

§145-C. Capital appreciation bonds

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "College savings bonds" means any general obligation bonds of the State that:

- (1) The Treasurer of State is authorized to issue and sell;
- (2) Are offered for initial sale at a substantial discount from face value with some or all of the payment to bondholders of principal or interest or both deferred until maturity; and
- (3) Are designated by the Treasurer of State as college savings bonds. [PL 1991, c. 603, §1 (NEW).]

[PL 1991, c. 603, §1 (NEW).]

2. Authorization. Any general obligation bonds of the State that the Treasurer of State now or after July 30, 1991 is authorized to issue and sell may be issued and sold by the Treasurer of State as college savings bonds. The Treasurer of State, after consultation with the advisory committee established in subsection 3, may offer college savings bonds in such amounts and form and on such terms and conditions as the Treasurer of State determines necessary. Notwithstanding any contrary provision of any general obligation bond act, the Treasurer of State is authorized to issue bonds in serial or term form in the name of and on behalf of the State, in amounts that will raise usable bond proceeds equal to the total amount for the projects authorized by the general obligation bond act and approved at referendum. For purposes of determining the amount of bonds of the State being issued or outstanding as of any given time, the amount of capital appreciation bonds is the greater of the original issue amount and the accreted value, as determined by the Treasurer of State.

[RR 1997, c. 2, §8 (COR).]

3. Advisory committee. There is established an advisory committee on college savings bonds to advise the Treasurer of State on the issuance of college savings bonds. The advisory committee consists of 3 ex officio members, the Commissioner of Administrative and Financial Services, the Commissioner of Education, the Chief Executive Officer of the Finance Authority of Maine; and one representative of the University of Maine System designated by the Governor for a 4-year term. The advisory committee shall consult with the Treasurer of State on the amount of college savings bonds to be issued by the State, their terms, maturities and structures and the marketing and availability of the bonds.

[PL 1991, c. 780, Pt. Y, §18 (AMD).]

4. Sale of college savings bonds. College savings bonds may be sold by competitive or negotiated sale, provided that the Treasurer of State shall determine that the underwriter or underwriters to which the bonds are sold have sufficient capability to provide for broad retail distribution of the bonds to investors residing in the State. College savings bonds may be issued in certificate or book entry form, in face amounts as low as \$1,000 if determined advisable by the Treasurer of State. The Treasurer of State may covenant and consent to establish any sinking funds, reserve funds or other accounts necessary to pay the bonds at maturity.

[PL 1991, c. 603, §1 (NEW).]

SECTION HISTORY

PL 1991, c. 603, §1 (NEW). PL 1991, c. 780, §18 (AMD). RR 1997, c. 2, §8 (COR).

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