CHAPTER 225

MAINE MUNICIPAL BOND BANK

SUBCHAPTER 1

GENERAL PROVISIONS

§5901. Title

This chapter shall be known and may be cited as the "Maine Municipal Bond Bank Act." [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).

§5902. Declaration of necessity

1. Declaration of purpose. It is declared to be in the public interest and to be the policy of the State:

A. To foster and promote by all reasonable means the provision of adequate capital markets and facilities for borrowing money by counties, municipalities, School Administrative Districts, community school districts, quasi-municipal corporations and other governmental units and to finance their respective public improvements and other municipal purposes within the State from proceeds of bonds, notes, any other form of debt or leases issued by those governmental units; [PL 1991, c. 605, §1 (AMD).]

B. To assist those governmental units in fulfilling their needs for such purposes by use of creation of indebtedness; [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. To the extent possible, to reduce the costs of indebtedness to taxpayers and residents of the State and to encourage continued investor interest in the purchase of bonds or notes of those governmental units as sound and preferred securities for investment; 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).]

D. To encourage its governmental units to continue their independent undertakings of public improvements and other municipal purposes and the financing thereof and to assist them in those activities by making funds available at reduced interest costs for orderly financing of those purposes, especially during periods of restricted credit or money supply, particularly for those governmental units not otherwise able to borrow for those purposes. [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).]

[PL 1991, c. 605, §1 (AMD).]

2. Declaration of necessity. It is further declared that current credit and municipal bond market conditions require the exercise of state powers in the interest of its governmental units to further and implement these policies by:

A. Authorizing a state instrumentality to be created as a body corporate and politic to have full powers to borrow money and to issue its bonds and notes to make funds available through the facilities of the instrumentality at reduced rates and on more favorable terms for borrowing by such governmental units through the instrumentality's purchase of the bonds or notes of the governmental units in fully marketable form; 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).]

B. Granting broad powers to the instrumentality to accomplish and to carry out these policies of the State which are in the public interest of the State and of its taxpayers and residents. [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).]

[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 1991, c. 605, §1 (AMD).

§5903. Definitions

(CONFLICT)

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings. [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. Bank or bond bank. "Bank" or "bond bank" means the Maine Municipal Bond Bank created by section 5951.

[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. Bondholder or holder or noteholder. "Bondholder" or "holder" or "noteholder" or any similar term when used with reference to a bond or note of the bank means any person who is the bearer of any outstanding bond or note of the bank registered to bearer or not registered, or the registered owner of any outstanding bond or note of the bank which at the time is registered other than to bearer.

[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).]

3. Bonds. "Bonds" means bonds of the bank issued under 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).]

3-A. Capital reserve fund. "Capital reserve fund" means any capital reserve fund created or established as provided in section 6006, subsection 1-A.

[PL 1989, c. 48, §§13, 31 (NEW).]

3-B. Downtown. "Downtown" means:

A. The central business district of a community that serves as the center for socioeconomic interaction in the community and is characterized by a cohesive core of commercial and mixed-use buildings, often interspersed with civic, religious and residential buildings and public spaces, typically arranged along a main street and intersecting side streets, walkable and served by public infrastructure; or [PL 1999, c. 776, §12 (NEW).]

B. An area identified as a downtown in a comprehensive plan adopted pursuant to chapter 187, subchapter II. [PL 1999, c. 776, §12 (NEW).]

[PL 1999, c. 776, §12 (NEW).]

3-C. Downtown improvement. "Downtown improvement" includes facade, utility relocation or extension, historic preservation and parking and road improvement; elevator, sprinkler system and traffic control devices installation; purchase of development rights for a park or open space and construction of park and open space amenities; and public toilet, streetscape, sidewalk and curb installation or upgrade.
[PL 1999, c. 776, §12 (NEW).]

4. Fully marketable form. "Fully marketable form" means a municipal security duly executed and accompanied by an approving legal opinion of a bond counsel of recognized standing in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, provided that the municipal security so executed need not be printed or lithographed nor be in more than one denomination.
[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. General fund. "General fund" means the fund created or established as provided in section 6007.
[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. Governmental unit. "Governmental unit" means any county, municipality, school administrative district, community school district, public waste disposal corporation as authorized under Title 38, section 1304-B or other quasi-municipal corporation within the State, including any corporation owned entirely by a municipality and providing water, sewer or electric service or performing other essential governmental functions.
[PL 2007, c. 48, §1 (AMD).]

6-A. (CONFLICT: Text as amended by PL 2019, c. 343, Pt. D, §14) Median household income. "Median household income" means the income computed based on the most current census information available, as provided by the Governor's Office of Policy Innovation and the Future.
[PL 2019, c. 343, Pt. D, §14 (AMD).]

6-A. (CONFLICT: Text as amended by PL 2019, c. 343, Pt. IIII, §9) Median household income. "Median household income" means the income computed based on the most current census information available, as provided by the State Economist.
[PL 2019, c. 343, Pt. IIII, §9 (AMD).]

6-B. Municipal bond. "Municipal bond" means a bond or note or evidence of debt issued by a municipality and payable from taxes or from rates, charges or assessments, but does not include any bond or note or evidence of debt issued under chapter 213 or Title 10, chapter 110, subchapter IV.
[PL 1989, c. 48, §§14, 31 (NEW).]

6-C. Municipal bond insurance fund. "Municipal bond insurance fund" means any fund or funds established by the bank to provide reserves to insure payment of any state or municipal issuance of debt, pursuant to a bond insurance program established by the bank.
[PL 1991, c. 605, §2 (NEW).]

7. Municipal security. "Municipal security" means a bond or note or evidence of debt issued by a governmental unit and payable from taxes or from rates, charges or assessments, but does not include any bond or note or evidence of debt issued under chapter 213 or Title 10, chapter 110, subchapter IV.
[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-A. Municipality. "Municipality" means:

A. Any city, town, special district, county, plantation or municipal village corporation within the State, including any corporation owned entirely by any entity specified in this paragraph and

providing water, sewer or electric service or performing other essential governmental functions; [PL 2005, c. 552, §1 (AMD).]

B. For the purpose of section 5953, subsection 1, paragraph D only, any water utility as defined in subsection 13; or [PL 1997, c. 555, §1 (AMD).]

C. For the purpose of section 5953, subsection 1, paragraph D, section 5953-B and section 6006-B, any public water system as defined under Title 22, section 2601, subsection 8. [PL 1997, c. 555, §2 (NEW).]

[PL 2005, c. 552, §1 (AMD).]

8. Notes. "Notes" means any notes of the bank issued under 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).]

8-A. Public service infrastructure. "Public service infrastructure" means those facilities that are essential for public health, welfare and safety. Those facilities include, without limitation, sewage treatment facilities, municipal water supply and treatment facilities, solid waste facilities, public safety equipment and facilities, roads, traffic control devices and other transportation facilities, sidewalks, trees, buried utility lines and other streetscape improvements, parks and other open space or recreational areas, public access to coastal and inland waters, geographic information systems, and any other public facility that benefits the public.

[PL 2001, c. 90, §3 (AMD).]

8-B. Qualified energy conservation bond. "Qualified energy conservation bond" has the same meaning as in 26 United States Code, Section 54D(a), as amended.

[PL 2009, c. 517, §15 (NEW).]

8-C. Recovery zone economic development bond. "Recovery zone economic development bond" has the same meaning as in 26 United States Code, Section 1400U-2, as amended.

[PL 2009, c. 517, §16 (NEW).]

9. Required debt service reserve. "Required debt service reserve" means the amount required to be on deposit in the reserve fund as prescribed by section 6006, subsection 1.

[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. 48, §§16, 31 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

9-A. Required minimum reserve. "Required minimum reserve" means the amount required to be on deposit in a capital reserve fund as prescribed by section 6006, subsection 1-A.

[PL 1989, c. 48, §§17, 31 (NEW).]

10. Reserve fund. "Reserve fund" means the Maine Municipal Bond Bank Reserve Fund created or established as provided in section 6006.

[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).]

11. Revenues. "Revenues" means all fees, charges, money, profits, payments of principal of or interest on municipal securities and other investments, gifts, grants, contributions, appropriations and all other income derived or to be derived by the bank under 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).]

12. Revolving loan fund. "Revolving loan fund" means that revolving loan fund created under section 6006-A.

[PL 1989, c. 48, §§18, 31 (NEW).]

13. Water utility. "Water utility" means an entity as defined in Title 35-A, section 102, subsection 22.
[PL 1991, c. 775, §1 (NEW).]

SECTION HISTORY

PL 1987, c. 737, §§A2,C106 (NEW). PL 1989, c. 6 (AMD). PL 1989, c. 9, §2 (AMD). PL 1989, c. 48, §§13-18,31 (AMD). PL 1989, c. 104, §§C8,10 (AMD). PL 1991, c. 605, §2 (AMD). PL 1991, c. 775, §1 (AMD). PL 1993, c. 2, §5 (AMD). PL 1993, c. 721, §D2 (AMD). PL 1993, c. 721, §H1 (AFF). PL 1997, c. 555, §§1,2 (AMD). PL 1999, c. 776, §12 (AMD). PL 2001, c. 90, §3 (AMD). PL 2001, c. 484, §1 (AMD). PL 2005, c. 552, §1 (AMD). PL 2007, c. 48, §1 (AMD). PL 2009, c. 517, §§15, 16 (AMD). PL 2011, c. 655, Pt. DD, §13 (AMD). PL 2011, c. 655, Pt. DD, §24 (AFF). PL 2019, c. 343, Pt. D, §14 (AMD). PL 2019, c. 343, Pt. IIII, §9 (AMD).

§5904. Liberal construction of chapter

This chapter shall be construed liberally to effectuate the legislative intent and the purposes of this chapter as complete and independent authority for the performance of each and every act and thing authorized in this chapter and all powers granted in this chapter shall be broadly interpreted to effectuate that intent and purposes and not as a limitation of powers. [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).

SUBCHAPTER 2

ESTABLISHMENT AND POWERS

§5951. Creation of bank and membership

1. Bank established. There is established a public body corporate and politic to be known as the "Maine Municipal Bond Bank" in accordance with Title 5, chapter 379. The bank is constituted as an instrumentality of the State exercising public and essential governmental functions. The bank's exercise of the powers conferred by this chapter shall be deemed and held to be an essential governmental function of the State.
[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. Board of commissioners; oath. The bank shall consist of a board of 5 commissioners, including:

A. The Treasurer of State who serves as a commissioner ex officio.

(1) The Treasurer of State may designate the Deputy Treasurer of State to serve in place of the Treasurer of State; [RR 2015, c. 2, §21 (COR).]

B. The Superintendent of Financial Institutions, who also serves as a commissioner ex officio.

(1) The Superintendent of Financial Institutions may designate a deputy superintendent to serve in place of the Superintendent of Financial Institutions; and [PL 2007, c. 79, §25 (AMD).]

C. Three commissioners, who must be residents of the State, appointed by the Governor for terms of 3 years. [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).]

Before entering upon their duties all commissioners shall take and subscribe to an oath to perform the duties of office faithfully, impartially and justly to the best of their abilities. A record of these oaths shall be filed in the office of the Secretary of State.
[RR 2015, c. 2, §21 (COR).]

3. Terms; vacancy; removal. Each commissioner shall hold office for the term of appointment and until a successor has been appointed and has qualified. A commissioner may be reappointed. Any vacancy occurring other than by the expiration of a term shall be filled by appointment for the unexpired term. The Governor may remove a commissioner from office for cause after a public hearing. The Governor may suspend a commissioner pending the completion of this hearing.
[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. Officers of board; exercise of powers. The board of commissioners shall elect one of its members as chair and one as vice-chair and shall appoint an executive director who also serves as both secretary and treasurer. The powers of the bank are vested in the commissioners of the bank in office from time to time. Three commissioners of the bank constitute a quorum at any meeting of the commissioners. Action may be taken and motions and resolutions adopted by the bank at any meeting by the affirmative vote of at least 3 commissioners of the bank. A vacancy in the office of commissioner of the bank does not impair the right of a quorum of the commissioners to exercise all the powers and perform all the duties of the bank.

The board of commissioners may meet by telephonic, video, electronic or other similar means of communication with less than a quorum assembled physically at the location of a public proceeding identified in the notice required by Title 1, section 406 only if:

A. Each commissioner can hear all other commissioners, speak to all other commissioners and, to the extent reasonably practicable, see all other commissioners by videoconferencing or other similar means of communication during the public proceeding, and members of the public attending the public proceeding at the location identified in the notice required by Title 1, section 406 are able to hear and, to the extent reasonably practicable, see all commissioners participating from other locations by videoconferencing or other similar means of communication; [PL 2015, c. 449, §4 (NEW).]

B. Each commissioner who is not physically present at the location of the public proceeding and who is participating through telephonic, video, electronic or other similar means of communication identifies all persons present at the location from which the commissioner is participating; [PL 2015, c. 449, §4 (NEW).]

C. A commissioner who participates while not physically present at the location of the public proceeding identified in the notice required by Title 1, section 406 does so only when the commissioner's attendance is not reasonably practical. The reason that the commissioner's attendance is not reasonably practical must be stated in the minutes of the meeting; and [PL 2015, c. 449, §4 (NEW).]

D. Each commissioner who is not physically present at the location of the public proceeding and who is participating through telephonic, video, electronic or other similar means of communication has received prior to the public proceeding all documents and materials discussed at the public proceeding, with substantially the same content as those presented at the public proceeding. Documents or other materials made available at the public proceeding may be transmitted to the commissioner not physically present during the public proceeding if the transmission technology

is available. Failure to comply with this paragraph does not invalidate an action taken by the bank at the public proceeding. [PL 2015, c. 449, §4 (NEW).]

[PL 2015, c. 449, §4 (AMD).]

5. Surety bonds required. Before issuing any bonds or notes under this chapter, each commissioner of the bank must execute a surety bond in the penal sum of $25,000 and the executive director of the bank must execute a surety bond in the penal sum of $50,000. The surety bonds must be:

A. Conditioned upon the faithful performance of the duties of the office of the commissioner or executive director; [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. Executed by a surety company authorized to transact business in the State as surety; [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. Approved by the Attorney General; 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).]

D. Filed in the office of the Secretary of State. [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).]

At all times after the bank issues any bonds or notes, each commissioner of the bank and the executive director shall maintain the surety bonds in full force and effect. The bank shall bear all the costs of these surety 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).]

6. Compensation. Each public member of the board of commissioners shall be compensated according to Title 5, chapter 379. All commissioners shall be reimbursed for their reasonable expenses incurred in carrying out their duties under this chapter. Notwithstanding any other law, no officer or employee of the State may be deemed to have forfeited or may forfeit their office or employment or any benefits or emoluments of their office or employment due to accepting the office of commissioner of the bank or performing services in that office.

[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. Employees. The executive director may employ, upon approval of the board of commissioners, a general counsel, architects, engineers, accountants, attorneys, financial advisors or experts and any other officers, agents and employees who are required and determine their qualifications, terms of office, duties and compensation. The board of commissioners shall fix the duties and compensation of the executive director.

[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 2001, c. 44, §11 (AMD). PL 2001, c. 44, §14 (AFF). PL 2007, c. 79, §25 (AMD). RR 2015, c. 2, §21 (COR). PL 2015, c. 449, §4 (AMD).

§5952. Conflict of interest

No commissioner of the bank may participate in any decision on any contract entered into by the bank, if the commissioner has any pecuniary interest, direct or indirect in any firm, partnership,

corporation or association which is or may be a party to the contract. [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).]

Contracts or agreements obtained through properly advertised bid procedures, or the ownership of stock or other interest in any firm, partnership, corporation or association in which the commissioner does not actively participate in day-to-day management shall not be interpreted as a direct or indirect pecuniary interest in violation 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).

§5953. Lending and borrowing powers generally

1. Powers. For the purposes authorized by this chapter, the bank may:

A. Lend money to governmental units through the bank's purchase of municipal securities of governmental units in fully marketable form; [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. Authorize and issue its bonds and notes payable solely from the revenues or funds available to the bank for that purpose; [PL 1991, c. 605, §3 (AMD).]

C. Otherwise assist governmental units as provided in this chapter; and [PL 1991, c. 605, §3 (AMD).]

D. Borrow money and make the borrowing proceeds available to the municipality at terms agreed upon by the bank and the municipality. [PL 1993, c. 2, §6 (AMD).]

[PL 1993, c. 2, §6 (AMD).]

2. Payment; state not liable. Bonds and notes of the bank issued under this chapter 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. All bonds and notes of the bank issued under this chapter, unless funded or refunded by bonds or notes of the bank, are payable solely from revenues or funds pledged or available for their payment as authorized in this chapter. Each bond and note shall contain on its face a statement to the effect that the bank is obligated to pay the principal or interest and redemption premium, if any, and that neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal of or the interest on the bonds or notes.

[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).]

3. Expenses. All expenses incurred in carrying out the purposes of this chapter are payable solely from revenues or funds provided under this chapter. Nothing in this chapter may be construed to authorize the bank to incur any indebtedness or liability on behalf of or payable by the State.

[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 1991, c. 605, §§3,4 (AMD). PL 1991, c. 775, §2 (AMD). PL 1993, c. 2, §6 (AMD).

§5953-A. Loans from revolving loan fund

1. Loan application. A municipality may apply for a loan from the revolving loan fund, the proceeds of which must be used for the following:

A. To acquire, design, plan, construct, enlarge, repair or improve a publicly owned sewage or water system or sewage or water treatment plant or to implement a related management program; [PL 1995, c. 564, §1 (NEW).]

B. To remediate municipal landfills that affect groundwater; or [PL 1995, c. 564, §1 (NEW).]

C. For any actions authorized under the federal Clean Water Act, 33 United States Code, Sections 1251 to 1387. [PL 1995, c. 564, §1 (NEW).]

The bank may prescribe any application form or procedure required of a municipality for a loan under this section. The application must include any information that the bank determines necessary for the purpose of implementing this section and section 6006-A.
[PL 1995, c. 564, §1 (RPR).]

