

§6053. Liquor operation revenue bonds authorized

1. Revenue bonds.

[PL 2023, c. 189, Pt. H, §2 (RP); PL 2023, c. 189, Pt. H, §6 (AFF).]

2. Amount and terms. The bond bank may issue liquor operation revenue bonds from time to time in amounts and upon such terms as the bond bank considers appropriate. The terms of the liquor operation revenue bonds, their payment schedule and other terms and provisions to facilitate their creditworthiness must be determined by the bond bank.

[PL 2013, c. 269, Pt. B, §2 (NEW).]

3. Form; interest; taxability. The bond bank shall determine the terms of the liquor operation revenue bonds, including:

A. The form of the liquor operation revenue bonds; [PL 2013, c. 269, Pt. B, §2 (NEW).]

B. The rate or rates at which the liquor operation revenue bonds bear interest and whether such interest is intended to be includable in or excludable from the gross income of the bond owners for federal and state income tax purposes pursuant to the United States Internal Revenue Code of 1986, as amended; and [PL 2013, c. 269, Pt. B, §2 (NEW).]

C. The maturity, except that a liquor operation revenue bond may not mature later than June 30, 2024. [PL 2013, c. 269, Pt. B, §2 (NEW).]

[PL 2013, c. 269, Pt. B, §2 (NEW).]

4. Not a pledge of the full faith or credit; not a debt. Liquor operation revenue bonds 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 or liability or liabilities on behalf of the State or constitute a pledge of the faith and credit of the State. All liquor operation revenue bonds issued by the bond bank, unless funded or refunded by bonds of the bond bank, are payable solely from revenues or funds pledged or available for their payment as authorized in this subchapter. Each liquor operation revenue bond must contain on its face a statement to the effect that the bond bank is obligated to pay the principal, interest and redemption premium, if any, solely from the revenues pledged for those purposes and that neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal, interest or redemption premium, if any, on the liquor operation revenue bonds.

[PL 2013, c. 269, Pt. B, §2 (NEW).]

5. Bond proceeds.

[PL 2023, c. 189, Pt. H, §3 (RP); PL 2023, c. 189, Pt. H, §6 (AFF).]

6. Agreements with financial institutions. For the purposes of this subchapter, the bond bank may enter into an ancillary obligation or other agreement or contract with a commercial bank, trust company or banking or other financial institution within or outside the State that is necessary, desirable or convenient in the opinion of the bond bank to provide any services to the bond bank to assist the bond bank in effectuating the purposes of this subchapter. The bond bank may enter into, amend or terminate any ancillary obligation or other agreement as the bond bank determines to be necessary or appropriate. The ancillary obligation or other agreement may include without limitation contracts commonly known as interest rate swap agreements, forward purchase contracts or guaranteed investment contracts and futures or contracts providing for payments based on levels of, or changes in, interest rates. These contracts may be entered into by the bond bank in connection with or incidental to entering into or maintaining any agreement that secures liquor operation revenue bonds issued under this subchapter or any investment or contract providing for investment of reserves or similar facility guaranteeing an investment rate for a period of years not to exceed the underlying terms of the liquor operation revenue bonds. The determination by the bond bank that an ancillary obligation or other agreement or the amendment or termination of an ancillary obligation or other agreement is necessary or appropriate as provided in this section is conclusive. An ancillary obligation or other agreement may

contain provisions regarding payment, security, default, remedy, termination and payments and other terms and conditions as determined by the bond bank, after giving due consideration to the creditworthiness of the counterparty or other obligated party, including any rating by any nationally recognized rating agency, and to any other criteria as may be appropriate.

A liquor operation revenue bond or any ancillary obligation or other agreement made pursuant to this subsection may contain a recital that it is issued or executed, respectively, pursuant to this subchapter. The recital is conclusive evidence of the validity of the liquor operation revenue bond or ancillary obligation or other agreement and of the regularity of the proceedings relating to them.

[PL 2013, c. 269, Pt. B, §2 (NEW).]

7. Remedies of holders of bonds. If the bond bank defaults in the payment of principal or interest on any issue of liquor operation revenue bonds after the principal and interest become due, whether at maturity or upon call for redemption or otherwise, and that default continues for a period of 30 days, or if the bond bank fails or refuses to comply with this subchapter or defaults in an agreement made with the holders of an issue of liquor operation revenue bonds, the holders of 25% in aggregate principal amount of liquor operation revenue bonds then outstanding, by instrument or instruments filed in the office of the clerk of courts of Kennebec County and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the bondholders. The trustee, in the trustee's own name, by mandamus or other suit, action or proceeding at law or in equity, shall enforce all rights of the bondholders or holders of the ancillary obligations or other agreements and require the bond bank to carry out any other agreements with the bondholders or holders of such ancillary obligations or other agreements and to perform the bond bank's duties required under this subchapter, as long as the bonds are limited revenue obligations. An obligation to make debt service payments does not constitute a debt or liability of the State or any political subdivision of the State within the meaning of any constitutional or statutory limitation, or a loan of the credit of the State, or a pledge of the faith and credit of the State or any political subdivision of the State, and the State has no legal obligation to appropriate money for those payments or other such obligations. Payments of the principal of, redemption premium, if any, and interest on the liquor operation revenue bonds must be made solely from amounts derived from the fund or as otherwise authorized by this subchapter. Neither the faith and credit nor the taxing power of the State or of any political subdivision of the State is pledged to the payment of the principal of, redemption premium for, if any, or interest on the liquor operation revenue bonds.

[PL 2013, c. 269, Pt. B, §2 (NEW).]

8. State authorized to enter into contracts. The State, including any department, commission, agency or other instrumentality of the State, is authorized to enter into an agreement, contract or other arrangement with the bond bank in connection with the issuance of liquor operation revenue bonds.

[PL 2013, c. 269, Pt. B, §2 (NEW).]

9. Reserve fund for liquor operation revenue bonds. The bond bank may establish a capital reserve fund for the benefit of holders of liquor operation revenue bonds subject to the provisions of section 6006, subsection 5.

[PL 2013, c. 269, Pt. B, §2 (NEW).]

10. Agreement of the State. The bond bank is authorized to include the following statement in its liquor operation revenue bonds or contracts or ancillary obligations: "The State hereby pledges to and agrees with the holders of any liquor operation revenue bonds issued pursuant to the Maine Revised Statutes, Title 30-A, chapter 225, subchapter 5 and with those parties who may enter into any ancillary obligation or contract with the Maine Municipal Bond Bank pursuant to that subchapter that the State will not limit, alter, restrict or impair the rights vested in the Maine Municipal Bond Bank and in any party to an ancillary obligation or contract until the liquor operation revenue bonds, together with interest, including interest on any unpaid installment of interest and all costs and expenses in connection with any actions or proceedings by or on behalf of the bondholders, are fully met and discharged and

such contracts and ancillary obligations are fully performed on the part of the Maine Municipal Bond Bank."

Nothing in this subchapter precludes the limitation or alteration of the rights vested in the bond bank and holders of liquor operation revenue bonds if and when adequate provision is made by law for the protection of the holders of liquor operation revenue bonds of the bond bank or those entering into contracts or ancillary obligations with the bond bank.

[PL 2013, c. 269, Pt. B, §2 (NEW).]

SECTION HISTORY

PL 2013, c. 269, Pt. B, §2 (NEW). PL 2023, c. 189, Pt. H, §§2, 3 (AMD). PL 2023, c. 189, Pt. H, §6 (AFF).

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