

§2077. Lease finance program

1. Establishment; administration. A lease finance program under the jurisdiction and direction of the authority is established to provide for or assist with financing leases for eligible entities to acquire the use of personal or real property. The lease finance program must provide methods of direct or indirect financing, insurance, borrowing, credit enhancement and other financial tools for the lease, lease-purchase, rental or right of use of any real or personal property or other authorized activity of an eligible entity. For the purposes authorized in this section the University of Maine System and its colleges and universities are eligible participating institutions under the definition of eligible participant for the authority.

[PL 1997, c. 385, §5 (NEW).]

2. Eligible entity defined. For purposes of this section "eligible entity" means an eligible entity, as defined in section 2053, subsection 3-B, that is organized pursuant to the United States Internal Revenue Code, Section 501.

[PL 1997, c. 385, §5 (NEW).]

3. Powers. The authority may make loans or borrow money on behalf of any eligible entity for any of the purposes of this section. The authority may purchase, refinance or enter into leases with or on behalf of any eligible entity. The authority may purchase or refinance for or on behalf of any eligible entity any lease that is held or issued by a 3rd party. The authority may issue its bonds or notes for the purchase of leases on behalf of any eligible entity or any group of those entities or for the establishment of a pool of funds to be used for the purchase, financing or other means of acquisition of leases. The authority shall establish prudent standards for the terms and conditions of any lease financing made available to any eligible entity or any group of those entities. Terms and conditions include, but are not limited to, the general obligation of the eligible entity, liens on any real or personal property held by the eligible entity whether financed by the specific lease or not and sinking funds held by or available to the eligible entity.

[PL 1997, c. 385, §5 (NEW).]

4. Application; eligibility. The authority may prescribe and require an application or procedure for an eligible entity to participate in any form of lease financing assistance made available under this section. An application must include any information that the authority decides is necessary for implementing this section, including, but not limited to, supporting documents, certifications, feasibility studies, financial data, utilization studies or other applicable information. An eligible entity may not participate in any lease finance assistance made available under this section unless, in the sole judgment of the authority, the eligible entity has satisfactorily demonstrated that it will pay the principal, interest, fees and related charges on the bond, debt, or other instrument issued by the authority on its behalf or purchased by the bank from the eligible entity as well as the costs for operation and maintenance of any real or personal property acquired or made available for use by the eligible entity by virtue of the lease assistance. Satisfactory assurance can be demonstrated if an eligible entity has:

A. Established a method of payment by fee, rate, charges, assessment or other mechanism satisfactory to the authority; or [PL 1997, c. 385, §5 (NEW).]

B. Provided collateral sufficient to ensure payment. [PL 1997, c. 385, §5 (NEW).]

[PL 1997, c. 385, §5 (NEW).]

5. State not liable. Bonds, notes, leases or other forms of debt or liability entered into or issued by the authority under this section are not in any way a debt or liability of the State and do not constitute a loan of the credit of the State or create any debt or debts, liability or liabilities on behalf of the State or constitute a pledge of the faith and credit of the State. Each bond, note, lease or other evidence of debt or liability entered into by the authority must contain a statement to the effect that the authority is obligated to pay the principal, interest, redemption premium, if any, and any other amounts payable solely from the sources pledged for that purpose by the authority and that neither the faith and credit

nor the taxing power of the State is pledged to the payment of the principal, interest, premium, charge, fee or other amount of the bond, note, lease or other form of indebtedness, as the case may be.

[PL 1997, c. 385, §5 (NEW).]

6. Lease finance agreement. Lease financing and refinancing, lease purchase, loans and other forms of indebtedness or obligations incurred by an eligible entity due the authority under the terms of this section must be evidenced by and be made in accordance with the terms and conditions specified in a lease finance agreement to be executed by the authority and any eligible entity or any group of those entities. The lease finance agreement must specify, among other things, the terms and conditions for the disbursement of lease finance proceeds, the term and interest rate of the lease, the scheduling of lease payments or bond payments, as the case may be, and any other terms and conditions determined necessary or desirable by the authority.

[PL 1997, c. 385, §5 (NEW).]

7. Utilization of municipal lease finance program. The authority, for the benefit of its eligible entities, may utilize the municipal lease finance program created in Title 30-A, section 6006-C for the purposes of this section.

[PL 1997, c. 385, §5 (NEW).]

SECTION HISTORY

PL 1997, c. 385, §5 (NEW).

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