2. Loan; loan agreements. Loans are subject to this subsection.

A. The bank may make loans from the revolving loan fund to a municipality for one or more of the purposes set forth in subsection 1. Each of the loans is subject to the following conditions.

(1) The total amount of loans outstanding at any one time from the revolving loan fund may not exceed the balance of the fund, provided that the proceeds of bonds or notes of the bank deposited in the fund and binding financial commitments of the United States to deposit money in the fund are included in determining the fund balance.

(2) The loan must be evidenced by a municipal bond or such other agreement or instrument as the bank determines necessary or advisable.

(3) The rate of interest charged for the loans must be at or below market interest rates.

(4) Subject to the limitations of subparagraph (3), the rate of interest charged for the loans made to municipalities under this section or the manner of determining the rate of interest must be established from time to time by direction of the bank, taking into consideration the current average rate on outstanding marketable obligations, as well as the policies of the Department of Environmental Protection. [PL 1991, c. 605, §6 (AMD).]

B. Loans made to a municipality by the bank under this section shall be evidenced by and made in accordance with the terms and conditions specified in a loan agreement to be executed by the bank and the municipality. The loan agreement shall specify the terms and conditions of disbursement of loan proceeds. The loan agreement shall state the term and interest rate of the loan, the scheduling of loan repayments and any other terms and conditions determined necessary or desirable by the bank. [PL 1989, c. 48, §§19, 31 (NEW).]
[PL 1991, c. 605, §6 (AMD).]

3. Eligibility certification. No loan to a municipality may be made under this section until:

A. The applicant certifies to the bank that it has secured all permits, licenses and approvals necessary to construct the improvements to be financed by the loan; [PL 1989, c. 48, §§19, 31 (NEW).]

B. The applicant demonstrates to the bank that it has established a rate, charge or assessment schedule which will generate annually sufficient revenue to pay, or has otherwise provided sufficient assurances that it will pay, the principal of and interest on the municipal bond or other debt instrument which evidences the loan made by the bank to the municipality under this section and to pay reasonably anticipated costs of operating and maintaining the financed project and the system of which it is a part; [PL 1989, c. 48, §§19, 31 (NEW).]

C. The applicant certifies to the bank that it has created a dedicated source of revenue, which may constitute general revenues of the applicant through a general obligation pledge of the applicant, for repayment of the loan; [PL 1989, c. 48, §§19, 31 (NEW).]

D. The applicant and the project to be financed by the proceeds of the loan have been designated by the Department of Environmental Protection as eligible to participate in a construction or implementation program funded wholly or in part by the State and from the proceeds of the revolving loan fund; [PL 1989, c. 48, §§19, 31 (NEW).]

E. The Department of Environmental Protection certifies to the bank that any management program to be financed complies with all applicable state and federal laws and all rules and regulations adopted under those laws; and [PL 1989, c. 48, §§19, 31 (NEW).]

F. The Department of Environmental Protection certifies to the bank that the loan eligibility priority, established under section 6006-A, subsection 3, entitles the applicant to immediate financing or assistance under this section. [PL 1989, c. 48, §§19, 31 (NEW).]

[PL 1989, c. 48, §§19, 31 (NEW).]

SECTION HISTORY

PL 1989, c. 48, §§19,31 (NEW). PL 1991, c. 605, §§5,6 (AMD). PL 1995, c. 564, §1 (AMD).

§5953-B. Loans from safe drinking water revolving loan fund

1. Loan application. In addition to the other forms of financial assistance available under section 6006-B, a public water system that is a community water system or a nonprofit water system that is not a community water system may apply for a loan from the safe drinking water revolving loan fund, in this section called the "fund," the proceeds of which must be used to acquire, design, plan, construct, enlarge, repair, protect or improve drinking water supplies or treatment systems owned by the applicant; to acquire development rights, conservation easements and other protective interests in land by the applicant or in cooperation with a land trust or similar entity; or for any actions authorized or required under the federal Safe Drinking Water Act of 1996, 42 United States Code, Sections 300f to 300j-9, as amended.

The bank may prescribe an application form or procedure for a public water system to apply for a loan under this section. The application must include any information that the bank determines necessary for the purpose of implementing this section and section 6006-B.

For purposes of this section, the term "public water system" has the same meaning as defined in Title 22, section 2601, subsection 8.

[PL 2007, c. 353, §5 (AMD).]

2. Loan; loan agreements. Loans from the fund are subject to this subsection.

A. The bank may make loans from the fund to a public water system for one or more of the purposes set forth in subsection 1. Each of the loans is subject to the following conditions.

(1) The total amount of loans outstanding at any one time from the fund may not exceed the balance of the fund, provided that the proceeds of bonds or notes of the bank deposited in the fund, revenues from other sources deposited in the fund and binding financial commitments of the United States to deposit money in the fund are included in determining the fund balance.

(2) The loan must be evidenced by a municipal bond or other debt instrument in a form acceptable to the bank, payable by the public water system over a term not to exceed 20 years from completion of construction of the project, or 30 years from completion of construction of the project in the case of a public water system that the bank and the Department of Health and Human Services have determined serves a disadvantaged community, with annual principal or interest payments commencing not later than one year after the project being financed is completed.

(3) The rate of interest charged for the loans must be at or below market interest rates, including an interest-free loan.

(4) Subject to the limitations of subparagraph (3), the rate of interest charged for the loans made to public water systems under this section or the manner of determining the rate of interest must be established from time to time by direction of the bank, taking into consideration the current average rate on outstanding marketable obligations and the policies of the Department of Health and Human Services. [PL 1999, c. 77, §2 (AMD); PL 2003, c. 689, Pt. B, §6 (REV).]

B. Loans made to a public water system by the bank under this section must be evidenced by and made in accordance with the terms and conditions specified in a loan agreement to be executed by the bank and the public water system. The loan agreement must specify the terms and conditions of disbursement of loan proceeds. The loan agreement must state the term and interest rate of the loan, the scheduling of loan repayments and any other terms and conditions determined necessary or desirable by the bank. Loans made to a public water system by the bank under this section may include provisions for forgiveness of principal payments or loan repayment computation that results in an effective negative interest cost. [PL 1997, c. 555, §3 (AMD).]

[PL 1999, c. 77, §2 (AMD); PL 2003, c. 689, Pt. B, §6 (REV).]

3. Eligibility certification. A loan to a public water system may not be made under this section until:

A. The applicant certifies to the bank that it has secured all permits, licenses and approvals necessary to construct the improvements to be financed by the loan; [PL 1989, c. 48, §§19, 31 (NEW).]

B. The applicant demonstrates to the bank that it has established a rate, charge or assessment schedule that generates annually sufficient revenue to pay, or has otherwise provided sufficient assurances that it pays, the principal of and interest on the municipal bond or other debt instrument that evidences the loan made by the bank to the public water system pursuant to the loan agreement under this section and to pay reasonably anticipated costs of operating and maintaining the financed project and the system of which it is a part; [PL 1997, c. 555, §3 (AMD).]

C. The applicant certifies to the bank that it has created a dedicated source of revenue that may constitute general revenues of the applicant through a general obligation pledge of the applicant for repayment of the loan; [PL 1997, c. 555, §3 (AMD).]

D. In the case of a privately owned public water system, the system must demonstrate that:

(1) It has adequate security, guarantees or other assets for repayment of the loan; and

(2) Undue benefits do not accrue to owners of a privately owned water system due to financing provided under this section; and [PL 1997, c. 555, §3 (NEW).]

E. The Department of Health and Human Services certifies to the bank that the loan eligibility priority, established under section 6006-B, subsection 5, entitles the applicant to financing or assistance under this section. [PL 1997, c. 705, §14 (AMD); PL 2003, c. 689, Pt. B, §6 (REV).]

[PL 1997, c. 705, §14 (AMD); PL 2003, c. 689, Pt. B, §6 (REV).]

SECTION HISTORY

PL 1991, c. 605, §7 (NEW). PL 1997, c. 555, §3 (AMD). PL 1997, c. 705, §14 (AMD). PL 1999, c. 77, §2 (AMD). PL 2003, c. 689, §B6 (REV). PL 2007, c. 353, §5 (AMD).

§5953-C. Loans for energy efficiency improvements in municipal and school buildings

This section establishes a program to promote energy efficiency and indoor air quality in municipal and school buildings. [PL 1993, c. 605, §1 (NEW).]

1. Efficiency Partners Program. The bank shall establish the Efficiency Partners Program, referred to in this section as "the program," designed to reduce energy costs in municipal and school buildings and to create jobs by financing energy audits and cost-effective improvements that accomplish energy efficiency while maintaining healthful indoor air quality. The bank shall issue a request for proposals for energy audits of municipal and school buildings and for energy savings that could be achieved through cost-effective improvements to heating and cooling systems, windows, insulation, lighting and equipment in municipal and school buildings. Identification of cost-effective improvements to achieve energy savings under the program must be based on a comprehensive energy audit that has been performed within the previous 5 years by a professional engineer licensed in this State. An energy audit that is financed under the program or is the basis for cost-effective energy efficiency improvements financed under the program must address compliance with the model building energy code adopted by the Public Utilities Commission pursuant to Title 35-A, section 121.
[PL 2007, c. 66, §1 (AMD).]

2. Access to the program. Municipalities and school administrative units may have access to the program regardless of whether the municipality or school administrative unit utilizes a loan pursuant to this section to finance an energy audit or cost-effective energy efficiency improvements.
[PL 2007, c. 66, §1 (AMD).]

3. Proposals; contracts. The bank shall solicit proposals from energy service companies and individual vendors of energy service products. Notwithstanding any provision of the law regarding bidding requirements, the bank shall contract with an energy service company or companies or vendor or vendors to provide energy services in municipal and school buildings under the program. Whenever the bid proposals received are substantially equivalent, the bank shall in the contract process select an in-state energy service company or vendor whose primary place of business is within this State. For public school projects, bid proposals for energy efficiency improvements must include plans and specifications that bear the stamp of a licensed professional engineer or licensed architect.
[PL 2019, c. 398, §41 (AMD).]

4. Loan; loan agreements. Loans from the bank for energy efficiency improvements must be structured to ensure to the greatest extent possible that the cost savings achieved by the energy efficiency improvements are sufficient to cover the loan and to achieve a net positive cash flow as early as practical. The rate of interest charged for loans made through the program for energy efficiency improvements or energy audits must be below the currently available rate of interest charged on commercial loans of equivalent term and use.
[PL 2007, c. 66, §1 (AMD).]

5. Energy Payment Equalization Fund. The bank shall establish a fund called the Energy Payment Equalization Fund. To the extent that the fund has assets available to it through funding by federal, state or local governments, or grants, gifts, donations or payments from any other source, money in the fund may be applied to loans made to municipalities in the program if achieved energy savings are not sufficient to offset the debt service payments on a loan made through the program. This fund may include deposits made by energy service companies or vendors to guarantee their commitment to achieve energy savings sufficient to offset debt service payments but may not include any other donations or payments from vendors or interested parties. The fund may be used to provide general interest rate reductions or principal reductions on any loan or group of loans made under the program for energy audits or for energy efficiency improvements regardless of energy cost savings that may be achieved through the use of the proceeds of the loans or loan.
[PL 2007, c. 66, §1 (AMD).]

6. Report to the Legislature. Beginning in 2008, the bank shall report annually by March 1st to the joint standing committee of the Legislature having jurisdiction over utilities and energy matters regarding the program. The report must document program activity during the prior 12 months, including, but not limited to, contracts made with energy service companies or vendors, loans made to

municipalities or school administrative units, energy audits conducted and energy efficiency improvements implemented.
[PL 2007, c. 66, §1 (NEW).]

SECTION HISTORY

RR 1993, c. 2, §27 (COR). PL 1993, c. 605, §1 (NEW). PL 1993, c. 721, §D3 (NEW). PL 1993, c. 721, §H1 (AFF). PL 2007, c. 66, §1 (AMD). PL 2019, c. 398, §41 (AMD).

§5953-D. Assistance from Municipal Investment Trust Fund

1. Application for public service infrastructure grants and loans. In addition to the other forms of financial assistance available under section 6006-D, an eligible municipality or group of municipalities may apply for a public service infrastructure grant or loan from the Municipal Investment Trust Fund, in this section called the "fund," the proceeds of which must be used to acquire, design, plan, construct, enlarge, repair, protect or improve public service infrastructure owned by the applicant.

The bank, in conjunction with the Department of Economic and Community Development, may prescribe an application form or procedure for an eligible municipality or group of municipalities to apply for a grant or loan under this section. The application must include all information necessary for the purpose of implementing this section and section 6006-D.
[PL 1999, c. 776, §13 (AMD).]

1-A. Application for downtown improvement grants and loans. In addition to the other forms of financial assistance available under section 6006-D, an eligible municipality or group of municipalities may apply for a downtown improvement grant or loan from the fund, the proceeds of which must be used to acquire, design, plan, construct, enlarge, repair or protect downtown improvements.

The bank, in conjunction with the Department of Economic and Community Development, may prescribe an application form or procedure for an eligible municipality or group of municipalities to apply for a grant or a loan under this subsection. The application must include all information necessary for the purpose of implementing this section and section 6006-D.
[PL 2003, c. 288, §1 (AMD).]

2. Loan; loan agreements. Loans from the fund are subject to this subsection.

A. The bank may make loans from the fund to an eligible municipality or group of municipalities for one or more of the purposes set forth in subsection 1 and subsection 1-A. Each of the loans is subject to the following conditions.

(1) The total amount of loans outstanding at any one time from the fund may not exceed the balance of the fund; the proceeds of bonds or notes of the bank deposited in the fund, revenues from other sources deposited in the fund and binding financial commitments of the United States to deposit money in the fund must be included in determining the fund balance.

(2) The loan must be evidenced by a municipal bond or other debt instrument, payable by the municipality over a term not to exceed 40 years with annual principal or interest payments commencing not later than one year after the project being financed is completed.

(3) The rate of interest charged for the loans must be at or below market interest rates.

(4) Subject to the limitations of subparagraph (3), the rate of interest charged for the loans made to municipalities under this section or the manner of determining the rate of interest must be established from time to time by direction of the bank, taking into consideration the current average rate on outstanding marketable obligations. [PL 1999, c. 776, §13 (AMD).]

B. Loans made to a municipality by the bank under this section must be evidenced by and made in accordance with the terms and conditions specified in a loan agreement to be executed by the bank

and the municipality. The loan agreement must specify the terms and conditions of disbursement of loan proceeds. The loan agreement must state the term and interest rate of the loan, the scheduling of loan repayments and any other terms and conditions determined necessary or desirable by the bank. [PL 1993, c. 721, Pt. D, §3 (NEW); PL 1993, c. 721, Pt. H, §1 (AFF).] [PL 1999, c. 776, §13 (AMD).]

3. Eligibility certification. The bank may not make a grant or loan to a municipality or group of municipalities under this section until:

A. The applicant certifies to the bank that it has secured all permits, licenses and approvals necessary to construct the improvements to be financed by the grant or loan; [PL 1993, c. 721, Pt. D, §3 (NEW); PL 1993, c. 721, Pt. H, §1 (AFF).]

B. In the case of a loan, the applicant demonstrates to the bank that it has established a rate, charge or assessment schedule that generates annually sufficient revenue to pay, or has otherwise provided sufficient assurances that it pays, the principal of and interest on the municipal bond or other debt instrument that evidences the loan made by the bank to the municipality pursuant to the loan agreement under this section and to pay reasonably anticipated costs of operating and maintaining the financed project and the system of which it is a part; [PL 1993, c. 721, Pt. D, §3 (NEW); PL 1993, c. 721, Pt. H, §1 (AFF).]

C. In the case of a loan, the applicant certifies to the bank that it has created a dedicated source of revenue that may constitute general revenues of the applicant through a general obligation pledge of the applicant for repayment of the loan; [PL 1999, c. 776, §13 (AMD).]

D. In the case of a grant or loan, the Department of Economic and Community Development affirms that the applicant has met the conditions of this paragraph.

(1) A municipality is eligible to receive a grant or a loan, or a combination of both, if that municipality has adopted a growth management program certified under section 4347-A that includes a capital improvement program composed of the following elements:

(a) An assessment of all public facilities and services, such as, but not limited to, roads and other transportation facilities, sewers, schools, parks and open space, fire and police;

(b) An annually reviewed 5-year plan for the replacement and expansion of existing public facilities or the construction of such new facilities as are required to meet expected growth and economic development. The plan must include projections of when and where those facilities will be required; and

(c) An assessment of the anticipated costs for replacement, expansion or construction of public facilities, an identification of revenue sources available to meet these costs and recommendations for meeting costs required to implement the plan.

(2) A municipality is eligible to receive a loan if that municipality:

(a) Has adopted a comprehensive plan that is determined by the Executive Department, former State Planning Office or the Department of Agriculture, Conservation and Forestry to be consistent with section 4326, subsections 1 to 4.

(3) A municipality is eligible to receive a grant or a loan if that municipality is a service center community.

Subject to the limitations of this subsection, 2 or more municipalities that each meet the requirements of subparagraph (1), (2) or (3) may jointly apply for assistance under this section; and [PL 2011, c. 655, Pt. JJ, §27 (AMD); PL 2011, c. 655, Pt. JJ, §41 (AFF); PL 2011, c. 657, Pt. W, §5 (REV).]

E. In the case of a downtown improvement grant or loan, the Department of Economic and Community Development affirms that the applicant has met the conditions of this paragraph. A municipality is eligible to receive a downtown improvement grant or loan if that municipality has:

(1) Shown broad-based support for downtown revitalization;

(2) Established a comprehensive downtown revitalization work plan, including a definition and a map of the affected area;

(3) Developed measurable goals and objectives;

(4) Demonstrated an historic preservation ethic;

(9) Developed the capacity to report on the progress of the downtown program; and

(10) Established the ability and willingness to support integrated marketing efforts for retailers, services, activities and events. [PL 2003, c. 288, §2-A (AMD).]

