

§11424. Capital reserve funds; obligation of the State

1. Capital reserve fund. In connection with bonds issued under this chapter, 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 the sale by the authority of bonds to the extent determined by the authority and any other money available to the authority.

[PL 2015, c. 170, §22 (AMD); PL 2015, c. 170, §30 (AFF).]

2. Application. Money held in any capital reserve fund created in connection with bonds issued under this chapter, except as provided in this section, must be used solely with respect to bonds, repayment of which is secured by any such fund and solely for the payment of principal of bonds, the purchase or redemption of those bonds, including any fees or premiums and the payment of interest on those bonds. 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 this section, money in that capital reserve fund may be used to pay, as and when due, 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 set forth in subsection 3 may be transferred to other funds and accounts of the authority.

[PL 2015, c. 170, §23 (AMD); PL 2015, c. 170, §30 (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 The authority may provide that money in any such fund shall not be withdrawn at any time in such amount as would reduce the amount of any such fund to less than the maximum amount of principal and interest becoming due by reason of maturity or a required sinking fund payment in the next succeeding 12-month period within which any such maturity occurs or any such payment is required, the amount being referred to as the "capital reserve requirement," except for the purpose of paying the amount due at any such maturity or the sinking fund payment with respect to bonds, repayment of which is secured by any such fund.

[PL 1987, c. 807, §3 (NEW).]

4. Issuance limit. The authority may provide that it will not issue bonds under this chapter if the capital reserve requirement with respect to bonds outstanding and then to be issued and secured by any such fund will exceed the amount of any such fund at the time of issuance, unless the authority, at the time of issuance of the bonds, deposits in any such fund from proceeds of the bonds to be issued, or from other sources, an amount that, together with the amount then in any such fund, will not be less than the capital reserve requirement.

[PL 2015, c. 170, §24 (AMD); PL 2015, c. 170, §30 (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 pay directly from the Contingent Account to any such fund as much of the amount as is available in the Contingent Account and shall transmit directly to the Legislature that certification and a statement of the amount, if any, remaining to be paid and the amount certified shall be appropriated and paid to the authority during the current state fiscal year.

[PL 1987, c. 807, §3 (NEW).]

6. Bonds outstanding. The authority may not have at any one time outstanding bonds to which subsection 5 is stated in the trust agreement or other document to apply in principal amount exceeding \$225,000,000. The amount of bonds issued to refund bonds previously issued may not be taken into account in determining the principal amount of the bonds outstanding, as long as the proceeds of the refunding bonds are applied as promptly as possible to the refunding of the previously issued bonds. In computing the total amount of bonds of the authority that may at any time be outstanding for any

purpose, the amount of the outstanding bonds that have been issued as capital appreciation bonds or as similar instruments must be valued as of any date of calculation at their current accreted value rather than their face value.

[PL 2011, c. 401, §2 (AMD).]

SECTION HISTORY

PL 1987, c. 807, §3 (NEW). PL 2009, c. 40, §§1-3 (AMD). PL 2011, c. 401, §§1, 2 (AMD). PL 2015, c. 170, §§22-24 (AMD). PL 2015, c. 170, §30 (AFF).

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