

§13080-N. Capital reserve funds; obligation of State

1. Capital reserve fund. The authority may create and establish one or more capital reserve funds and may pay into any such capital reserve fund money appropriated and made available by the State for the purposes of any such fund, any proceeds of sale by the authority of bonds to the extent determined by the authority and any other money available to the authority. For purposes of this section, the amount of any letter of credit, insurance contract, surety bond or similar financial undertaking available to be drawn on and applied to obligations to which money in any such fund may be applied is considered and counted as money in the capital reserve fund.

[PL 1993, c. 729, §10 (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 the securities, the purchase or redemption of the securities, including any fees or premiums, or the payment of interest on the securities. In addition, if the authority obtains a letter of credit, insurance contract, surety bond or similar financial undertaking to establish and fund a capital reserve fund under subsection 1, money in the fund may be used to pay, when due, whether by acceleration or otherwise, all reimbursement obligations of the authority established in connection with that letter of credit, insurance contract, surety bond or similar financial undertaking, including, but not limited to, all fees, expenses, indemnities and commissions. Money in excess of the reserve requirement established as provided in subsection 3 may be transferred to other funds and accounts of the authority.

[PL 1993, c. 729, §10 (NEW).]

3. Reserve requirement. The authority may provide that money in a capital reserve fund under subsection 2 may not be withdrawn at any time in an amount that would reduce the amount of that fund below an amount, referred to in this section as the "capital reserve requirement," established by the authority, except for the purpose of paying the amount due and payable with respect to bonds, repayment of which is secured by that fund, or reimbursement obligations of the authority with respect to any letter of credit, insurance contract, surety bond or similar financial undertaking pertaining to that fund.

[PL 1993, c. 729, §10 (NEW).]

4. Issuance limit. The authority may provide that it will not issue bonds if the capital reserve requirement established by the authority with respect to securities outstanding and then to be issued and secured by a capital reserve fund will exceed the amount of that fund, including the amount available under any letter of credit, insurance contract, surety bond or other similar financial undertaking given to secure the capital reserve requirement, at the time of issuance, unless the authority, at the time of issuance of the securities, deposits in that fund from proceeds of the securities to be issued, or from other sources, an amount that, together with the amounts then in that fund and amounts available under any letter of credit, insurance contract, surety bond or other similar financial undertaking will not be less than the capital reserve requirement.

[PL 1993, c. 729, §10 (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. In trust agreements or other pertinent documents, it must be clearly stated that this subsection applies to the capital reserve requirement. The Governor shall pay from the Contingent Account to that fund as much of the amount as is available in the Contingent Account and shall transmit to the Legislature a 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 then current state fiscal year.

[PL 2003, c. 598, §10 (AMD).]

6. Securities outstanding. The authority may not have at any one time outstanding bonds, which, in the trust agreement or other document, subsection 5 is stated to apply to, in principal amount exceeding an amount equal to \$100,000,000. The amount of bonds issued to refund securities previously issued may not be taken into account in determining the principal amount of securities outstanding, provided that proceeds of the refunding securities are applied as promptly as possible to the refunding of the previously issued securities. In computing the total amount of bonds of the authority that may at any time be outstanding for any purpose, the amounts of outstanding bonds that have been issued as capital appreciation bonds or as similar instruments are valued as of any date of calculation at their then current accreted value rather than their face value.

[PL 1995, c. 495, §8 (AMD).]

7. Other capital reserve funds. This section, including subsection 5, may not be construed to require that each capital reserve fund established under this section have the benefit described in subsection 5.

[PL 2003, c. 598, §11 (NEW).]

SECTION HISTORY

PL 1993, c. 729, §10 (NEW). PL 1995, c. 495, §8 (AMD). PL 2003, c. 598, §§10,11 (AMD).

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