[PL 2011, c. 655, Pt. JJ, §27 (AMD); PL 2011, c. 655, Pt. JJ, §41 (AFF); PL 2011, c. 657, Pt. W, §5 (REV).]

4. Criteria; conditions for public service infrastructure grants and loans. The Department of Economic and Community Development, in conjunction with the bank, shall develop criteria and conditions for the award of public service infrastructure loans and grants to eligible municipalities subject to the requirements of this section. The department shall:

A. [PL 2001, c. 621, §1 (RP).]

A-1. Give highest priority equally to:

(1) Service center communities. For purposes of this section, "service center community" has the same definition as in section 4301; and

(2) Projects undertaken jointly by 2 or more municipalities; [PL 2001, c. 621, §1 (NEW).]

B. Following the highest priority described in paragraph A-1, establish a preference for those municipalities eligible under subsection 3, paragraph D, subparagraph (1) over those municipalities eligible under subsection 3, paragraph D, subparagraph (2); [PL 2001, c. 621, §1 (AMD).]

C. [PL 2001, c. 90, §5 (RP).]

D. Following the preference described in paragraph B, establish a preference for capital investment projects that provide substantial regional benefits; [PL 2001, c. 621, §1 (AMD).]

E. Adopt other criteria as it determines necessary to ensure that loans and grants made under this section maximize the ability of municipalities to accommodate planned growth and economic development; and [PL 1993, c. 721, Pt. D, §3 (NEW); PL 1993, c. 721, Pt. H, §1 (AFF).]

F. Condition any loans and grants under this section on consistency with the municipality's comprehensive plan or local growth management program. [PL 1993, c. 721, Pt. D, §3 (NEW); PL 1993, c. 721, Pt. H, §1 (AFF).]

[PL 2001, c. 621, §1 (AMD).]

4-A. Criteria; conditions for downtown improvement grants or loans. The Department of Economic and Community Development, in conjunction with the bank, shall develop criteria and conditions for the award of downtown improvement grants or loans to eligible municipalities after consultation with the state agencies listed in subsection 5 and subject to the requirements of this section. The department shall establish a preference for municipalities that are regional service centers or urban compact municipalities or have adopted a comprehensive plan consistent with section 4326.

[PL 2003, c. 288, §3 (AMD).]

5. Coordination. The bank shall coordinate the loans and grants made under this section with all other community assistance loans and grants administered by the Department of Economic and

Community Development and with other state assistance programs designed to accomplish similar objectives, including those administered by the Department of Education, the Department of Transportation, the Finance Authority of Maine, the Maine State Housing Authority, the Maine Historic Preservation Commission, the Department of Administrative and Financial Services, the Department of Agriculture, Conservation and Forestry and the Department of Environmental Protection.
[PL 2011, c. 655, Pt. JJ, §28 (AMD); PL 2011, c. 655, Pt. JJ, §41 (AFF); PL 2011, c. 657, Pt. W, §5 (REV).]

6. Municipal Capital Investment Advisory Commission.

[PL 1999, c. 668, §117 (RP).]

7. Report to the Legislature. The bank shall report to the joint standing committee of the Legislature having jurisdiction over natural resource matters no later than January 1st of each odd-numbered year on the loans and grants program. The bank may make any recommendations it finds necessary to more effectively achieve the purposes of this section, including the appropriation of any necessary additional funds.
[PL 1999, c. 776, §13 (AMD).]

SECTION HISTORY

RR 1993, c. 2, §27 (RNU). PL 1993, c. 721, §D3 (NEW). PL 1993, c. 721, §H1 (AFF). RR 1999, c. 2, §34 (COR). PL 1999, c. 668, §117 (AMD). PL 1999, c. 776, §13 (AMD). PL 2001, c. 90, §§4,5 (AMD). PL 2001, c. 406, §16 (AMD). PL 2001, c. 621, §1 (AMD). PL 2001, c. 667, §A49 (AMD). PL 2003, c. 288, §§1-3 (AMD). PL 2011, c. 655, Pt. JJ, §§27, 28 (AMD). PL 2011, c. 655, Pt. JJ, §41 (AFF). PL 2011, c. 657, Pt. W, §5 (REV).

§5953-E. Maine School Facilities Finance Program

There is established the Maine School Facilities Finance Program to promote efficient capital financing activities for the construction, renovation and maintenance of school facilities and the lease-purchase of school facilities. [PL 1999, c. 81, §14 (AMD).]

1. Loan application. In addition to the other forms of financial assistance available under this chapter, a public school, school administrative district, municipality, community school district or other school administrative unit may apply for a loan from the School Revolving Renovation Fund under section 6006-F, in this section called the "fund," the proceeds of which must be used to finance the cost of school repair and renovation under section 6006-F, subsection 3, as designated by the Department of Education.

A. The bank may prescribe an application form or procedure for a school administrative unit to apply for a loan under this section. The application must include any information that the bank determines necessary for the purpose of implementing this section and section 6006-F. [PL 1997, c. 787, §12 (NEW).]

[PL 1997, c. 787, §12 (NEW).]

2. Loan; loan agreements. Loans from the fund are subject to this subsection.

A. The bank may make loans from the fund to a school administrative unit for one or more of the purposes set forth in subsection 1. The loans may be made in conjunction with, at the same time as or as part of a project that obtains any other form of assistance or loan under this chapter. Each loan is subject to the following conditions.

(1) The total amount of loans outstanding at any one time from the fund may not exceed the balance of the fund, provided that the proceeds of bonds or notes of the bank deposited in the fund, revenues from other sources deposited in the fund, repayments from outstanding loans due and payable and binding financial commitments of the United States or any other 3rd party to deposit money in the fund are included in determining the fund balance.

(2) The loan must be evidenced by a municipal bond, loan agreement or other debt instrument, payable by the school administrative unit over a term not to exceed 15 years with annual principal or interest payments commencing not later than one year after the project being financed is completed.

(3) The rate of interest charged for the loans may not exceed 0%. The bank, pursuant to a determination by the Department of Education under section 6006-F, may provide loans to a school administrative unit with forgiveness of principal or an effective interest rate of less than 0%. A school unit must pay back by the end of the term of the loan an amount no less than 30% of the original principal amount of the loan nor more than 70% of the original principal amount of the loan. [PL 1997, c. 787, §12 (NEW).]

B. Loans made to a school administrative unit by the bank under this section must be evidenced by and made in accordance with the terms and conditions specified in a loan agreement to be executed by the bank and the school administrative unit. The loan agreement must specify the terms and conditions of disbursement of loan proceeds. The loan agreement must state the term, rate of interest, any amount of principal forgiveness, scheduling of loan repayments and any other terms and conditions determined necessary or desirable by the bank. Loans made to a school administrative unit by the bank under this section may include provisions for forgiveness of principal payments or loan repayment computation that results in an effective negative interest rate. [PL 1997, c. 787, §12 (NEW).]

[PL 1997, c. 787, §12 (NEW).]

3. Loan management. Proceeds from any indebtedness from the fund incurred by a school administrative unit for the purposes of new construction, renovation or capital acquisition must be deposited in the bank. Proceeds from any other indebtedness incurred by a school administrative unit for the purposes of new construction, renovation or capital acquisition may be deposited in the bank. Any proceeds held must be invested by the bank for the benefit of the school administrative unit. The bank shall pay to a school administrative unit those amounts necessary for incurred costs or for reimbursement for incurred costs associated with the project for which the indebtedness was incurred. Funds from any indebtedness from the fund remaining after payment of all eligible project and financing costs must be deposited in the fund.

[PL 1997, c. 787, §12 (NEW).]

4. Eligibility certification. A loan to a school administrative unit may not be made under this section until:

A. The applicant certifies to the bank that it has secured all permits, licenses and approvals necessary to undertake the renovations and construct the improvements to be financed by the loan; [PL 1997, c. 787, §12 (NEW).]

B. The applicant has been designated by the Department of Education as eligible to receive the loan; and [PL 1997, c. 787, §12 (NEW).]

C. The applicant demonstrates to the satisfaction of the bank that it has the ability to repay the loan made to the school administrative unit by the bank. [PL 1997, c. 787, §12 (NEW).]

The Department of Education and the bank shall adopt rules necessary to implement this section. Rules adopted by the Department of Education and the bank to implement this section are major substantive rules pursuant to Title 5, chapter 375, subchapter II-A.

[PL 1997, c. 787, §12 (NEW).]

SECTION HISTORY

PL 1997, c. 787, §12 (NEW). PL 1999, c. 81, §14 (AMD).

§5953-F. Recovery zone economic development bonds; qualified energy conservation bonds

1. Recovery zone economic development bonds. To the extent permitted by federal law, the allocation to counties of the national recovery zone economic development bond limitation established pursuant to 26 United States Code, Section 1400U-1, as amended, and as described in Internal Revenue Service Notice 2009-50, Section 6.03, is reallocated to the bank for further reallocation by the bank for any project in any county of the State, as long as one half of each such allocation is further reallocated by the bank to projects located within and identified by the county commissioners of the county to which such allocation was originally made, if so identified on or before July 1, 2010. The remaining one half of such allocations, together with any portion of an allocation initially subject to reallocation at the direction of the applicable county before July 1, 2010, but not so reallocated, may be reallocated by the bank for any project in any county of the State.
[PL 2009, c. 517, §17 (NEW).]

To the extent permitted by federal law, the county commissioners of any county may authorize the bank to issue recovery zone economic development bonds or qualified energy conservation bonds on behalf of that county. [PL 2009, c. 517, §17 (NEW).]

2. Qualified energy conservation bonds. To the extent permitted by federal law, 70% of the allocation to the State and to the counties of the State of the national qualified energy conservation bond volume limitation established pursuant to 26 United States Code, Section 54D(e), as amended, and as described in Internal Revenue Service Notice 2009-29, Section 4, is reallocated to the bank for further reallocation by the bank for any project in any county of the State, as long as one half of each such allocation is further reallocated by the bank to projects located within and identified by the county commissioners of the county to which such allocation was originally made, if so identified on or before July 1, 2011. The remaining one half of such allocations, together with any portion of an allocation initially subject to reallocation at the direction of the applicable county before July 1, 2011, but not so reallocated, may be reallocated by the bank for any project in any county of the State.
[PL 2009, c. 517, §17 (NEW).]

3. Waivers. Reallocations pursuant to this section are considered voluntary and affirmative waivers by the affected counties for the purposes of 26 United States Code, Section 54D et seq. and Section 1400U-1 et seq. and any regulations or guidance provided by the United States Department of the Treasury, Internal Revenue Service thereunder.
[PL 2009, c. 517, §17 (NEW).]

SECTION HISTORY

PL 2009, c. 517, §17 (NEW).

§5954. Corporate powers

1. Powers. The bank is constituted a public body corporate and politic and an instrumentality of the State and shall have perpetual succession. For carrying out the purposes of this chapter, the bank may:

A. Sue and be sued; [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. Adopt and have an official seal and alter the seal at pleasure; [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. Make and enforce bylaws and rules for the conduct of its affairs and business and for the use of its services and facilities; [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. Maintain an office at any place or places within the State that it determines; [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).]

E. Acquire, hold, use and dispose of its income, revenue, funds and money; [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).]

F. Acquire, rent, lease, hold, use and dispose of other personal and real property for its purposes; [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); PL 1989, c. 374, §1 (AMD).]

G. Borrow money and issue its negotiable bonds or notes, provide for and secure the payment of its bonds or notes, provide for the rights of the holders of those bonds and notes and purchase, hold and dispose of any of its bonds or notes; [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).]

H. Fix and revise from time to time and charge and collect fees and charges for the use of its services or facilities; [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).]

I. Accept gifts or grants of property, funds, money, materials, labor, supplies or services from the United States or the State or any other state or agencies or departments of those entities, or from any governmental unit or any person, and carry out the terms or provisions or make agreements with respect to any such gifts or grants, and do any and all things necessary, useful, desirable or convenient in connection with procuring, accepting or disposing of those gifts or grants; [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).]

J. Do and perform any acts and things authorized by this chapter under, through or by means of its officers, agents or employees or by contracts with any person; [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).]

K. Make, enter into and enforce all contracts or agreements necessary, convenient or desirable for the purposes of the bank or pertaining to any loan to a governmental unit or any purchase or sale of municipal securities or other investments or to the performance of its duties and execution or carrying out of any of its powers under 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).]

L. Purchase or hold municipal securities of governmental units at such prices and in such manner as the bank considers advisable, and sell municipal securities acquired or held by it at such prices without relation to cost and in such manner as the bank considers advisable; [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).]

M. Invest any funds or money of the bank not then required for loan to governmental units and for the purchase of municipal securities in the same manner as permitted for the investment of funds belonging to the State or held in the State Treasury, except as otherwise permitted or provided by 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).]

N. Fix and prescribe any form of application or procedure to be required of a governmental unit for the purpose of any loan or the purchase of its municipal securities, and fix the terms and

conditions of any such loan or purchase and to enter into agreements with governmental units with respect to any such loan or purchase; [PL 1991, c. 605, §8 (AMD).]

O. Do all acts and things necessary, convenient or desirable to carry out the powers expressly granted or necessarily implied in this chapter; and [PL 1991, c. 605, §8 (AMD).]

P. In accordance with the limitations and restrictions of this chapter, cause any of its powers, duties, programs or operations to be carried out by one or more nonprofit corporations. Nonprofit corporations acting at the direction of the bank must be organized and operated under the Maine Nonprofit Corporation Act. [PL 1991, c. 605, §9 (NEW).]

[PL 1991, c. 605, §§8, 9 (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 1989, c. 374, §1 (AMD). PL 1991, c. 605, §§8,9 (AMD).

§5954-A. Aggregation service

1. Authority. In addition to its other enumerated powers, but subject to the limitations imposed under subsection 2, the bank, on behalf of or in partnership with one or more governmental units or nonprofit corporations organized under the Internal Revenue Code, Section 501, may aggregate governmental units and nonprofit corporations to purchase in bulk electricity, petroleum products, fuel oil and natural gas.

[PL 2005, c. 190, §1 (AMD).]

2. Conditions; limitations. In exercising its authority under subsection 1, the bank:

A. Is subject to all applicable provisions of law, including the provisions of Title 35-A relating to aggregators of customers of electricity; [PL 1999, c. 231, §2 (NEW).]

B. Must provide to any entity to whom it offers to provide services under subsection 1 notice that the entity is under no obligation to accept any of the services and that no other service provided by the bank is conditional upon or affected by the entity's acceptance or rejection of the offer; [PL 1999, c. 231, §2 (NEW).]

C. May not extend credit or vary the terms of credit based on an entity's acceptance or rejection of an offer by the bank to provide services pursuant to subsection 1; and [PL 1999, c. 231, §2 (NEW).]

D. May not encourage or otherwise seek to persuade any entity to accept any services offered by the bank pursuant to subsection 1, if the entity has an application with the bank for a loan, until after the bank has taken final action on approving or rejecting the application. [PL 1999, c. 231, §2 (NEW).]

[PL 1999, c. 231, §2 (NEW).]

SECTION HISTORY

PL 1999, c. 231, §2 (NEW). PL 2005, c. 190, §1 (AMD).

§5955. Additional powers

In order to carry out the purposes and provisions of this chapter, the bank, in addition to any powers granted to it elsewhere in this chapter, may: [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. Loans. Consider, in connection with any loan to a governmental unit:

A. The need, desirability or eligibility of the loan; [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 ability of the governmental unit to secure borrowed money from other sources and the costs of alternative financing; 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. The particular public improvements or purpose to be financed by the municipal securities to be purchased by the bank; [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).]

[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. Charges. Impose and collect charges, whether or not the loan is made or evidence of borrowing or program participation is shown, or the municipal securities are purchased, for its costs and services, in review, consideration or servicing of:

A. Any proposed or outstanding loan; [PL 1991, c. 605, §10 (NEW).]

B. A loan agreement to borrow on behalf of a municipality; or [PL 1991, c. 605, §10 (NEW).]

C. A program participation agreement with a governmental unit. [PL 1991, c. 605, §10 (NEW).]

[PL 1991, c. 605, §10 (AMD).]

3. Purchase. Fix and establish any and all terms and provisions with respect to any purchase of municipal securities by the bank, including:

A. Dates and maturities of 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).]

B. Provisions as to redemption or payment before maturity; 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. Any other matters in connection with the bank's purchase of municipal securities which are necessary, desirable or advisable in the judgment of the bank; [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).]

[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. Hearings. Conduct examinations and hearings and hear testimony and take proof, under oath or affirmation, at public or private hearings on any matter material for its information and necessary to carry out 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).]

5. Subpoenas. Issue subpoenas requiring the attendance of witnesses and the production of books and papers relating to any hearing before the bank, or before one or more of the commissioners of the bank appointed by it to conduct that hearing;

[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. Contempt. Apply to the Superior Court in Kennebec County, to have punished for contempt any witness who:

A. Refuses to obey a subpoena; [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. Refuses to be sworn or affirmed to testify; 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).]

C. Is guilty of any contempt after summons to appear; [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).]

[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. Insurance. Procure insurance against any losses in connection with its property, operations or assets in such amounts, from such amounts and from such insurers as it considers desirable; 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).]

8. Modification. Consent to any modification with respect to rates of interests, time and payment of any installment of principal or interest, security or any other term of bond or note, contract or agreement of any kind to which the bank is a party, to the extent permitted under its contracts with the holders of bonds or notes of the bank.

[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 1991, c. 605, §10 (AMD).

§5956. State services

1. State assistance authorized. All state officers, departments, boards, agencies, divisions and commissions may provide any service to the bank that is:

A. Requested by the bank; 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).]

B. Within the area of their governmental functions as established by law. [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).]

[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. Study or review requests. All state officers, departments, boards, agencies, divisions and commissions shall promptly comply with any reasonable request made by the bank under subsection 1, as to the making of any study or review as to:

A. The desirability, need, cost or expense with respect to any such public project, purpose or improvement; [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 financial feasibility of the project; 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).]

C. The financial or fiscal responsibility or ability in connection with the project of any governmental unit applying to the bank for a loan and for the bank's purchase of municipal securities to be issued by the governmental unit. [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).]

