

§150-A. Short-term borrowing in anticipation of federal transportation funds

The Treasurer of State, with the approval of the Governor, may from time to time negotiate a temporary loan or loans in anticipation of federal transportation funds, as long as the term of the loans does not exceed 12 months and the aggregate principal amount of all notes issued in a federal fiscal year does not exceed 50% of the total of transportation funds appropriated by the Federal Government in the prior federal fiscal year. The obligation to repay the notes must be a limited obligation of the State, payment of which may not be secured by a pledge of the faith and credit of the State or of a municipality or political subdivision but is payable solely from federal transportation funds, and a note must contain on its face a statement to that effect. A note may not directly, indirectly or contingently obligate the State or a municipality or political subdivision to levy or to pledge any form of taxation whatever for a payment on a note or to make an appropriation for payment of a note. Proceeds of a note must be used for highways, roads, bridges, other transportation improvements and related and subordinate facilities. A note must be dated, delivered, bear interest at a rate or rates and mature at a time or times not exceeding 12 months from the date of delivery, as may be determined by the Treasurer of State with the approval of the Governor, and may be made redeemable before maturity, at the option of the Treasurer of State with the approval of the Governor, at a price or prices and under terms and conditions as may be fixed by the Treasurer of State with the approval of the Governor. The Treasurer of State with the approval of the Governor may enter into an indenture or other agreement necessary for issuing a note. The Commissioner of Transportation, at the request of the Treasurer of State with the approval of the Governor, may enter into an agreement necessary for issuing a note. A note and the income from that note are exempt from all taxation within the State. [PL 2001, c. 565, Pt. G, §1 (NEW); PL 2001, c. 565, Pt. G, §2 (AFF).]

As used in this section, unless the context otherwise indicates, "note" means a bond, note or other obligation issued to evidence a loan negotiated pursuant to this section in anticipation of federal transportation funds. "Federal transportation funds" means federal funds used for transportation purposes including funds administered by or through the United States Department of Transportation. [PL 2001, c. 565, Pt. G, §1 (NEW); PL 2001, c. 565, Pt. G, §2 (AFF).]

SECTION HISTORY

PL 2001, c. 565, §G1 (NEW). PL 2001, c. 565, §G2 (AFF).

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