

§4871. Issuance and conditions

An authority may issue bonds from time to time in its discretion for any of its corporate purposes. An authority may issue refunding bonds for the purpose of paying or retiring bonds previously issued by it. [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1. Methods of repayment; security. An authority may issue such types of bonds as it may determine, including, but not limited to, bonds on which the principal and interest are payable:

A. Exclusively from the income and revenues of the project financed with the proceeds of those bonds; [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. Exclusively from the income and revenue of certain designated projects whether or not they are financed in whole or in part with the proceeds of those bonds; [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

C. From its revenues generally or exclusively from the proceeds of mortgages, bonds, or notes or other securities held by the authority; or [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

D. From money appropriated by the State or otherwise authorized in this chapter to be applied for the payment of principal, redemption price and interest on the bonds. [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

Any such bonds may be additionally secured by a pledge of any grant or contributions from the Federal Government or other source, or a pledge of any income or revenues of the authority or a mortgage of any project, projects or other property of the authority. These bonds may also be secured by one or more Capital Reserve Funds established under section 4906.

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

2. Negotiable instruments. Whether or not the bonds are of such form and character as to be negotiable instruments under the Uniform Commercial Code, Title 11, article 8-A, the bonds are hereby made negotiable instruments within the meaning of and for all the purposes of the Uniform Commercial Code, Title 11, article 8-A, subject only to the provisions of the bonds for registration.

The bonds may be sold at public or private sale. Any provision of any law to the contrary notwithstanding, any bonds issued under this chapter are fully negotiable.

[PL 2017, c. 234, §31 (AMD).]

3. Municipal authorities. In the case of a municipal authority, no bonds may be issued, the principal and interest of which are to be payable from the proceeds of mortgages and notes held by the authority under subchapter IX, unless:

A. The bonds are rated in a rating category of A, its equivalent or better, by a nationally recognized rating agency; [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. The authority has received consent to issue these bonds from the legislative body of the municipality in which the authority is established; and [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

C. In the case of a city authority, the authority has also received the consent of the legislative body of any towns within the area of operation of the authority in which money from the issuance of the bonds may be made available. [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

Municipal authorities, considered together, may not at any time have, in the aggregate principal amount of the bonds outstanding, bonds described in this subsection in excess of \$50,000,000.

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

4. Authorization; sale; details of bond. Bonds of an authority shall be authorized by resolution and may be issued in one or more series. Bonds of an authority shall bear such date or dates, mature at such time or times, bear interest at such rate or rates, be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption with or without premium, as such resolution, its trust indenture or mortgage may provide.

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

5. Signatures on bonds or coupons. If any commissioner or officer of the authority whose signature appears on any bonds or coupons ceases to be a commissioner or officer before the bonds are delivered, the signature is nevertheless valid for all purposes, the same as if the commissioner or officer had remained in office until the delivery.

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

6. No liability on bonds. Neither the commissioners of an authority nor any person executing the bonds may be personally liable on the bonds by reason of the issuance of the bonds. The bonds and other obligations of an authority shall not be a debt of the municipality, the State or any political subdivision of the State and neither the municipality nor the State or any political subdivision of the State may be liable on those bonds; the bonds and obligations shall so state on their face. The bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. In no event may these bonds or obligations be payable out of any funds or properties other than those of the authority. Bonds of an authority are declared to be issued for an essential public and governmental purpose and to be public instrumentalities and, together with interest on and income from those bonds, are exempt from taxes.

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

7. Presumption of validity. In any civil action or proceedings involving the validity or enforceability of any bond of an authority or the security for that bond, any bond reciting in substance that it has been issued by the authority to aid in financing the activities of the authority is deemed to have been issued for that purpose, and those activities are deemed to have been planned, located and carried out in accordance with the purposes and provisions of this chapter.

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

SECTION HISTORY

PL 1987, c. 737, §§A2,C106 (NEW). PL 1989, c. 6 (AMD). PL 1989, c. 9, §2 (AMD). PL 1989, c. 104, §§C8,10 (AMD). PL 2017, c. 234, §31 (AMD).

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