[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).]

3. Cost of services. At the request of the officer, department, board, agency, division or commission providing the service, the bank shall pay the cost and expense of any services requested by the bank.

[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).

§5957. Allocation of state ceiling; recovery zone economic development bonds; qualified energy conservation bonds

By rulemaking under Title 5, chapter 375, subchapter 2, the bank may establish a process for allocation and carry-forward of that portion of the state ceiling on issuance of tax-exempt bonds allocated to the bank under Title 10, chapter 9. The executive director of the Maine Municipal Bond Bank is designated as the state official authorized to issue the certification under the United States Code, Title 26, Section 149(e)(2)(F), as amended, for allocations of the state ceiling allocated to the bank pursuant to Title 10, chapter 9. [PL 2009, c. 517, §18 (AMD).]

By routine technical rulemaking defined under Title 5, chapter 375, subchapter 2-A the bank may establish a process for allocation of that portion of the national recovery zone economic development bond limitation established pursuant to 26 United States Code, Section 1400U-1, or that portion of the national qualified energy conservation bond limitation established pursuant to 26 United States Code, Section 54D, waived by any county or reallocated pursuant to section 5953-F and for designation by the bank of recovery zone economic development bonds and qualified energy conservation bonds. [PL 2009, c. 517, §18 (NEW).]

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 1989, c. 224, §3 (AMD). PL 2009, c. 517, §18 (AMD).

§5958. Prohibited acts and limitation of powers

The bank may not: [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. Loans. Make loans of money to any person other than a governmental unit or purchase securities issued by any person other than a governmental unit or for investment, except as provided in 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).]

2. Banking business. Emit bills of credit, accept deposits of money for time or demand deposit, administer trust, engage in any form or manner in, or in the conduct of, any private or commercial banking business or act as a savings bank or savings and loan association; 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).]

3. Bank and trust company. Be or constitute a bank or trust company within the jurisdiction or under the control of the Bureau of Financial Institutions, the Superintendent of Financial Institutions or the comptroller of the currency of the United States or the United States Department of the Treasury. [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); PL 2001, c. 44, §11 (AMD); PL 2001, c. 44, §14 (AFF).]

Nothing in this chapter may be construed to authorize or to empower the bank to be or to constitute a dealer in securities within the meaning of or subject to any securities law, securities exchange law or securities dealers law of the United States or of the State or of any other state or jurisdiction, domestic or foreign. [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 2001, c. 44, §11 (AMD). PL 2001, c. 44, §14 (AFF).

§5959. Rules; reports

1. Rules. Appropriate state agencies and the bank may adopt rules and policies necessary to:

A. Implement sections 5953-A, 5953-B, 6006-A, 6006-B and 6006-D to ensure the self-sustaining nature of the funds created under sections 6006-A and 6006-B and that portion of the fund under section 6006-D determined to be self-sustaining; and [PL 1999, c. 668, §118 (AMD).]

B. Ensure compliance with the Federal Water Pollution Control Act, Title VI and the Federal Safe Drinking Water Act and their amendments. [PL 1991, c. 605, §11 (NEW).]

[PL 1999, c. 668, §118 (AMD).]

2. Contractual authority; reports. The Department of Environmental Protection, the Department of Health and Human Services and the bank may enter into agreements and shall provide notice as provided in this subsection.

A. The Department of Environmental Protection, the Department of Health and Human Services and the bank may enter into agreements on behalf of the State with agencies of the United States as may be necessary to obtain grants and awards in furtherance of the stated purposes for which the revolving loan funds created under sections 6006-A and 6006-B are established and take all other actions necessary to comply with the Federal Water Pollution Control Act, Title VI, and the federal Safe Drinking Water Act of 1996 and their amendments provided that notice of each of the agreements is made in a timely fashion to the Governor. [PL 1997, c. 555, §4 (AMD); PL 2003, c. 689, Pt. B, §6 (REV).]

B. Annually, the Department of Environmental Protection and the bank shall notify the Governor of the amount of the fund created under section 6006-A anticipated to be available for the next fiscal year. [PL 1991, c. 605, §11 (NEW).]

B-1. Annually, the Department of Health and Human Services and the bank shall notify the Governor of the amount of the fund created under section 6006-B anticipated to be available for the next fiscal year. [PL 1997, c. 555, §4 (NEW); PL 2003, c. 689, Pt. B, §6 (REV).]

C. The bank is designated by the State as the instrumentality empowered to:

(1) Administer the revolving loan funds, in conjunction with the Department of Environmental Protection and the Department of Health and Human Services;

(2) Accept capitalization grants or other deposits of funds from the Federal Government or any other source made under the Federal Water Pollution Control Act, Title VI or the federal Safe Drinking Water Act; and

(3) Manage the revolving loan funds in accordance with applicable federal and state laws, rules and regulations. [PL 1997, c. 555, §4 (AMD); PL 2003, c. 689, Pt. B, §6 (REV).]

[PL 1997, c. 555, §4 (AMD); PL 2003, c. 689, Pt. B, §6 (REV).]

SECTION HISTORY

PL 1989, c. 48, §§20,31 (NEW). PL 1991, c. 605, §§11,12 (AMD). RR 1993, c. 2, §29 (COR). PL 1993, c. 721, §D4 (AMD). PL 1993, c. 721, §H1 (AFF). PL 1997, c. 555, §4 (AMD). PL 1999, c. 668, §118 (AMD). PL 2003, c. 689, §B6 (REV).

SUBCHAPTER 3

FINANCIAL OPERATION

§6001. Budget

Not later than June 1st of each year the bank shall prepare and file in the office of the Bureau of the Budget a budget of its operating expenses for the ensuing fiscal year. This budget: [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. Quarterly requirements. Shall be prepared on the basis of quarterly requirements so that it will be possible to determine from the budget the operating expenses for each quarter of the year;
[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. General categories. Shall set forth the general categories of anticipated expenditures and the amount on account of each;
[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).]

3. Reserves. Shall include provisions for reserve for contingencies and for overexpenditures; 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).]

4. Others. May set forth any additional material that the bank determines.
[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).

§6002. Annual report

On or before the last day of December in each year, the bank shall make an annual report of its activities for the preceding fiscal year to the Governor. This report shall set forth a complete operating and financial statement covering its operations during the year. The bank shall have an audit of its books and accounts made at least once in each year by certified public accountants. The cost of the audit is considered an expense of the bank. A copy of the audit shall be filed with the Treasurer of State. [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).

§6003. Bonds and notes of the bank

1. Bonds authorized. The bank may issue its bonds from time to time in any principal amounts that it considers necessary to provide funds for any of the purposes authorized by this chapter, including:

A. The making of loans; [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).]

A-1. The making of deposits to the revolving loan fund; [PL 1989, c. 48, §§23, 31 (NEW).]

B. The payment, funding or refunding of the principal of, or interest or redemption premiums on, any bonds issued by the bank, whether the bonds or interest to be funded or refunded have or have not become due or subject to redemption before maturity in accordance with their terms; [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. The establishment or increase of reserves to secure or to pay bonds or interest on the bonds; 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).]

D. All other costs or expenses of the bank incident to and necessary or convenient to carry out its corporate purposes and powers. [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).]

[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. 48, §§23, 31 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

2. Bonds as general obligation bonds; additional security. Except as expressly provided otherwise in this chapter or by the bank, every issue of bonds shall be general obligations of the bank payable out of any revenues or funds of the bank, subject only to any agreements with the holders of particular bonds pledging any particular revenues or funds. Bonds that are not general obligations of the bank shall be special obligations of the bank payable solely from any revenues or funds of the bank pledged for that purpose and subject only to any agreements with the holders of particular notes and bonds pledging any particular revenues or funds. Any bonds may be additionally secured by a pledge of any grants, subsidies, contributions, funds or money from the Federal Government, the State, any governmental unit, any person or a pledge of any income or revenues, funds or money of the bank from any source.

[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. 48, §§22, 31 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

3. Bank notes authorized. The bank may issue its notes for any corporate purpose of the bank from time to time, in any principal amounts that it considers necessary and renew or pay and retire or refund the notes from the proceeds of bonds or of other notes, or from any other funds or money of the bank available or to be made available for that purpose in accordance with any contract between the bank and the noteholders, not otherwise pledged.

A. The notes shall be issued in the same manner as bonds. The notes and the resolution or resolutions authorizing the notes may contain any provisions, conditions or limitations which the bonds or a bond resolution of the bank may contain. [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. Unless provided otherwise in any contract between the bank and the noteholders, and unless the notes have been otherwise paid, funded or refunded, the proceeds of any bonds of the bank issued,

among other things, to fund such outstanding notes, shall be held, used and applied by the bank to the payment and retirement of the principal of these notes and the interest due and payable on the notes. [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. The bank may make contracts for the future sale from time to time of the notes, under which the purchaser is committed to purchase the notes from time to time on terms and conditions stated in the contracts. The bank may pay any consideration that it determines proper for these commitments. [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).]

[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. Bonds and notes made negotiable instruments. Whether or not the bonds or notes of the bank are of such form and character as to be negotiable instruments under the Uniform Commercial Code, article 8, the bonds and notes shall be and are made negotiable instruments within the meaning of and for all the purposes of the Uniform Commercial Code, subject only to the provisions of the bonds and notes for registration.

[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. General characteristics. Bonds or notes of the bank shall be authorized by resolution of the bank and may be issued in one or more series. The resolution or resolutions may provide:

A. The date or dates the bonds or notes will bear; [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 time or times the bonds or notes will mature; [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. The rate or rates of interest per year the bonds or notes will bear; [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. The denomination or denominations of the bonds or notes; [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).]

E. The form of the bonds or notes, either coupon or registered; [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).]

F. The conversion or registration privileges carried by the bonds or notes; [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).]

G. The rank or priority of the bonds or notes; [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).]

H. The manner of execution of the bonds or notes; [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).]

I. The sources, medium and place or places, within or outside the State, of payment; 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).]

J. The terms of redemption of the bonds or notes, with or without premium. [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).]

[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. Manner of sale. Bonds or notes of the bank may be sold at public or private sale at the time or times and at the price or prices determined by the bank.

[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. No further conditions required. Bonds or notes of the bank may be issued under this chapter without obtaining the consent of any department, division, commission, board, bureau or agency of the State, and without any other proceeding or the happening of any other conditions or things than those proceedings, conditions or things which are specifically required by 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).]

8. Payment of notes. The bank may from time to time issue its notes as provided under this chapter and pay and retire or fund or refund those notes from proceeds of bonds or of other notes, or from any other funds or money of the bank available or to be made available for those purposes in accordance with any contract between the bank and the noteholders. Unless provided otherwise in any contract between the bank and the holders of notes, and unless the notes have been otherwise paid, funded or refunded, the proceeds of any bonds of the bank issued among other things, to fund those outstanding notes, shall be held, used and applied by the bank to the payments and retirement of the principal of the notes and the interest due and payable on the notes.

[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).]

9. Taxation of interest. The bank may covenant and consent, at or before the issuance of its bonds or notes, to the inclusion of interest on any of its bonds or notes, under the United States Internal Revenue Code of 1986 or any subsequent corresponding internal revenue law of the United States, in the gross income of the holders of any such bonds or notes to the same extent and in the same manner that the interest on bills, bonds, notes or other obligations of the United States is includable in the gross income of the holders of the bonds or notes under the United States Internal Revenue Code or any such subsequent law.

[PL 1989, c. 48, §§23, 31 (NEW).]

SECTION HISTORY

PL 1987, c. 737, §§A2,C106 (NEW). PL 1989, c. 6 (AMD). PL 1989, c. 9, §2 (AMD). PL 1989, c. 48, §§21-23,31 (AMD). PL 1989, c. 104, §§C8,10 (AMD).

§6004. Resolutions and indentures

1. Trust agreement or trust indenture authorized. In any resolution of the bank authorizing or relating to the issuance of any bonds or notes, the bank, in order to secure the payment of those bonds or notes may, by provisions in the resolution, enter into any trust agreement or trust indenture with a corporate trustee. That trustee may be any trust company or national banking association or state bank, within or outside the State, having the powers of a trust company. The provisions in the resolution constitute covenants by the bank and contracts with the holders of the bonds or notes.

[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. Provisions of indenture, agreement or resolution. The trust agreement, indenture or the resolution providing for the issuance of the bonds or notes may pledge or assign the revenues of the bank, and may contain any provisions for protecting and enforcing the rights and remedies of the holders of the bonds and notes that are reasonable and proper and not in violation of law, including the custody, safeguarding and application of all money. The trust agreement may set forth the rights and remedies of the holders of the bonds and notes and of the trustee, and may restrict the individual right of action by the holders. The bank may provide by the trust indenture for the payment of the proceeds of the bonds and notes and the revenues to the trustee under the trust indenture or other depository, and for the method of disbursement of those proceeds and revenues, with any safeguards and restrictions that it determines.
[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).]

3. Expenses; no separate trustee for holders. All expenses incurred in carrying out a trust indenture under this section may be treated as a part of the operating expenses of the bank. If the bonds are secured by a trust indenture, the bondholders may not appoint a separate trustee to represent them.
[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).

§6005. Intent of pledge

Any pledge of revenue or other money made by the bank is valid and binding when the pledge is made. The revenues or other money so pledged and thereafter received by the bank is immediately subject to the lien of the pledge without any physical delivery of the revenues or other money. The lien of any such pledge is valid and binding against all parties having claims of any kind in tort, contract or otherwise against the bank, regardless of whether those parties have notice of the pledge. Neither the resolution nor any other instrument by which a pledge is created need be filed or recorded, except in the records of the bank. [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).

§6006. Reserve fund

1. Reserve fund. The bank shall establish and maintain a reserve fund called the "Maine Municipal Bond Bank Reserve Fund" in which there shall be deposited all money appropriated by the State for the purpose of that fund, all proceeds of bonds required to be deposited in the fund by terms of any contract between the bank and its bondholders or any resolution of the bank with respect to the proceeds of bonds, any other money or funds of the bank which it determines to deposit in the fund and any other money made available to the bank only for the purposes of the fund from any other source or sources.

A. Money in the reserve fund shall be held and applied solely to the payment of the interest on and principal of bonds secured by the reserve fund and sinking fund payments mentioned in this chapter with respect to bonds secured by the reserve fund as the interest, principal and sinking fund payments become due and payable; and for the retirement of bonds, including the payment of any redemption premium required to be paid when any bonds are redeemed or retired before maturity.

Money may not be withdrawn from the fund if the withdrawal would reduce the amount in the reserve fund to an amount less than the required debt service reserve, except for:

(1) Payment of interest then due and payable on bonds;

(2) Payment of the principal of bonds then maturing and payable;

(3) Sinking fund payments mentioned in this chapter with respect to bonds;

(4) The retirement of bonds in accordance with the terms of any contract between the bank and its bondholders; and

(5) The payment for which other money of the bank is not then available for payment of interest, principal or sinking fund payments or the retirement of bonds in accordance with the terms of any such contract. [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. 48, §§24, 31 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. As used in this chapter, "required debt service reserve" means, as of any date of computation, the amount or amounts required to be on deposit in the reserve fund as provided by resolution of the bank. The required debt service reserve shall be, as of any date of computation, an aggregate amount equal to at least the largest amount of money, required by the terms of all contracts between the bank and holders of bonds secured by the reserve fund, to be raised in the then current or any succeeding calendar year for:

(1) The payment of interest on and maturing principal of that portion of outstanding bonds secured by the reserve fund, the proceeds of which were applied solely to the purchase of municipal securities; and

(2) Sinking fund payments required by the terms of any such contracts to sinking funds established for the payment or redemption 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. 48, §§24, 31 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

The required debt service reserve shall be calculated on the assumption that the bonds will cease to be outstanding after the date of the computation because of the payment of those bonds at their respective maturities and the payments of the required money to sinking funds and the application of those sinking funds in accordance with the terms of all such contracts to the retirement of 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. 48, §§24, 31 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1-A. Capital reserve fund. This subsection applies to capital reserve funds.

A. The bank may establish and maintain one or more special funds called "capital reserve funds" in which there shall be deposited:

(1) All money appropriated by the State for the purpose of those funds;

(2) All proceeds of bonds required to be deposited in those funds by the terms of any contract between the bank and its bondholders or any resolution of the bank with respect to the proceeds of bonds;

(3) Any other money or funds of the bank which it determines to deposit in those funds; and

(4) Any other money made available to the bank only for the purposes of the fund from any other source or sources. [PL 1989, c. 48, §§25, 31 (NEW).]

B. Money in any capital reserve fund shall be held and applied solely:

(1) To pay the interest on and principal of bonds secured by the capital reserve fund and sinking fund payments mentioned in this chapter with respect to bonds secured by the capital reserve fund as the interest and principal becomes due and payable; and

(2) To retire bonds secured by the capital reserve fund, including the payment of any redemption premium required to be paid when any such bonds are redeemed or retired before maturity. [PL 1989, c. 48, §§25, 31 (NEW).]

C. The minimum amount of any capital reserve fund must be equal to the amounts required under the resolutions pursuant to which the bonds secured by the capital reserve fund are issued. These amounts are referred to in this chapter as the "required minimum reserve." With respect to bonds secured by a capital reserve fund for which the resolution authorizing the issuance of those bonds states that the provisions of subsection 5 apply, the required minimum reserve must be, as of any date of computation, an aggregate amount equal to at least the largest amount of money required by the terms of all contracts between the bank and its bondholders of the bonds to be raised in the then current or any succeeding calendar year for the payment of interest on and maturing principal of that portion of the outstanding bonds, the proceeds of which were applied solely to the purchase of municipal securities or municipal bonds and sinking fund payments required by the terms of any such contracts to sinking funds established for the payment or redemption of the bonds, all calculated on the assumption that the bonds will cease to be outstanding after the date of the computation because of the payment of the bonds at their respective maturities and the payments of the required money to sinking funds and the application thereof in accordance with the terms of all such contracts to the retirement of the bonds. The required minimum reserve for bonds secured by a capital reserve to which the provisions of subsection 5 apply may be less than that required by this paragraph if the bank so determines and only when the reserve is applied to:

(1) Any bond or note sold to fund a municipal lease pool whose term is 5 years or less;

(2) Any bond for which no principal is paid to bondholders until final maturity; or

(3) Any loan, bond, lease or evidence of participation that has a term of 5 years or less. [PL 1991, c. 605, §13 (AMD).]

