeds of the sale by the authority of bonds to the extent determined by the authority and any other money available to the authority.

[PL 1991, c. 603, §6 (NEW).]

2. Application. Money held in any capital reserve fund, except as provided in this section, must be used solely with respect to bonds repayment of which is secured by any such fund and solely for the payment of principal of bonds, the purchase or redemption of those bonds, including any fees or premiums, and the payment of interest on those bonds. Money in excess of the reserve requirement set forth in subsection 3 may be transferred to other funds and accounts of the authority.

[PL 1991, c. 603, §6 (NEW).]

3. Reserve requirement. The authority may provide that money in any capital reserve fund may not be withdrawn at any time in such amount as would reduce the amount of any fund to less than the maximum amount of principal and interest becoming due by reason of maturity or a required sinking fund payment in the next succeeding 12-month period within which any such maturity occurs or any such payment is required, the amount being referred to as the "capital reserve requirement," except for the purpose of paying the amount due at any such maturity or the sinking fund payment with respect to bonds, repayment of which is secured by any such fund.

[PL 1991, c. 603, §6 (NEW).]

4. Issuance limit. The authority may provide that it may not issue bonds if the capital reserve requirement described in subsection 3 with respect to bonds outstanding and then to be issued and secured by any capital reserve fund will exceed the amount of any such fund at the time of issuance, unless the authority, at the time of issuance of the bonds, deposits in any such fund from proceeds of the bonds to be issued, or from other sources, an amount which, together with the amount then in any such fund, is not less than the capital reserve requirement.

[PL 1991, c. 603, §6 (NEW).]

5. Appropriation. On or before December 1st, annually, the authority shall certify to the Governor the amount, if any, necessary to restore the amount in any capital reserve fund to which this subsection applies according to the trust agreement or other document to the capital reserve requirement. The Governor shall pay directly from the contingent account to any such fund as much of the amount as is available in the contingent account and shall transmit directly to the Legislature that certification and a statement of the amount, if any, remaining to be paid and the amount certified must be appropriated and paid to the authority during the current state fiscal year.

[PL 1991, c. 603, §6 (NEW).]

6. Bonds outstanding. The authority may not have at any one time outstanding bonds to which subsection 5 applies according to the trust agreement or other document in principal amount exceeding \$50,000,000. The amount of bonds issued to refund bonds previously issued may not be taken into account in determining the principal amount of the bonds outstanding, provided that the proceeds of the refunding bonds are applied as promptly as possible to the refunding of the previously issued bonds. In computing the total amount of bonds of the authority that may at any time be outstanding for any purpose, the amount of the outstanding bonds that have been issued as capital appreciation bonds or as similar instruments are valued as of any date of calculation at their current accreted value rather than their face value.

[PL 1991, c. 603, §6 (NEW).]

SECTION HISTORY

PL 1991, c. 603, §6 (NEW).

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