

**§1053. Capital reserve funds; obligation of State**

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

[PL 1987, c. 697, §11 (AMD).]

**2. Application.** Money held in any capital reserve fund, except as provided in this section, shall be used solely with respect to revenue obligation securities, repayment of which is secured by any such fund and solely for the payment of principal of the securities, the purchase or redemption of the securities, including any fees or premiums or the payment of interest on the securities. In addition, if the authority obtains a letter of credit, insurance contract, surety bond or similar financial undertaking to establish and fund a capital reserve fund under subsection 1, money in the fund may be used to pay, as and when due, whether by acceleration or otherwise, all reimbursement obligations of the authority established in connection with that letter of credit, insurance contract, surety bond or similar financial undertaking, including, but not limited to, all fees, expenses, indemnities and commissions. Money in excess of the reserve requirement established as provided in subsection 3 may be transferred to other funds and accounts of the authority.

[PL 1989, c. 594, §1 (AMD); PL 1989, c. 594, §3 (AFF).]

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 Reserve requirement.** The authority may provide that money in any such fund shall not be withdrawn at any time in such amount as would reduce the amount of any such fund below an amount established by the authority with respect to the fund, the amount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

[PL 1989, c. 594, §2 (AMD); PL 1989, c. 594, §3 (AFF).]

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

[PL 1989, c. 594, §2 (AMD); PL 1989, c. 594, §3 (AFF).]

**5. Appropriation.** On or before December 1st, annually, the authority shall certify to the Governor the amount, if any, necessary to restore the amount in any capital reserve fund, to which this subsection is stated in the trust agreement or other document to apply, to the capital reserve requirement. The Governor shall forthwith pay from the Contingent Account to any such fund so much of the amount as is available in the Contingent Account and shall forthwith transmit to the Legislature such certification and a statement of the amount, if any, remaining to be paid and the amount so certified shall be appropriated and paid to the authority during the then current state fiscal year.

[PL 1985, c. 344, §78 (NEW).]

**6. Securities outstanding.** The principal amount of revenue obligation securities the authority may have outstanding at any one time, to which subsection 5 is stated to apply in the trust agreement or other document, may not exceed an aggregate principal amount equal to \$762,000,000 as follows:

- A. The sum of \$180,000,000 consisting of not more than \$150,000,000 for loans and up to \$30,000,000 for use of bond proceeds to fund capital reserve funds for revenue obligation securities issued pursuant to this subchapter relating to loans for electric rate stabilization projects, loans for energy generating system projects or loans for energy distribution system projects; [PL 2015, c. 504, §5 (AMD).]
- B. [PL 2019, c. 160, §7 (RP).]
- C. The sum of \$57,000,000 consisting of not more than \$45,000,000 for loans and up to \$12,000,000 for use of bond proceeds to fund capital reserve funds for revenue obligation securities issued pursuant to this subchapter relating to workers' compensation residual market mechanism projects; [PL 1999, c. 531, Pt. G, §1 (RPR).]
- D. The sum of \$270,000,000 less the aggregate outstanding balance of mortgage loans secured by capital reserve funds pursuant to section 1032 for all other revenue obligation securities issued pursuant to this subchapter; [PL 2019, c. 160, §7 (AMD).]
- E. The sum of \$120,000,000 consisting of not more than \$100,000,000 for loans and up to \$20,000,000 for use of bond proceeds to fund capital reserve funds for revenue obligation securities issued pursuant to this subchapter relating to loans for paper industry job retention projects; and [PL 2021, c. 1, Pt. M, §6 (AMD).]
- F. The sum of \$100,000,000 consisting of not more than \$85,000,000 for loans and up to \$15,000,000 for use of bond proceeds to fund capital reserve funds for revenue obligation securities issued pursuant to this subchapter relating to loans for transmission facilities projects as defined in section 963-A, subsection 49-H. [PL 2021, c. 1, Pt. M, §7 (AMD).]
- G. [PL 2021, c. 1, Pt. M, §8 (RP).]

The amount of revenue obligation securities issued to refund securities previously issued may not be taken into account in determining the principal amount of securities outstanding, as long as proceeds of the refunding securities are applied as promptly as possible to the refunding of the previously issued securities. In computing the total amount of revenue obligation securities of the authority that may at any time be outstanding for any purpose, the amounts of the outstanding revenue obligation securities that have been issued as capital appreciation bonds or as similar instruments are valued as of any date of calculation at their then current accreted value rather than their face value.

[PL 2021, c. 1, Pt. M, §§6-8 (AMD).]

#### SECTION HISTORY

PL 1985, c. 344, §78 (NEW). PL 1985, c. 714, §33 (AMD). PL 1987, c. 697, §§11-13 (AMD). PL 1989, c. 552, §18 (AMD). PL 1989, c. 594, §§1, 2 (AMD). PL 1989, c. 594, §3 (AFF). PL 1993, c. 460, §8 (AMD). PL 1993, c. 712, §5 (AMD). PL 1995, c. 4, §8 (AMD). PL 1995, c. 120, §1 (AMD). PL 1995, c. 120, §5 (AFF). PL 1995, c. 289, §6 (AMD). PL 1997, c. 489, §7 (AMD). PL 1997, c. 492, §1 (AMD). PL 1997, c. 492, §7 (AFF). PL 1997, c. 781, §1 (AMD). PL 1999, c. 484, §8 (AMD). PL 1999, c. 513, §5 (AMD). PL 1999, c. 531, §G1 (AMD). PL 2003, c. 506, §5 (AMD). PL 2007, c. 464, §9 (AMD). PL 2011, c. 261, §6 (AMD). PL 2011, c. 586, §5 (AMD). PL 2015, c. 504, §5 (AMD). PL 2019, c. 160, §7 (AMD). PL 2021, c. 1, Pt. M, §§6-8 (AMD).

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