

§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).]

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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).

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