D. Money in any capital reserve fund shall not be withdrawn if the withdrawal would reduce the amount in the capital reserve fund to an amount less than the required minimum reserve for all such bonds issued and to be issued which will be secured by the capital reserve fund, except for payment of interest then due and payable on bonds secured by the capital reserve fund and the principal of bonds secured by the capital reserve fund then maturing and payable and sinking fund payments required by the terms of any such contracts to sinking funds established for the payment or redemption of the bonds, and for the retirement of bonds secured by the capital reserve fund in accordance with the terms of any contract between the bank and its bondholders and for the payments on account of which interest or principal or sinking fund payments or retirement of bonds secured by the capital reserve fund other money of the bank is not then available in accordance with the terms of any such contract. [PL 1989, c. 48, §§25, 31 (NEW).]

[PL 1991, c. 605, §13 (AMD).]

2. Transfer. Money in the reserve fund at any time in excess of the required debt service reserve, whether by reason of investment or otherwise, may be withdrawn at any time by the bank and transferred to any other fund or account of the bank.

Money in any capital reserve fund at any time in excess of the required minimum reserve, whether by reason of investment or otherwise, may be withdrawn at any time by the bank and transferred to any other fund or account of the bank.

[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. 48, §§26, 31 (RPR); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

3. Investment. Money at any time in the reserve fund or any capital reserve fund may be invested in the same manner as permitted for investment of funds belonging to the State or held in the treasury. [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. 48, §§26, 31 (RPR); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

4. Reserve. Notwithstanding any other provision of this chapter, the bank may not issue any bonds to be secured by the reserve fund or by a capital reserve fund for which the resolution authorizing the issuance of those bonds states that subsection 5 applies unless:

A. If the bonds are to be secured by the reserve fund, there is in the reserve fund the required debt service reserve for all bonds then issued and outstanding which are secured by the reserve fund and the bonds to be issued which will be secured by the reserve fund; or [PL 1989, c. 48, §§26, 31 (NEW).]

B. If the bonds are to be secured by a capital reserve fund for which the resolution authorizing the issuance of the bonds states that subsection 5 applies, there is in the capital reserve fund the required minimum reserve for all bonds secured by the capital reserve fund then issued and outstanding and the bonds to be issued which will be secured by the capital reserve fund. [PL 1989, c. 48, §§26, 31 (NEW).]

Nothing in this chapter prevents the bank from satisfying this requirement by depositing so much of the proceeds of the bonds to be issued, upon their issuance, as is needed to achieve the required debt service reserve or required minimum reserve, as applicable. The bank may at any time issue its bonds or notes for the purpose of providing any amount necessary to increase the amount in the reserve fund to the required debt service reserve, to increase the amount in any capital reserve fund to the required minimum reserve or to meet any higher or additional reserve as may be fixed by the bank with respect to such fund.
[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. 48, §§26, 31 (RPR); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

5. Restoration. In order to ensure the maintenance of the required debt service reserve in the reserve fund, there shall be annually appropriated and paid to the bank for deposit in the fund, the sum, if any, certified by the chair of the bank to the Governor. On or before December 1st of each year, the chair shall make and deliver to the Governor a certificate stating the sum, if any, required to restore the reserve fund to an amount equal to the required debt service reserve and the sum or sums so certified shall be appropriated and paid to the bank during the then current state fiscal year.

In order to ensure the maintenance of the required minimum reserve in any capital reserve fund to which, at the direction of the bank pursuant to the resolution establishing the capital reserve fund, this provision applies, there shall be annually appropriated and paid to the bank for deposit in the fund, the sum, if any, certified by the chair of the bank to the Governor. On or before December 1st of each year, the chair shall make and deliver to the Governor a certificate stating the sum, if any, required to restore the fund to an amount equal to the required minimum reserve, and the sum or sums so certified shall be appropriated and paid to the bank during the then current state fiscal year.

A. [PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 48, §§26, 31 (RP); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]
[PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 48, §§26, 31 (RPR); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

6. Valuation. In computing the amount of the required debt service reserve or the required minimum reserve, investments held as a part of those reserves shall be valued in the manner provided in the applicable bond resolution.

[PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 48, §§26, 31 (RPR); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

7. Exclusions. The bank may provide from time to time by resolution for the issuance of its bonds or notes which are not secured by the reserve fund or any capital reserve fund, as set forth in the resolution authorizing its bonds or notes. The bank may, pursuant to a resolution or other agreement, establish the security for any of its bonds, including, but not limited to, policies of insurance and letters of credit, as the bank in its discretion determines necessary, desirable or convenient to further the accomplishment of the purposes of the bank. The security may, if so provided by a resolution or other agreement of the bank, to the extent set forth in the resolution or agreement, satisfy the provisions of the resolution or agreement with respect to any required debt service reserve, required minimum reserve or other reserve.
[PL 1989, c. 48, §§26, 31 (NEW).]

SECTION HISTORY

PL 1987, c. 737, §§A2,C106 (NEW). PL 1989, c. 6 (AMD). PL 1989, c. 9, §2 (AMD). PL 1989, c. 48, §§24-26,31 (AMD). PL 1989, c. 104, §§C8,10 (AMD). PL 1991, c. 605, §13 (AMD).

§6006-A. Revolving loan fund

1. Establishment; administration. A revolving loan fund is established as provided in this section.

A. There is established in the custody of the bank a special fund, to be known as the revolving loan fund, that must be used for the following purposes:

(1) To provide loans to municipalities for acquiring, designing, planning, constructing, enlarging, repairing or improving publicly owned sewage systems and sewage treatment plants as provided in Title 38, section 411 and for implementing related management programs;

(2) For remediation of municipal landfills that affect groundwater; or

(3) For any actions authorized under the federal Clean Water Act, 33 United States Code, Sections 1251 to 1387. [PL 1995, c. 564, §2 (RPR).]

B. The bank shall administer the revolving loan fund. The fund shall be invested in the same manner as permitted for investment of funds belonging to the State or held in the State Treasury. The fund shall be established and held separate and apart from any other funds or money of the State or the bank and shall be used and administered exclusively for the purpose of this section and section 5953-A. The fund shall consist of the following:

(1) Such sums as may be appropriated by the Legislature or transferred to the fund from time to time by the Treasurer of State;

(2) Principal and interest received from the repayment of loans made from the fund;

(3) Capitalization grants and awards made to the State or an instrumentality of the State by the United States for any of the purposes for which the fund has been established. These amounts shall be paid directly into the fund without need for appropriation by the State;

(4) Interest earned from the investment of fund balances;

(5) Private gifts, bequests and donations made to the State for any of the purposes for which the fund has been established;

(6) The proceeds of notes or bonds issued by the bank for the purpose of deposit in the fund; and

(7) Other funds from any public or private source received for use for any of the purposes for which the fund has been established. [PL 1989, c. 48, §§27, 31 (NEW).]

[PL 1995, c. 564, §2 (AMD).]

2. Uses. The revolving loan fund may be used for one or more of the following purposes:

A. To make loans to municipalities under this section and section 5953-A; [PL 1989, c. 48, §§27, 31 (NEW).]

B. To make loans to refund bonds or notes of a municipality issued after March 7, 1985 for the purpose of financing the construction of any capital improvement or management program described in section 5953-A, subsection 1 and certified under section 5953-A, subsection 3; [PL 1989, c. 48, §§27, 31 (NEW).]

C. To guarantee or insure, directly or indirectly, the payment of notes or bonds issued or to be issued by a municipality for the purpose of financing the construction of any capital improvement or management program described in section 5953-A, subsection 1 and certified under section 5953-A, subsection 3; [PL 1989, c. 48, §§27, 31 (NEW).]

D. To guarantee or insure, directly or indirectly, funds established by municipalities for the purpose of financing construction of any capital improvement described in section 5953-A, subsection 1; [PL 1989, c. 48, §§27, 31 (NEW).]

E. To invest available fund balances and to credit the net interest income on those balances to the revolving loan fund; [PL 1989, c. 48, §§27, 31 (NEW).]

F. To invest as a source of revenue or security for the payment of principal and interest on general or special obligations of the bank if the proceeds of the sale of the obligations have been deposited in the fund, or as a source of revenue to subsidize municipal loan payment obligations; [PL 1989, c. 48, §§27, 31 (NEW).]

G. To pay the costs of the bank and the Department of Environmental Protection staff associated with the administration of the revolving loan fund and projects financed by it; provided that no more than the lesser of 2% of the aggregate of the highest fund balances in any fiscal year and 4% of any capitalization grants provided by the United States for deposit in the revolving loan fund shall be used for these purposes; and [PL 1989, c. 48, §§27, 31 (NEW).]

H. To pay the costs required under the Federal Water Pollution Control Act, Title VI. [PL 1989, c. 48, §§27, 31 (NEW).]

[PL 1989, c. 48, §§27, 31 (NEW).]

3. Priorities for financial assistance. Periodically, and at least annually, the Department of Environmental Protection shall prepare and certify to the bank a project priority list of those municipalities whose publicly owned projects are eligible for financing or assistance under this section. The factors to be considered in developing the priority list shall include, but are not limited to:

A. Water supply protection; [PL 1989, c. 48, §§27, 31 (NEW).]

B. Shellfishery protection; [PL 1989, c. 48, §§27, 31 (NEW).]

C. Nuisance conditions; [PL 1989, c. 48, §§27, 31 (NEW).]

D. Fisheries protection; [PL 1989, c. 48, §§27, 31 (NEW).]

E. Facility needs, including the availability of, or likely development of, cost-effective privately owned facilities or services to meet the municipal need; and [PL 1995, c. 564, §3 (AMD).]

F. Median household income. [PL 1989, c. 48, §§27, 31 (NEW).]

[PL 1995, c. 564, §3 (AMD).]

4. Eligibility for financial assistance. No financial assistance for a project may be granted under this section until the Department of Environmental Protection certifies to the bank that the project is

eligible for immediate financing under this section and is on the priority list prepared under subsection 3.
[PL 1989, c. 48, §§27, 31 (NEW).]

5. Establishment of accounts. The bank may establish accounts and subaccounts within the revolving fund as it determines desirable to effectuate the purposes of this section, including, but not limited to, accounts to segregate a portion or portions of the revolving loan fund as security for bonds issued by the bank for deposit in the revolving loan fund and to be invested for the benefit of specified projects receiving financial assistance from the revolving loan fund.
[PL 1989, c. 48, §§27, 31 (NEW).]

SECTION HISTORY

PL 1989, c. 48, §§27,31 (NEW). PL 1995, c. 564, §§2,3 (AMD).

§6006-B. Safe drinking water revolving loan fund

1. Establishment; administration. A safe drinking water revolving loan fund is established as provided in this section.

A. There is established in the custody of the bank a special fund to be known as the safe drinking water revolving loan fund to provide financial assistance under subsection 2 for the acquisition, design, planning, construction, enlargement, repair, protection or improvement of drinking water supplies or treatment facilities including any of those actions required under the federal Safe Drinking Water Act of 1996, 42 United States Code, Sections 300f to 300j-9, supplement 1997, as amended, hereinafter referred to as the federal Safe Drinking Water Act of 1996. [PL 1997, c. 705, §15 (AMD).]

B. The bank shall administer the fund. The fund must be invested in the same manner as permitted for investment of funds belonging to the State or held in the State Treasury. The fund must be established and held separate from any other funds or money of the State or the bank and used and administered exclusively for the purpose of this section and section 5953-B. The fund consists of the following:

(1) Sums that are appropriated by the Legislature or transferred to the fund from time to time by the Treasurer of State;

(2) Principal and interest received from the repayment of loans made from the fund;

(3) Capitalization grants and awards made to the State or an instrumentality of the State by the Federal Government for any of the purposes for which the fund has been established. These amounts must be paid directly into the fund without need for appropriation by the State;

(4) Interest earned from the investment of fund balances;

(5) Private gifts, bequests and donations made to the State for any of the purposes for which the fund is established;

(6) The proceeds of notes or bonds issued by the Maine Public Utilities Financing Bank under Title 35-A, chapter 29 for the purpose of deposit in the fund;

(7) The proceeds of notes or bonds issued by the bank for the purpose of deposit in the fund; and

(8) Other funds from any public or private source received for use for any of the purposes for which the fund has been established. [PL 1991, c. 605, §14 (NEW).]

C. For the purposes of this section, the term "public water system" is the same as defined in Title 22, section 2601, subsection 8 and "community water system" and "noncommunity water system" are the same as defined in Title 22, section 2660-B. [PL 1997, c. 705, §16 (RPR).]

[PL 1997, c. 705, §§15, 16 (AMD).]

2. Uses. The revolving loan fund may be used for one or more of the following purposes:

A. To make loans to public water systems under this section and section 5953-B; [PL 1997, c. 705, §17 (AMD).]

B. To make loans to a municipality, an intermunicipal or interstate agency or other eligible participant as specified in the federal Safe Drinking Water Act of 1996 to buy or refinance bonds or notes issued after July 1, 1993 for the purpose of financing the construction of any capital improvement or management program described in section 5953-B, subsection 1 and certified under section 5953-B, subsection 3; [PL 1997, c. 705, §17 (AMD).]

C. To guarantee or insure, directly or indirectly, the payment of notes or bonds issued or to be issued by a public water system for the purpose of financing the construction of any capital improvement described in section 5953-B, subsection 1 and certified under section 5953-B, subsection 3; [PL 1997, c. 705, §17 (AMD).]

D. To guarantee or insure, directly or indirectly, funds established by public water systems for the purpose of financing construction of any capital improvement described in section 5953-B, subsection 1 and certified under section 5953-B, subsection 3; [PL 1997, c. 705, §17 (AMD).]

E. To invest available fund balances and to credit the net interest income on those balances to the revolving loan fund; [PL 1991, c. 605, §14 (NEW).]

F. To invest as a source of revenue or security for the payment of principal and interest on general or special obligations of the bank if the proceeds of the sale of the obligations have been deposited in the fund or loaned to eligible participants in the programs financed with the fund, or as a source of revenue to subsidize municipal loan payment obligations; [PL 1991, c. 605, §14 (NEW).]

G. To pay the costs of the bank and the Department of Human Services associated with the administration of the revolving loan fund and projects financed by it, as long as such costs are paid from a separate, dedicated and identifiable administrative account into which not more than 4% or such greater amount as may be permitted under federal law as part of the federal Safe Drinking Water Act of 1996 of each capitalization grant allotment provided by the Federal Government, and other amounts, must be deposited; [PL 1997, c. 705, §17 (AMD).]

H. To pay the costs required, authorized or funded under the federal Safe Drinking Water Act of 1996, regarding the treatment of drinking water or other federal law or program that provides money for deposit to the fund for the purposes of this section; and [PL 1997, c. 705, §17 (AMD).]

I. To provide training and technical assistance to public water systems serving a population of 10,000 or fewer through the statewide rural water association. The statewide rural water association may use an amount equal to 1% of the federal capitalization grant. Training and technical assistance must be consistent with the annual Department of Health and Human Services public water system supervision, or "PWSS," work plan. [PL 1995, c. 665, Pt. II, §2 (NEW); PL 1995, c. 665, Pt. II, §3 (AFF); PL 2003, c. 689, Pt. B, §6 (REV).]

[PL 1997, c. 705, §17 (AMD); PL 2003, c. 689, Pt. B, §6 (REV).]

3. Establishment of accounts. The bank may establish accounts and subaccounts within the fund as it determines desirable to effectuate the purposes of this section, including, but not limited to, accounts to segregate a portion or portions of the fund as security for bonds issued by the bank for deposit in the fund and to be invested for the benefit of specified projects receiving financial assistance from the fund.

[PL 1991, c. 605, §14 (NEW).]

4. Priorities for financial assistance. At least annually, the Department of Health and Human Services shall prepare and certify to the bank a project priority list of those community and nonprofit

noncommunity public water system projects eligible for financing or assistance under this section. The factors to be considered in developing the priority list must include, but are not limited to:

A. Projects that address serious risk to human health; [PL 1997, c. 705, §18 (NEW).]

B. Projects necessary to ensure compliance with the federal Safe Drinking Water Act of 1996; [PL 1997, c. 705, §18 (NEW).]

C. Projects to assist public water systems in need on a per household basis according to the State's affordability criteria; and [PL 1997, c. 705, §18 (NEW).]

D. Projects that meet factors used in developing the priority list and that are prepared to proceed to construction. [PL 1997, c. 705, §18 (NEW).]

[PL 1997, c. 705, §18 (NEW); PL 2003, c. 689, Pt. B, §6 (REV).]

5. Eligibility for financial assistance. Financial assistance for a project may not be granted under this section until the Department of Health and Human Services has certified to the bank that the project is eligible for immediate financing under this section and is on the priority list under subsection 4.

[PL 1997, c. 705, §18 (NEW); PL 2003, c. 689, Pt. B, §6 (REV).]

SECTION HISTORY

PL 1991, c. 605, §14 (NEW). PL 1995, c. 665, §§II1,2 (AMD). PL 1995, c. 665, §II3 (AFF). PL 1997, c. 705, §§15-18 (AMD). PL 2003, c. 689, §B6 (REV).

§6006-C. Municipal lease finance program

1. Establishment; administration. A municipal lease finance program under the jurisdiction and direction of the bank is established to provide or assist municipalities and governmental entities in the financing of leases by which a municipality may acquire or obtain the right to use personal or real property. The municipal 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 a municipality.

[PL 1991, c. 605, §14 (NEW).]

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

[PL 1991, c. 605, §14 (NEW).]

