

20-A §8207. FINANCING AUTHORITY

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The board of trustees may borrow funds, issue bonds and negotiate notes and other evidences of indebtedness or obligations of the school for renovation and construction purposes to pay for costs as defined in Title 22, section 2053, subsection 3 and may issue temporary notes and renewal notes to pay for those costs. Bonds, notes or other evidences of indebtedness or obligations of the school are legal obligations of the school on behalf of the State and are payable solely from the school's revenues and other sources of funds, including funds obtained pursuant to Title 22, section 2053, subsection 4-B, paragraph B and these borrowings by the school do not constitute debts or liabilities of, and are not includable in, any debt limitation of the State or any municipality or political subdivision of the State. The board of trustees has the discretion to fix the date, maturities, denomination, interest rate, place of payment, form and other details of the bonds or notes of the school. Unless otherwise provided in the vote authorizing their issuance, bonds or notes of the school are signed by the treasurer and countersigned by the chair of the board of trustees. The aggregate principal amount of outstanding bonds, notes or other evidences of indebtedness of the school may not exceed \$3,000,000 at any one time, excluding temporary notes and renewal notes. The board of trustees may pledge or assign its revenues, including any funds that have been or may be appropriated to the school by the Town of Limestone, and the proceeds of those revenues and its other property as security toward its bonds, notes, other evidences of indebtedness or other obligations of the school. The proceeds of bonds, notes or other evidences of indebtedness may be invested in accordance with Title 30-A, sections 5706 and 5712. Bonds, notes and other evidences of indebtedness issued under this section are not debts of the State, nor a pledge of the credit of the State, but are payable solely from the funds of the school. The board of trustees may also borrow funds in anticipation of revenues for current operating expenses for a term not exceeding 13 months. Indebtedness incurred and evidences of indebtedness issued under this chapter are deemed to constitute a proper public purpose and all income derived is exempt from taxation in the State. The net earnings of the school may not inure to the benefit of any private person. If the school is dissolved, the distribution of all property owned by the school must be determined by the Legislature in accordance with this chapter and may not inure to the benefit of any private person. [1997, c. 772, §2 (AMD).]

SECTION HISTORY

1995, c. 485, §4 (NEW). 1997, c. 562, §E1 (AMD). 1997, c. 772, §2 (AMD).

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