3. Application; eligibility. The bank may prescribe and require an application or procedure for a municipality to participate in any form of lease financing assistance made available under this section. An application must include any information that the bank 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. A municipality is not eligible to participate in any lease finance assistance made available under this section unless, in the sole judgment of the bank, the municipality has satisfactorily demonstrated that it can assure that it will pay the principal, interest, fees and related charges on the bond, debt or other instrument issued by the bank on behalf of the municipalities or purchased by the bank from the municipality as well as the costs for operation and

maintenance of any real or personal property acquired or made available for use by the municipality by virtue of the lease finance assistance. Satisfactory assurance can be demonstrated if a municipality has:

A. Established a method of payment by assessment, rate, charges or other mechanism satisfactory to the bank; or [PL 1991, c. 605, §14 (NEW).]

B. Provided collateral sufficient to assure payment. [PL 1991, c. 605, §14 (NEW).]

[PL 1991, c. 605, §14 (NEW).]

4. State not liable. Bonds, notes, leases or other forms of debt or liability entered into or issued by the bank 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 bank must contain a statement to the effect that the bank is obligated to pay the principal, interest, redemption premium, if any, and other amounts payable solely from the sources pledged for that purpose by the bank, 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 on the bond, note, lease or other form of indebtedness, as the case may be.
[PL 1991, c. 605, §14 (NEW).]

5. Lease finance agreement. Lease financing and refinancing, lease purchase, loans and other forms of indebtedness or obligations incurred by a municipality due to the bank 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 bank and the municipality or group of municipalities. 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 bank.
[PL 1991, c. 605, §14 (NEW).]

SECTION HISTORY

PL 1991, c. 605, §14 (NEW).

§6006-D. Municipal Investment Trust Fund

1. Establishment; administration. The Municipal Investment Trust Fund, referred to in this section as the "fund," is established in the custody of the bank as a special fund as provided in this section.

A. The purpose of the fund is to provide financial assistance under subsection 2 for the acquisition, design, planning, construction, enlargement, repair, protection, improvement or restoration of public service infrastructure and downtown improvements and for the acquisition of open space. [PL 2005, c. 290, §1 (AMD).]

B. The bank shall administer the fund. The fund must be invested in the same manner as permitted for investment of funds belonging to the State or held in the State Treasury. The fund must be established and held separate from any other funds or money of the State or the bank and used and administered exclusively for the purpose of this section and section 5953-D. The fund consists of the following:

(1) Sums that are appropriated by the Legislature or transferred to the fund from time-to-time by the Treasurer of State;

(2) Principal and interest received from the repayment of loans made from the fund;

(3) Capitalization grants and awards made to the State or an instrumentality of the State by the Federal Government for any of the purposes for which the fund has been established. These amounts must be paid directly into the fund without need for appropriation by the State;

(4) Interest earned from the investment of fund balances;

(5) Private gifts, bequests and donations made to the State for any of the purposes for which the fund has been established;

(6) The proceeds of notes or bonds issued by the State for the purpose of deposit in the fund;

(7) The proceeds of notes or bonds issued by the bank for the purpose of deposit in the fund; and

(8) Other funds from any public or private source received for use for any of the purposes for which the fund has been established. [RR 1993, c. 2, §30 (COR).]

[PL 2005, c. 290, §1 (AMD).]

2. Uses. The fund may be used for one or more of the following purposes:

A. To make grants and loans to municipalities under this section and section 5953-D; [RR 1993, c. 2, §31 (COR).]

B. To guarantee or insure, directly or indirectly, the payment of notes or bonds issued or to be issued by a municipality for the purpose of financing the construction of any capital improvement described in section 5953-D, subsection 1 or 1-A; [PL 2003, c. 288, §4 (AMD).]

C. To guarantee or insure, directly or indirectly, funds established by municipalities for the purpose of financing construction of any capital improvement described in section 5953-D, subsection 1 or 1-A; [PL 2003, c. 288, §4 (AMD).]

D. To invest available fund balances and to credit the net interest income on those balances to the fund; [PL 1993, c. 721, Pt. D, §5 (NEW); PL 1993, c. 721, Pt. H, §1 (AFF).]

E. To invest as a source of revenue or security for the payment of principal and interest on general or special obligations of the bank if the proceeds of the sale of the obligations have been deposited in the fund or loaned to eligible participants in the programs financed with the fund, or as a source of revenue to subsidize municipal loan payment obligations; and [PL 1993, c. 721, Pt. D, §5 (NEW); PL 1993, c. 721, Pt. H, §1 (AFF).]

F. To pay the costs of the bank associated with the administration of the fund and projects financed by it as long as no more than 2% of the aggregate of the highest fund balance in any fiscal year is used for these purposes. [PL 1993, c. 721, Pt. D, §5 (NEW); PL 1993, c. 721, Pt. H, §1 (AFF).]

[PL 2003, c. 288, §4 (AMD).]

3. Establishment of accounts. The bank may establish accounts and subaccounts within the fund as it determines desirable to effectuate the purposes of this section, including, but not limited to, accounts to segregate a portion of the fund for grants and as security for bonds issued by the bank for deposit in the fund and to be invested for the benefit of specified projects receiving financial assistance from the fund.

[PL 1993, c. 721, Pt. D, §5 (NEW); PL 1993, c. 721, Pt. H, §1 (AFF).]

SECTION HISTORY

RR 1993, c. 2, §§30,31 (COR). PL 1993, c. 721, §D5 (NEW). PL 1993, c. 721, §H1 (AFF). PL 1999, c. 776, §14 (AMD). PL 2003, c. 288, §4 (AMD). PL 2005, c. 290, §1 (AMD).

§6006-E. Maine school facilities finance lease-purchase program

In addition to and in furtherance of any other assistance available to a school administrative unit in this chapter, the bank, in cooperation with the Department of Education, shall establish a lease-purchase program for buildings to be used by all school administrative units whose school facility lease-purchase payments receive reimbursement, subsidy or other payment from the State. For the purposes of this

section, a lease-purchase program is a system for awarding leases for a school administrative unit pursuant to a competitive bidding process. [PL 1999, c. 81, §15 (AMD).]

SECTION HISTORY

PL 1997, c. 787, §13 (NEW). PL 1999, c. 81, §15 (AMD).

§6006-F. School Revolving Renovation Fund

1. Fund established. The School Revolving Renovation Fund, referred to in this section as the "fund," is established in the custody of the bank.
[PL 1997, c. 787, §13 (NEW).]

2. Administration. The bank shall administer and invest the fund. The fund must be established and held separate and apart from any other funds or money of the State or the bank and must be used and administered exclusively for the purposes authorized in this section. The fund consists of:

A. Sums that may be appropriated by the Legislature or transferred to the fund by the Treasurer of State; [PL 1997, c. 787, §13 (NEW).]

B. Principal and interest received from the repayment of loans made from the fund; [PL 1997, c. 787, §13 (NEW).]

C. Capitalization grants and awards made to the State or an instrumentality of the State by the United States for any of the purposes for which the fund has been established. These amounts may be paid directly into the fund without appropriation by the State and the bank is designated as the recipient for the State of any such funds; [PL 1997, c. 787, §13 (NEW).]

D. Interest earned from the investment of fund balances; [PL 1997, c. 787, §13 (NEW).]

E. The proceeds of any bonds or notes issued by the State or the bank sold for the purpose of deposit in the fund; [PL 1997, c. 787, §13 (NEW).]

F. Funds from school construction audit recoveries; and [PL 1997, c. 787, §13 (NEW).]

G. Other funds and gifts in kind or cash from any public or private source received for use for any of the purposes for which the fund has been established and that the bank and the Department of Education may solicit from any 3rd parties such as foundations or corporations, including the use of tax credits as available to support activities authorized for the fund. [PL 1997, c. 787, §13 (NEW).]

[PL 1997, c. 787, §13 (NEW).]

3. Purposes. The fund may be used:

A. To make loans to school administrative units for school repair and renovation.

(1) The following repair and renovation needs receive Priority 1 status:

(a) Repair or replacement of a roof on a school building;

(b) Bringing a school building into compliance with the federal Americans with Disabilities Act, 42 United States Code, Section 12101 et seq.;

(c) Improving air quality in a school building;

(d) Removing or abating hazardous materials in a school building, including, but not limited to, water lead abatement or mitigation pursuant to Title 22, section 2604-B; and

(f) Undertaking other health, safety and compliance repairs, including installations or improvements necessary to increase school facility security.

(2) Repairs and improvements related to a school building structure, windows and doors and water or septic systems, other than water lead abatement or mitigation pursuant to Title 22, section 2604-B, receive Priority 2 status.

(3) Repairs and improvements related to energy and water conservation receive Priority 3 status.

(4) Upgrades of learning spaces in school buildings, including renovations to retrofit learning spaces for public preschool programs, receive Priority 4 status.

(5) The Commissioner of Education may approve other necessary repairs; [PL 2019, c. 343, Pt. ZZZZ, §1 (AMD).]

B. To make loans to a school administrative unit to finance expenditures incurred after June 1, 1998 for repairs or renovations authorized under paragraph A; [PL 2011, c. 153, §2 (AMD).]

C. To guarantee or insure, directly or indirectly, the payment of notes or bonds issued or to be issued by a school administrative unit for the purpose of financing any repair authorized under paragraph A; [PL 2011, c. 153, §3 (AMD).]

D. To guarantee or insure, directly or indirectly, funds established by a school administrative unit for the purpose of financing any repair authorized under paragraph A; [PL 1997, c. 787, §13 (NEW).]

E. To deposit with a lending institution or with a trustee bank available fund balances to offset loan balances for school administrative districts undertaking projects authorized by paragraph A; [PL 2011, c. 153, §4 (AMD).]

F. To invest available fund balances and credit the net interest income on those balances to the fund; [PL 1997, c. 787, §13 (NEW).]

G. To invest as a source of revenue or security for the payment of principal and interest on general or special obligations of the bank if the proceeds of the sale of the obligations have been deposited in the fund, or if the proceeds of the sale of the obligations are used for the purposes authorized in paragraph A, or as a source of revenue to subsidize the school administrative unit loan payment obligations; [PL 2011, c. 153, §5 (AMD).]

H. To pay the costs of the bank and the Department of Education associated with the administration of the fund and projects financed by the fund, except that no more than the lesser of 2% of the aggregate of the highest fund balances in any fiscal year and 4% of the combined value of any capitalization grants provided by the United States for deposit in the fund may be used for these purposes. The Commissioner of Education is authorized to receive revenue from the fund administered by the bank. Funds provided to the Department of Education from the fund must be deposited in a nonlapsing dedicated account to be used to carry out the purposes of this section; and [PL 2005, c. 683, Pt. A, §54 (RPR).]

I. [PL 2005, c. 683, Pt. A, §55 (RP).]

J. To reimburse school administrative units for costs incurred for Priority 1 status health and safety projects described in paragraph A, subparagraph (1) and approved by the Commissioner of Education. The amount of the reimbursement must be determined in accordance with the school administrative unit's state share percentage as provided in subsection 6. [PL 2011, c. 153, §6 (AMD).]

[PL 2019, c. 343, Pt. ZZZZ, §1 (AMD).]

4. Priorities. Periodically, and at least annually, the Department of Education shall prepare and certify to the bank a project priority list of those school administrative units whose projects are eligible for loans under this section. In establishing the priority list, the department shall grant special

consideration to projects that include urgent health and safety needs. The department shall submit with the list the factors considered when determining the priorities.
[PL 1997, c. 787, §13 (NEW).]

5. Eligibility terms. The bank and the Department of Education shall develop by rule the terms of repayment of loans. A loan made pursuant to this section may not carry an interest rate higher than 0%. A loan may be made only if a project is certified by the Department of Education as eligible for financing under this section and is on the priority list prepared under subsection 4. The repayment period may vary depending upon the financial condition of a school administrative unit as identified by the Department of Education.
[PL 1997, c. 787, §13 (NEW).]

6. Forgiveness of principal payments. The fund must provide direct grants by forgiving the principal payments of a loan for an eligible school administrative unit. The amount of the forgiveness of principal payments must be determined by the school administrative unit's state share percentage as determined in Title 20-A, section 15672, subsection 31, not to exceed 70% and not less than 30%.

A. [PL 2011, c. 153, §7 (RP).]

B. [PL 2011, c. 153, §7 (RP).]

C. [PL 2011, c. 153, §7 (RP).]
[PL 2011, c. 153, §7 (AMD).]

7. Establishment of accounts. The bank may establish accounts and subaccounts within the fund as it determines desirable to effectuate the purposes of this section, including, but not limited to, accounts to segregate a portion or portions of the fund as security for bonds issued by the bank for deposit in the fund and to be invested for the benefit of specified projects receiving financial assistance from the fund.
[PL 1997, c. 787, §13 (NEW).]

8. Rules. The Department of Education and the bank shall adopt rules necessary to implement this section. Rules adopted by the Department of Education and the bank to implement this section are major substantive rules pursuant to Title 5, chapter 375, subchapter II-A.
[PL 1997, c. 787, §13 (NEW).]

SECTION HISTORY

PL 1997, c. 787, §13 (NEW). PL 1999, c. 81, §16 (AMD). PL 2001, c. 439, §OOOO2 (AMD). PL 2005, c. 2, §D65 (AMD). PL 2005, c. 2, §§D72,74 (AFF). PL 2005, c. 12, §WW18 (AFF). PL 2005, c. 272, §§1,2 (AMD). PL 2005, c. 386, §§L2,3 (AMD). PL 2005, c. 683, §§A53-55 (AMD). PL 2011, c. 153, §§1-7 (AMD). PL 2017, c. 389, §1 (AMD). PL 2019, c. 158, §2 (AMD). PL 2019, c. 343, Pt. ZZZZ, §1 (AMD).

§6006-G. TransCap Trust Fund

1. Establishment; purposes. The TransCap Trust Fund, referred to in this section as "the fund," is established in the custody of the bank to provide transportation capital investment for the Department of Transportation and municipalities in accordance with this section. The purpose of the fund is to provide financial assistance for the planning, design, acquisition, reconstruction and rehabilitation of transportation capital improvements of all modes including improvements that will forward the capital goals set forth in Title 23, section 73, subsection 7.
[PL 2011, c. 610, Pt. B, §3 (AMD).]

2. Administration. The bank shall administer the fund. The fund must be invested in the same manner as permitted for investment of funds belonging to the State or held in the State Treasury. The fund must be established and held separate from any other funds or money of the State or the bank and used and administered exclusively for the purpose of this section. The fund consists of the following:

A. Sums that are transferred to the fund from time to time by the Treasurer of State pursuant to Title 36, section 2903, subsection 6 and Title 36, section 3203, subsection 4; [PL 2009, c. 652, Pt. A, §43 (AMD).]

B. Sums transferred to the fund from time to time by the Treasurer of State pursuant to Title 29-A, section 453, subsection 2; Title 29-A, section 501, subsection 1; Title 29-A, section 504, subsection 1; and Title 29-A, section 603, subsection 1; and [PL 2009, c. 411, §1 (AMD).]

C. Other revenues or funds including:

(1) Principal and interest received from the repayment of loans made from the fund;

(2) Capitalization grants and awards made to the State or an instrumentality of the State by the Federal Government for any of the purposes for which the fund has been established. These amounts must be paid directly into the fund without need for appropriation by the State;

(3) Interest earned from the investment of fund balances;

(4) Private gifts, bequests and donations made to the State for any of the purposes for which the fund has been established;

(5) The proceeds of notes or bonds issued by the State for the purpose of deposit in the fund;

(6) The proceeds of notes or bonds issued by the bank for the purpose of deposit in the fund; and

(7) Other funds from any public or private source received for use for any of the purposes for which the fund has been established. [PL 2007, c. 470, Pt. D, §1 (NEW).]

[PL 2009, c. 652, Pt. A, §43 (AMD).]

3. Bond terms; authorized levels. Bonds issued pursuant to this section may not have terms of more than 15 years. Commencing with the budget presented for the fiscal year beginning July 1, 2009, each new authorization of TransCap revenue bonding must be presented for review and approval by the Legislature as part of the Highway Fund budget, except that review and approval by the Legislature is not required for TransCap revenue bonds issued to refund previously issued TransCap revenue bonds that have been issued with approval by the Legislature, if the issuance of those refunding bonds results in net present value savings and those refunding bonds have a final maturity date that is not later than the date that is 15 years after the date of issuance of the TransCap revenue bonds being refunded. [PL 2015, c. 268, Pt. J, §1 (AMD).]

4. Uses. Revenues deposited in the fund from sources enumerated in the Constitution of Maine, Article IX, Section 19 may be used or applied only in accordance with that provision. Within this limitation, the fund may be used for one or more of the following purposes:

A. To make grants and loans to the Department of Transportation and municipalities under this section, except that such grants may be used only for capital projects that have an anticipated useful life of at least 10 years and such bonds may be used only for capital projects that have an anticipated useful life of at least as long as the bond term; [PL 2009, c. 411, §2 (AMD); PL 2009, c. 413, Pt. X, §1 (AMD).]

B. To guarantee or insure, directly or indirectly, the payment of notes or bonds issued or to be issued by the State for the purpose of financing capital improvements that will forward the capital goals set forth in Title 23, section 73, subsection 7; [PL 2011, c. 610, Pt. B, §4 (AMD).]

C. To guarantee or insure, directly or indirectly, funds established by municipalities for the purpose of financing any capital improvements described in Title 23, section 1803-B; [PL 2007, c. 470, Pt. D, §1 (NEW).]

D. To invest available fund balances and to credit the net interest income on those balances to the fund; [PL 2007, c. 470, Pt. D, §1 (NEW).]

E. To invest as a source of revenue or security for the payment of principal and interest on general or special obligations of the bank if the proceeds of the sale of the obligations have been deposited in the fund or loaned to eligible participants in the programs financed with the fund or as a source of revenue to subsidize municipal loan payment obligations; and [PL 2007, c. 470, Pt. D, §1 (NEW).]

F. To pay the costs of the bank associated with the administration of the fund and projects financed by it as long as no more than 2% of the aggregate of the highest fund balance in any fiscal year is used for these purposes. [PL 2007, c. 470, Pt. D, §1 (NEW).]

[PL 2011, c. 610, Pt. B, §4 (AMD).]

5. Establishment of accounts. The bank may establish accounts and subaccounts within the fund as it determines desirable to effectuate the purposes of this section, including, but not limited to, accounts to segregate a portion of the fund for grants and as security for bonds issued by the bank for deposit in the fund and to be invested for the benefit of specified projects receiving financial assistance from the fund.

[PL 2007, c. 470, Pt. D, §1 (NEW).]

SECTION HISTORY

PL 2007, c. 470, Pt. D, §1 (NEW). PL 2009, c. 411, §§1, 2 (AMD). PL 2009, c. 413, Pt. X, §1 (AMD). PL 2009, c. 652, Pt. A, §43 (AMD). PL 2011, c. 610, Pt. B, §§3, 4 (AMD). PL 2015, c. 268, Pt. J, §1 (AMD).

§6006-H. State Water and Wastewater Infrastructure Fund

1. Establishment; purposes. The State Water and Wastewater Infrastructure Fund, referred to in this section as "the fund," is established as provided in this section.

A. The fund is established in the custody of the bank as a special fund to provide financial assistance for capital investment in public water and wastewater infrastructure. For the purposes of this section, "public water and wastewater infrastructure" includes but is not limited to public water systems, drinking water supplies and treatment facilities, public wastewater systems and treatment facilities and water pollution abatement systems. The fund may also be used to provide financial assistance for capital investment in private and commercial wastewater systems as allowed under Title 38, sections 411 and 411-A. [PL 2019, c. 423, §1 (AMD).]

B. The bank shall administer the fund. The fund must be invested in the same manner as permitted for investment of funds belonging to the State or held in the State Treasury. The fund must be established and held separate from any other funds or money of the State or the bank and used and administered exclusively for the purpose of this section. The fund consists of the following:

(1) Sums that are appropriated by the Legislature or transferred to the fund from time to time by the Treasurer of State;

(2) Principal and interest received from the repayment of loans made from the fund;

(3) The proceeds of notes or bonds issued by the State for the purpose of deposit in the fund;

(4) Interest earned from the investment of fund balances;

(5) Private gifts, bequests and donations made to the State for any of the purposes for which the fund is established; and

(6) Other funds from any public or private source received for use for any of the purposes for which the fund has been established. [PL 2009, c. 377, §2 (NEW).]

[PL 2019, c. 423, §1 (AMD).]

2. Uses. The fund may be used for one or more of the following purposes:

A. To guarantee or insure, directly or indirectly, the payment of notes or bonds issued or to be issued by the State for the purpose of financing capital investment in water and wastewater infrastructure through the fund; [PL 2009, c. 377, §2 (NEW).]

B. To provide funds for capital investment in water and wastewater infrastructure through the Maine Drinking Water Fund, established in Title 22, section 2610, and the Maine Clean Water Fund, established in Title 38, section 411-C. Transfers to these funds must be made in consultation with the agencies administering those funds and must be secondary to the repayment of notes or bonds issued pursuant to paragraph A; [PL 2009, c. 377, §2 (NEW).]

C. To provide a state match for federal funds provided to the State Revolving Loan Fund established in section 6006-A and the safe drinking water revolving loan fund established in section 6006-B; [PL 2009, c. 377, §2 (NEW).]

D. To invest available fund balances and to credit the net interest income on those balances to the fund; [PL 2009, c. 377, §2 (NEW).]

E. To invest as a source of revenue or security for the payment of principal and interest on general or special obligations of the bank if the proceeds of the sale of the obligations have been deposited in the fund; and [PL 2009, c. 377, §2 (NEW).]

F. To pay the costs of the bank associated with the administration of the fund and projects financed by it as long as no more than 2% of the aggregate of the highest fund balance in any fiscal year is used for these purposes. [PL 2009, c. 377, §2 (NEW).]

[PL 2009, c. 377, §2 (NEW).]

3. Establishment of accounts. The bank may establish accounts and subaccounts within the fund as it determines desirable to effectuate the purposes of this section, including, but not limited to, accounts to segregate a portion of the fund for grants and as security for bonds issued by the bank for deposit in the fund and to be invested for the benefit of specified projects receiving financial assistance from the fund.

[PL 2009, c. 377, §2 (NEW).]

SECTION HISTORY

PL 2009, c. 377, §2 (NEW). PL 2019, c. 423, §1 (AMD).

§6007. General fund

1. General fund established; money deposited. The bank shall establish and maintain a fund called the "general fund" which shall consist of and in which there shall be deposited:

A. Fees received or charges made by the bank for the use of its services or facilities; [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. Any money which the bank transfers to the general fund from the reserve fund or any capital reserve fund under section 6006, subsection 2; [PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 48, §§28, 31 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

C. Money received by the bank as:

(1) Payments of principal of or interest on municipal securities purchased by the bank;

(2) Proceeds of the sale of any municipal securities or investment obligations of the bank; and

(3) Proceeds of the sale of bonds or notes of the bank and required under the terms of any resolution of the bank or contract with the holders of its bonds or notes to be deposited in the general fund; [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. Any money required under the terms of any resolution of the bank or contract with the holders of its bonds or notes to be deposited in the general fund; 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).]

E. Any money transferred to the general fund from any other fund or made available by the State for the purpose of the general fund or for the operating expenses of the bank. [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).]

[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. 48, §§28, 31 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

2. Use of general fund. Any money in the general fund may, subject to any contracts between the bank and its bondholders or noteholders, be transferred to the reserve fund or any capital reserve fund. If it is not so transferred, the money shall be used to pay the principal of or interest on bonds or notes of the bank when the principal or interest becomes due and payable, whether at maturity or upon redemption, including the payment of any premium upon redemption before maturity.

A. Any money available in the general fund may also be used for:

(1) The purchase of municipal securities;

(2) The purchase or redemption of its bonds or notes. Any such bonds purchased for retirement shall be thereupon cancelled; and

(3) All other purposes of the bank including the payment of its operating expenses.

(a) No amount may be expended for the bank's operating expenses in any year out of the general fund or from any account in that fund established for that purpose, in excess of the amount provided for the bank's operating expenses by the annual budget for that year or any amendment of the annual budget in effect at the time of the payment or expenditure for operating expenses. [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 bank may create and establish in the general fund any accounts which in the opinion of the bank are necessary, desirable or convenient for the purposes of the bank under this chapter.

(1) The bank may establish an account in the general fund for the purpose of paying its operating expenses. [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).]

[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. 48, §§29, 31 (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. 48, §§28,29,31 (AMD). PL 1989, c. 104, §§C8,10 (AMD).

§6008. Additional reserves and funds

The bank may establish any additional and further reserves or any other funds or accounts that are, in its discretion, necessary, desirable or convenient to further the accomplishment of the purposes of the bank to comply with the provisions of any agreement made by or any resolution of the bank. [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).

§6009. Application of money

Money or investments in any fund or account of the bank established or held for any bonds, notes, indebtedness or liability to be paid, funded or refunded by the issuance of bonds or notes shall, unless the resolution authorizing the bonds or notes provides otherwise, be applied to the payment or retirement of those bonds, notes, indebtedness or liability, and to no other purpose. If there is any money in any such fund or account in excess of the amount required for the payment, funding or refunding, that money may be removed from the fund or account, but only to the extent that the money or investments remaining in the fund or account are not less than the outstanding bonds, notes, indebtedness or liability of the bank to be paid, funded or refunded and for which the fund or account was established or held. [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).

§6010. Purchase of bonds and notes of bank

The bank may purchase bonds or notes of the bank out of any funds or money of the bank available for that purpose. The bank may hold, cancel or resell these bonds or notes subject to and in accordance with agreements with holders of its bonds or notes. [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).

§6011. Bonds as legal investments and security

Notwithstanding any restrictions contained in any other law, the State and all public officers, governmental units and agencies of the State, all national banking associations, state banks, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and other fiduciaries, may legally invest any sinking funds, money or other funds belonging to them or within their control in any bonds or notes issued by the bank under this chapter. These bonds or notes are authorized security for any and all public deposits. [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).

§6012. Tax exemptions

All property of the bank and all bonds and notes issued under this chapter are deemed to constitute essential public and governmental purposes and the property and the bonds and notes so issued, their transfer and the income from those bonds and notes, including any profits made on the sale of the bonds or notes, are at all times exempt from taxation within the State. [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).

§6013. Insurance or guaranty

1. Insurance or guaranty authorized. The bank may obtain any insurance or guaranty from any department or agency of the United States or nongovernmental insurer, as to, or of, or for, the payment or repayment of, interest or principal, or both, or any part of the interest and principal on:

A. Any bonds or notes issued by the bank; 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).]

B. Any municipal securities of governmental units purchased or held by the bank under 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).]

[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. Contracts and agreements for insurance. Notwithstanding any other provisions of this chapter, the bank may enter into any agreement or contract with respect to any insurance or guaranty under this section, except to the extent that the agreement or contract would in any way impair or interfere with the bank's ability to perform and fulfill the terms of any agreement made with the holders of the bonds or notes of the bank.

[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).

§6013-A. Maine Municipal Bond Insurance Fund

1. Establishment. The Maine Municipal Bond Insurance Fund is established in the custody of the bank and under its jurisdiction and direction to provide credit enhancement in the form of bond insurance to municipalities, state instrumentalities and other governmental units on debt issued by them in the form of bonds, notes or other evidences of indebtedness.

[PL 1991, c. 605, §14 (NEW).]

2. Administration. The bank shall administer the Maine Municipal Bond Insurance Fund. The fund must be invested in the same manner as permitted for investment of funds belonging to the State or held in the State Treasury. The fund must be established and held separate and apart from any other funds or money of the State or the bank and must be used and administered exclusively for the purpose of this section. The fund consists of the following:

A. Sums that are appropriated by the Legislature or transferred to the fund from time to time by the Treasurer of State; [PL 1991, c. 605, §14 (NEW).]

B. Premiums, fees, charges, assessments received from municipalities that are obtaining directly or indirectly, in whole or in part, credit enhancement or other benefit from use of the fund; [PL 1991, c. 605, §14 (NEW).]

C. Interest or other gains realized from the investment of fund balances; [PL 1991, c. 605, §14 (NEW).]

D. Private gifts, bequests and donations made to the State for any of the purposes for which the fund has been established; [PL 1991, c. 605, §14 (NEW).]

E. The proceeds of notes or bonds issued by the bank for the purpose of deposit in the fund; [PL 1991, c. 605, §14 (NEW).]

F. Other funds from any public or private source received for use for any of the purposes for which the fund has been established; [PL 1991, c. 605, §14 (NEW).]

G. Other funds from any public or private source received as part of an agreement with the bank for a joint venture undertaken for any of the purposes for which the fund has been established; and [PL 1991, c. 605, §14 (NEW).]

H. Grants, awards or other payments made to the State or an instrumentality of the State by the United States for any of the purposes for which the fund has been established. These amounts must be paid directly into the fund without need for appropriation by the State. [PL 1991, c. 605, §14 (NEW).]

[PL 1991, c. 605, §14 (NEW).]

3. Use and maintenance of the fund. The Maine Municipal Bond Insurance Fund must be used and maintained in the following manner.

A. All money held in the fund may be used only to make payments pursuant to bond insurance contracts, to pay any or all operating expenses of the administration and operation of the Maine Municipal Bond Insurance Fund and to maintain the fund at an amount equal to the minimum insurance reserve. The minimum insurance reserve is that amount determined by actuarial study solicited by the bank as being necessary and prudent for the operation of the program. The bank may not enter into any contract for bond insurance unless it certifies that at the time of execution the amounts of money required to meet reserve minimums, as determined by the most recent actuarial study, are in the fund or will be deposited in the fund as part of the execution of the contract. Any money in the fund in excess of that needed to maintain the minimum insurance reserve may be used by the bank for any of its authorized activities. [PL 1991, c. 605, §14 (NEW).]

B. To ensure the maintenance of the fund, a required minimum reserve, valued at cost, market, amortized value or other methods as determined proper by the actuarial method, must be determined. An amount equal to the determined required minimum reserve must be annually appropriated and paid for deposit in the fund. The amount of the minimum reserve deposit, if any, must be certified by the executive director of the bank to the Governor as the amount necessary to restore any fund to an amount equal to the required minimum reserve for the average aggregate amount of bond insurance contracts outstanding during the 12-month period prior to certification. [PL 1991, c. 605, §14 (NEW).]

[PL 1991, c. 605, §14 (NEW).]

4. Operation and eligibility. The bond insurance program shall operate, determine eligibility and make payments as follows.

A. The bank is authorized to operate a bond insurance program and may:

(1) Establish fund insurance contracts;

(2) Charge and collect premiums;

(3) Make appropriate payments;

(4) Sell bonds and notes of the bank, regardless of any other limitations or restrictions in this chapter, the proceeds of which may be used to meet the minimum reserve requirement of the Maine Municipal Bond Insurance Fund authorized and created by this section; and

(5) Do all other things necessary, proper or desirable to administer and operate a municipal bond insurance program. [PL 1991, c. 605, §14 (NEW).]

B. The bond insurance program may provide bond insurance to any public issuer of debt, including governmental units, municipalities, instrumentalities of the State, and the State. The bank may establish an application or procedure, requesting such information as it considers necessary or desirable, for eligible participants to apply for the benefits of the program. Acceptance of an applicant for participation in the program is in the sole judgment of the bank. Participation in the program must be evidenced by and made in accordance with the terms and conditions specified in a contract of insurance to be executed by the bank and the participating unit. The contract of insurance must state the terms and conditions under which insurance coverage is provided, the premiums, payments or assessments that may be due and payable or called for under the terms of the contract, the schedule upon which payments must be made and any other terms and conditions determined as necessary or desirable by the bank. [PL 1991, c. 605, §14 (NEW).]

C. Contracts for insurance entered into 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 obligation or obligations, 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 obligations to pay under the terms of any contracts of insurance entered into or issued under this chapter are payable solely from the revenues or funds pledged in the Maine Municipal Bond Insurance Fund and not from any other revenues, funds or assets of the bank or the State. There is no obligation implied, stated or expressed in this section from the bank or the State to make any payment to or on behalf of any 3rd party, including, but not limited to, bond holders, coinsurers, program participants or any other party whatsoever, from any source other than the bond insurance fund created in this section. Each bond insurance contract must contain on its face a statement to the effect that the bank is obligated to make any payments called for in the contract only from the assets and revenues available in the bond insurance fund and not from any other revenues or assets of the bank and that neither the full faith and credit of the bank or the State nor the taxing power of the State is pledged to make any payments of any type or kind called for in the contract of bond insurance. [PL 1991, c. 605, §14 (NEW).]

[PL 1991, c. 605, §14 (NEW).]

SECTION HISTORY

PL 1991, c. 605, §14 (NEW).

§6014. Governmental unit intercept

The Treasurer of State may receive from the Federal Government any amount of money as appropriated, allocated, granted, turned over or in any way provided for the purposes of the bank or this chapter. Unless otherwise directed by federal authority, these amounts must be credited to and deposited in the General Fund and are available to the bank. [PL 1997, c. 787, §14 (AMD).]

The Treasurer of State shall pay and deposit in the General Fund and make available to the bank, any funds or money in the treasurer's custody or control whether the funds or money is available because of any grant, allocation or appropriation by the Federal Government or the State or any state agency to assist any governmental unit in paying its municipal securities or school construction loan liability under section 5953-E, referred to in this section as "loan liability," owned or held by the bank, or required by the terms of any other law to be paid to holders or owners of municipal securities or loan liability upon failure or default of a governmental unit to pay the principal of or interest on its municipal securities or loan liability when due and payable, to the extent that any such funds or money is applicable with respect to municipal securities or loan liability of a particular governmental unit that are then owned or held by the bank and as to which that governmental unit has failed or defaulted to make payment of principal or interest as and when due and payable. [PL 1997, c. 787, §14 (AMD).]

To the extent that the Treasurer of State is the custodian of any funds or money due or payable to a governmental unit at any time after written notice to the Treasurer of State from the bank to the effect that the governmental unit has not paid or is in default as to the payment of principal of or interest on any municipal securities or loan liability of that governmental unit then held or owned by the bank, the Treasurer of State shall withhold the payment of such funds or money from the governmental unit until the amount of the principal or interest then due and unpaid has been paid to the bank, or the Treasurer of State has been advised that arrangements, satisfactory to the bank, have been made for the payment of the principal and interest. [PL 1997, c. 787, §14 (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 1997, c. 787, §14 (AMD).

§6015. Undertakings of depositories

1. Undertakings; securities as collateral. All national banking associations or state banks, trust companies, savings banks, investment companies and other persons carrying on a banking business may give to the bank a good and sufficient undertaking with sureties approved by the bank to the effect that the national banking association or state bank or banking institution, as described, will faithfully keep and pay over to the order of or upon the warrant of the bank or its authorized agent, all the funds deposited with it by the bank and agreed interest on those funds under this chapter, at such times or upon such demands as are agreed with the bank.

A. Instead of those sureties, the national banking association or state bank or banking institution as described may deposit with the bank or its authorized agent or any trustee for the bank or for the holders of any bonds, as collateral, any securities approved by the bank. [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).]

[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. Deposit agreement. The deposits of the bank may be evidenced by an agreement in the form and upon the terms and conditions agreed upon by the bank and the national banking association or state bank or banking institution.

[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).

§6016. Purchase of municipal securities

1. Contracts with bank; interest; terms; fees. Notwithstanding any general law or special Act applicable to or constituting any limitation on the maximum rate of interest per year payable on bonds or notes, or as to annual interest cost to maturity of money borrowed or received upon issuance of bonds or notes, a governmental unit may contract to pay interest on, or an interest cost per year for, money borrowed from the bank and evidenced by its municipal securities purchased by the bank. Every governmental unit may contract with the bank concerning the terms and conditions of the loan or purchase. Every governmental unit may pay fees and charges required to be paid to the bank for its services.

[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. Bonds and notes; sale; general characteristics. Notwithstanding any general or special Act or other statute applicable to or constituting any limitation on the sale of bonds or notes, any governmental unit may sell bonds or notes to the bank without limitation as to denomination. As provided in the proceedings of the governing body of the governmental unit under which the bonds and notes are authorized to be issued, those bonds and notes may:

A. Be fully registered, registerable as to principal only or in bearer form; [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. Bear interest at the rate or rates that are determined in accordance with this section; [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. Be evidenced in any manner that is determined; [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. Contain other provisions not inconsistent with this section; 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).]

E. Be sold to the bank without advertisement at any price or prices that are determined. [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).]

[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).]

3. Exchange of bonds. The following provisions apply to the exchange of bonds.

A. Subject to the limitations in paragraphs B and C, the governing body of the governmental unit may provide for the exchange, in the manner provided in the proceedings authorizing the issuance of bonds, of:

(1) Coupon bonds for fully registered bonds;

(2) Fully registered bonds for coupon bonds; and

(3) Any such bonds after issuance for bonds of larger or smaller denominations. [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 bonds in changed form or denominations must:

(1) Be exchanged for the surrendered bonds in the same aggregate principal amounts and in such manner that no overlapping interest is paid; and

(2) Bear interest at the same rate or rates and mature on the same date or dates as the bonds for which they are exchanged. [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. When any exchange is made under this section the bonds surrendered by the holders at the time of the exchange shall be cancelled. The exchange shall be made only at the request of the holders of the bonds to be surrendered. The governmental unit may require the bondholders to pay all expenses incurred in connection with the exchange. If any of the officers whose signatures appear on the bonds or coupons cease to be officers before the bonds are delivered, the signatures are valid for all purposes, the same as if they had remained in office. [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).]

[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).

§6017. Remedies on default of municipal securities

If a governmental unit defaults in the payment of interest on or principal of any municipal securities owned or held by the bank when due and payable by the governmental unit, the bank shall proceed to enforce payment under applicable provisions of law of the interest or principal or other amounts then due and payable. [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).

§6018. Purchase of anticipation notes

The bank may purchase notes of any governmental unit issued in anticipation of the sale of municipal securities in an amount not exceeding at any one time outstanding the authorized amount of those municipal securities. The issue and sale of those anticipation notes must be in accordance with the laws applying to the governmental unit issuing the notes. In connection with any such purchase of anticipation notes, the bank may by agreement with the governmental unit impose any terms, conditions and limitations that in its opinion are proper in the circumstances and for the purposes and security of the bank and the holders of its bonds or notes. The bank shall enforce all the rights, remedies and provisions of law that it has under this section or provided elsewhere in this chapter or as otherwise provided by law. [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).

§6019. Agreements with financial institutions

1. Agreements. The bank may enter into any agreements or contracts with any commercial banks, trust companies, banking or other financial institutions within or outside the State that are necessary, desirable or convenient in the opinion of the bank for the following purposes:

A. To provide services to the bank in connection with the care, custody or safekeeping of municipal securities or other investments held or owned by the bank; [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. To provide services to the bank in connection with the payment or collection of amounts due and payable as to principal or interest; [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. To provide services to the bank in connection with the delivery to the bank of municipal securities or other investments purchased by it or sold by it; 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).]

D. To pay the cost of services provided under this section. [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).]

[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. Requiring security. The bank may, in connection with any of the services provided by commercial banks, trust companies or banking or other financial institutions, as to the custody and safekeeping of any of its municipal securities or investments, require security in the way of collateral bonds, surety agreements or security agreements in the form and amount that, in the opinion of the bank, is necessary or desirable for the purpose of the bank.

[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).

§6020. Form of municipal securities and investments

All municipal securities or other investments of money of the bank permitted or provided for under this chapter shall at all times be purchased and held in fully marketable form, subject to provision for any registration in the name of the bank. All municipal securities at any time purchased, held or owned by the bank must upon delivery to the bank be accompanied by documentation including: [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. Bond opinion. Approving bond opinion;

[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. Signature certification. Certification and guaranty as to signatures;

[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).]

3. Litigation certification. Certification as to the absence of litigation; 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).]

4. Other documentation. Any other or further documentation that is required from time to time in the municipal bond market.

[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).

§6021. Presumption of validity

After issuance, all bonds or notes of the bank are conclusively presumed to be fully authorized and issued under the laws of the State, and any person or governmental unit is estopped from questioning their authorization, sale, issuance, execution or delivery by the bank. [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).]

To the extent that this chapter is inconsistent with or in conflict with any private or special Act or the charter of any district or other quasi-municipal corporation, this chapter shall be effective and such other private or special Act or charter of any district or other quasi-municipal corporation does not apply. This chapter is not intended to affect the general laws relating to municipalities, Part 2, in any way. [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).

§6022. Exemption of property from execution sale

All property of the bank is exempt from levy and sale by virtue of an execution. No execution or other judicial process may issue against the bank's property nor may any judgment against the bank be a charge or lien upon its property, provided that nothing in this chapter may apply to or limit the rights of the holder of any bonds or notes to pursue any remedy for the enforcement of any pledge or lien given by the bank on its revenues or other money. [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. Action on resolution. Any action or proceeding in any court to set aside a resolution authorizing the bank's issuance of bonds or notes under this chapter or to obtain any relief upon the ground that the resolution is invalid must be commenced within 30 days after the bank adopts the resolution. After this period of limitation expires, no right of action or defense founded upon the invalidity of the resolution or any of its provisions may be asserted nor may the validity of the resolution or any of its provisions be open to question in any court on any ground.
[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).

§6023. Remedies of holders of bonds and notes

1. Trustee. If the bank defaults in the payment of principal of or interest on any issue of bonds after the principal and interest become due, whether at maturity or upon call for redemption, and that default continues for a period of 30 days, or if the bank fails or refuses to comply with this chapter or defaults in any agreement made with the holders of any issue of bonds, the holders of 25% in aggregate principal amount of bonds then outstanding, by instrument or instruments filed in the office of the clerk of courts of the County of Kennebec and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the bondholders for the purposes provided.
[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. Duties of trustee. The trustee appointed under subsection 1 may, and upon written request of the holders of 25% in principal amount of all such bonds then outstanding shall, in the trustee's or the bank's own name:

A. By mandamus or other suit, action or proceeding at law or in equity, enforce all rights of the bondholders, including the right to require the bank to collect rates, charges and other fees; and to collect interest and amortization payments on municipal securities held by it adequate to carry out

any agreement as to, or pledge of, those rates, charges and other fees and of such interest and amortization payments; and to require the bank to carry out any other agreements with the bondholders and to perform its duties under 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).]

B. Bring suit upon 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).]

C. By action or suit, require the bank to account as if it were the trustee of an express trust for the bondholders; 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).]

D. By action or suit in equity, enjoin any acts or omissions which may be unlawful or in violation of the rights of the bondholders. [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).]

[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).]

3. Additional powers of trustee. The trustee shall also have all of the powers necessary or appropriate for the exercise of any functions specifically set forth in this chapter or incident to the general representation of bondholders in the enforcement and protection of their rights.

[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. Jurisdiction. The Superior Court has jurisdiction of any suit, action or proceeding by the trustee on behalf of the bondholders. The venue of any such suit, action or proceeding shall be laid in the County of Kennebec.

[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. Notice. Before declaring the principal of bonds due and payable, the trustee shall first give 30 days' notice in writing to the bank.

[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).

§6024. Personal liability

Neither the commissioners of the bank nor any person executing bonds or notes issued under this chapter may be liable personally on those bonds or notes by reason of the issuance of the bonds or notes. [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).

SUBCHAPTER 4

PENSION COST REDUCTION BONDS

§6041. Legislative findings

(REPEALED)

SECTION HISTORY

PL 2005, c. 12, §PPPP1 (NEW). PL 2005, c. 457, §A1 (AFF).

§6042. Pension cost reduction bonds authorized

(REPEALED)

SECTION HISTORY

PL 2005, c. 12, §PPPP1 (NEW). PL 2005, c. 457, §A1 (AFF).

§6043. Maine Municipal Bond Bank provisions

(REPEALED)

SECTION HISTORY

PL 2005, c. 12, §PPPP1 (NEW). PL 2005, c. 457, §A1 (AFF).

§6044. Construction

(REPEALED)

SECTION HISTORY

PL 2005, c. 12, §PPPP1 (NEW). PL 2005, c. 457, §A1 (AFF).

SUBCHAPTER 5

LIQUOR OPERATION REVENUE BONDS

§6051. Declaration of public policy; funding

The Legislature finds and declares that revenue financing bonds as authorized in this subchapter are tax-exempt or taxable bonds payable from sources as provided in this subchapter and such bonds do not include a legal or equitable claim against tax revenues of the State and do not represent constitutional debt of or a pledge of the full faith and credit of the State. The Legislature also finds that issuance of the revenue financing bonds authorized in this subchapter and use of the proceeds of those bonds do not violate the terms of the Constitution of Maine, Article V, Part Third. [PL 2013, c. 269, Pt. B, §2 (NEW).]

SECTION HISTORY

PL 2013, c. 269, Pt. B, §2 (NEW).

§6052. Definitions

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 2013, c. 269, Pt. B, §2 (NEW).]

1. Ancillary obligation. "Ancillary obligation" means the obligation of the bond bank in connection with liquor operation revenue bonds issued under this subchapter under any of the following entered into by the bond bank:

A. A credit enhancement or liquidity agreement, including without limitation an obligation in the form of bond insurance, a surety bond, a letter of credit, a standby bond purchase agreement, a reimbursement agreement, liquidity facility or other similar arrangement; [PL 2013, c. 269, Pt. B, §2 (NEW).]

B. A remarketing agreement, auction agent agreement, broker-dealer agreement or other agreement relating to the marketing of liquor operation revenue bonds, an interest rate swap or another type of swap or hedging contract; or [PL 2013, c. 269, Pt. B, §2 (NEW).]

C. An investment agreement, forward purchase agreement or similarly structured investment contract. [PL 2013, c. 269, Pt. B, §2 (NEW).]

[PL 2013, c. 269, Pt. B, §2 (NEW).]

2. Cost of issuance. "Cost of issuance" means an item of expense directly or indirectly payable or reimbursable by the bond bank and related to the authorization, sale or issuance of liquor operation revenue bonds, including, but not limited to, underwriting fees and fees and expenses of professional consultants and fiduciaries.

[PL 2013, c. 269, Pt. B, §2 (NEW).]

3. Financing costs. "Financing costs" means all costs of issuance, capitalized interest, capitalized operating expenses and debt service reserves, fees and costs of any ancillary obligation or other fees, expenses and costs related to issuing, securing and marketing liquor operation revenue bonds.

[PL 2013, c. 269, Pt. B, §2 (NEW).]

4. Fund. "Fund" means the Liquor Operation Revenue Fund established in section 6054.

[PL 2013, c. 269, Pt. B, §2 (NEW).]

5. Liquor operation revenue bond. "Liquor operation revenue bond" means a bond, note or other evidence of indebtedness issued by the bond bank pursuant to this subchapter.

[PL 2013, c. 269, Pt. B, §2 (NEW).]

SECTION HISTORY

PL 2013, c. 269, Pt. B, §2 (NEW).

§6053. Liquor operation revenue bonds authorized

1. Revenue bonds. Notwithstanding any other provision of law and upon written approval of the Governor, the bond bank may issue liquor operation revenue bonds of up to $183,500,000 plus financing costs, and excluding bonds to refund bonds, for the purpose of retiring amounts determined by the Commissioner of Health and Human Services to be owed by the State to health care providers as provided by Title 22-A, section 216. The bonds are payable solely from funds as provided in this subchapter.

[PL 2013, c. 269, Pt. B, §2 (NEW).]

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. Except as otherwise be provided under the indenture of trust or resolution of the bond bank authorizing the liquor operation revenue bonds, the net proceeds from any sale of liquor operation revenue bonds must be deposited into the Health Care Liability Retirement Fund established in Title 22-A, section 216.
[PL 2013, c. 269, Pt. B, §2 (NEW).]

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 of 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).

§6054. Liquor Operation Revenue Fund

1. Fund established. The Liquor Operation Revenue Fund, referred to in this section as "the fund," is a nonlapsing fund established within the bond bank to receive the amounts referred to in subsection 2 and to pay amounts due under the liquor operation revenue bonds and any ancillary obligations. The fund must be held separate and apart from all other money, funds and accounts of the bond bank.
[PL 2013, c. 269, Pt. B, §2 (NEW).]

2. Funding. Beginning July 1, 2014, there must be deposited directly into the fund any amounts received pursuant to Title 28-A, section 90 and Title 22-A, section 216 and any other money or funds transferred or made available to the bond bank only for the purposes of the fund from any other source including without limitation amounts required to be deposited in the fund by the terms of any ancillary obligation or other agreement related to liquor operation revenue bonds.
[PL 2015, c. 494, Pt. A, §35 (AMD).]

3. Use of fund during bond retirement period; fiscal years before July 1, 2017. Money in the fund must be held and applied solely to the payment of the liquor operation revenue bonds and any ancillary obligations secured by the fund as the bonds and ancillary obligations become due and payable and for the retirement of liquor operation revenue bonds, including costs of administering the fund, the bonds and the ancillary obligations and the payment of any redemption premium required to be paid when any liquor operation revenue bonds are redeemed or retired before maturity or for the payment of ancillary obligations; except that, to the extent there is money in the fund not needed in accordance with terms of the liquor operation revenue bonds and ancillary obligations, before June 30th of each year, the bond bank shall withdraw an amount not exceeding $16,714,844 in the fiscal year ending June 30, 2015, $16,639,000 in the fiscal year ending June 30, 2016 and $16,817,000 in the fiscal year ending June 30, 2017 to be paid to the State and distributed as follows:

A. First, to the General Fund as undedicated revenue up to $9,714,884 in the fiscal year ending June 30, 2015, $9,639,000 in the fiscal year ending June 30, 2016 and $9,817,000 in the fiscal year ending June 30, 2017; [PL 2013, c. 269, Pt. B, §2 (NEW).]

B. Second, the remainder, if any, in each fiscal year divided in equal amounts to an account within the Department of Health and Human Services and an account within the Department of Environmental Protection, up to $3,500,000 per account or the maximum amount allowed for federal matching funds purposes under federal water programs, whichever is less, to be used for revolving loan funds for drinking water systems and wastewater treatment; and [PL 2013, c. 269, Pt. B, §2 (NEW).]

C. Third, the remainder, if any, to an account within the Department of Transportation to be used for the construction of highways and bridges. [PL 2013, c. 269, Pt. B, §2 (NEW).]

[PL 2013, c. 269, Pt. B, §2 (NEW).]

4. Use of fund during bond retirement period; from July 1, 2017 until bonds retired. Money in the fund must be held and applied solely to the payment of the liquor operation revenue bonds and any ancillary obligations secured by the fund as the bonds and ancillary obligations become due and payable and for the retirement of liquor operation revenue bonds, including costs of administering the fund, the bonds and the ancillary obligations and the payment of any redemption premium required to be paid when any liquor operation revenue bonds are redeemed or retired before maturity or for the payment of ancillary obligations; except that, to the extent there is money in the fund not needed in accordance with terms of the liquor operation revenue bonds and ancillary obligations, before June 30th of each year, the bond bank shall withdraw an amount not exceeding $7,000,000 to be paid to the State and distributed as follows:

A. First, in equal amounts to an account within the Department of Health and Human Services and an account within the Department of Environmental Protection, up to $3,500,000 per account or the maximum amount allowed for federal matching funds purposes under federal water programs, whichever is less, to be used for revolving loan funds for drinking water systems and wastewater treatment; and [PL 2013, c. 269, Pt. B, §2 (NEW).]

B. The remainder, if any, to an account within the Department of Transportation to be used for the construction of highways and bridges. [PL 2013, c. 269, Pt. B, §2 (NEW).]

Immediately upon retirement of all outstanding liquor operation revenue bonds and ancillary obligations secured by the fund, the bond bank shall withdraw any excess money in the fund and transfer it to the Maine Budget Stabilization Fund established in Title 5, section 1532.
[PL 2013, c. 269, Pt. B, §2 (NEW).]

5. Use of fund after bond retirement. After all liquor operation revenue bonds and any ancillary obligations secured by the fund have been retired, additional proceeds credited to the fund from Title 22-A, section 216 and Title 28-A, section 90 must be disbursed on a quarterly basis to the State, after payment of costs of administering the fund, and credited by the State Controller as follows:

A. Thirty percent to the State Water and Wastewater Infrastructure Fund established pursuant to section 6006-H and divided as follows:

(1) Forty-five percent to an account within the State Water and Wastewater Infrastructure Fund for drinking water purposes divided as follows:

(a) Up to the maximum amount allowed for the state match for federal funds provided to the safe drinking water revolving loan fund established under section 6006-B to an account within the Department of Health and Human Services for revolving loan funds for drinking water systems; and

(b) The remainder to the Maine Drinking Water Fund established pursuant to Title 22, section 2610; and

(2) Fifty-five percent to an account within the State Water and Wastewater Infrastructure Fund for wastewater purposes divided as follows:

(a) Up to the maximum amount allowed for the state match for federal funds provided to the revolving loan fund established under section 6006-A to an account within the Department of Environmental Protection for revolving loans for wastewater treatment; and

(b) The remainder to the Maine Clean Water Fund established pursuant to Title 38, section 411-C; [PL 2019, c. 423, §2 (RPR).]

B. Thirty-five percent to an account within the Department of Transportation for construction of highways and bridges; and [PL 2013, c. 269, Pt. B, §2 (NEW).]

C. The remainder to the Maine Budget Stabilization Fund established in section 1532. [PL 2013, c. 269, Pt. B, §2 (NEW).]
[PL 2019, c. 423, §2 (AMD).]

SECTION HISTORY

PL 2013, c. 269, Pt. B, §2 (NEW). PL 2015, c. 494, Pt. A, §35 (AMD). PL 2019, c. 423, §2 (AMD).

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