

# MAINE STATE LEGISLATURE

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# 116th MAINE LEGISLATURE

## SECOND REGULAR SESSION-1994

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Legislative Document

No. 1774

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S.P. 640

In Senate, January 25, 1994

**An Act to Create the Maine Office Development Authority.**

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Submitted by the Department of Administrative and Financial Services pursuant to Joint Rule 24.  
Reference to the Committee on State and Local Government suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator FOSTER of Hancock.  
Cosponsored by Senator: CLEVELAND of Androscoggin.

2 Be it enacted by the People of the State of Maine as follows:

4 Sec. 1. 4 MRSA c. 35 is enacted to read:

6 CHAPTER 35

8 MAINE OFFICE DEVELOPMENT AUTHORITY ACT

10 §1701. Short title

12 This chapter may be known and cited as the "Maine Office Development Authority Act."

14 §1702. Maine Office Development Authority; members; compensation; executive director

16 1. Establishment; membership. The Maine Office Development Authority is created as a body corporate and politic and a public instrumentality and agency of the State. The exercise by the authority of powers conferred by this Act is considered the performance of essential governmental functions. The authority consists of 5 members, 2 of whom are the Treasurer of State and the Commissioner of Administrative and Financial Services, each serving as an ex officio, voting member, and 3 other members who each serve for a term of 5 years and are appointed by the Governor. A member of the authority may be removed by the Governor for cause. In the event of vacancy occurring in the membership, the Governor shall appoint a replacement member for the remainder of that term. Any member of the authority is eligible for reappointment.

32 A. The initial appointed members of the authority are appointed in a manner to stagger the terms of the members. Of the initial 3 appointed members, one is appointed to a term of 3 years; one is appointed to a term of 4 years; and one is appointed to a term of 5 years.

38 2. Oath. Each member of the authority before commencing duties takes an oath to administer the duties of that member's office faithfully and impartially, and that oath is filed in the office of the Secretary of State.

42 3. Officers; quorum. The authority elects from its membership a chair, a vice-chair, a secretary and a treasurer. Three members of the authority constitute a quorum and the vote of 3 members is necessary for any action taken by the authority. A vacancy in the membership of the authority does not impair the right of a quorum to exercise all the rights and perform all the duties of the authority.

2 4. Compensation. Each member of the authority is entitled  
4 to compensation in accordance with Title 5, chapter 379. Each  
6 member of the authority is indemnified by the authority against  
8 expenses actually and necessarily incurred in connection with the  
defense of an action or proceeding in which that member is made a  
party by reason of being or having been a member of the authority  
and against a final judgment rendered against that member in that  
action or proceeding.

10 5. Executive director; other employees. The Director of  
12 the Bureau of General Services serves as the executive director  
14 and may contract with consulting engineers, architects,  
attorneys, board counsel, auditors, construction and financial  
experts and other employees and agents as necessary;

16 **§1703. Definitions**

18 As used in this chapter, unless the context otherwise  
20 indicates, the following terms have the following meanings.

22 1. Act. "Act" means the Maine Office Development Authority  
Act.

24 2. Authority. "Authority" means the Maine Office  
26 Development Authority established by this Act.

28 3. Bonds. "Bonds" means any bonds of the Maine Office  
Development Authority issued pursuant to this Act.

30 4. Cost. "Cost," as applied to a project, includes, but is  
32 not limited to:

34 A. The purchase price or acquisition cost;

36 B. The cost of construction, building, alteration,  
enlargement, reconstruction, renovation, improvement and  
remodeling;

38 C. The cost of all labor, materials, machinery and  
40 equipment;

42 D. The cost of all lands, structures, real or personal  
44 property, rights, easements, interests and franchises  
acquired;

46 E. The cost of all utility extensions, access roads, site  
48 development, financing charges, premiums for insurance,  
interest before and during construction and for 6 months  
after construction;

50

2 F. The cost of working capital;

4 G. The cost of plans and specifications, surveys and estimates of cost and revenues;

6 H. The cost of engineering, feasibility, legal and other professional services;

8  
10 I. The cost of reserves for payment of future debt service on securities;

12 J. The cost of contracting for job-site inspectors, with contracts for those services administered by the Bureau of General Services;

16 K. The cost of all other expenses necessary or incident to determining feasibility or practicability;

18  
20 L. Administrative and operating expenses; and

22 M. Other expenses necessary or incident to a project and financing or refinancing authorized, including the refunding of outstanding obligations, mortgages or advances issued, made or given by a person for the costs in this subsection.

26 5. Holder of securities or holder. "Holder of securities," "holder" or any similar term, when referring to securities of the  
28 Maine Office Development Authority, means a person who is the bearer of outstanding securities of the authority registered to  
30 bearer or not registered, or the registered owner of outstanding securities of the authority that, at the time, are registered to  
32 other than the bearer.

34 6. Notes. "Notes" means notes of the Maine Office Development Authority issued pursuant to this Act.

36  
38 7. Project. "Project" means projects, a project or part of a project and includes the acquisition, construction, improvement, reconstruction or equipping of, or construction of  
40 an addition or additions to, a structure designed for use as a state office building. The structure may include facilities for  
42 the use of agencies of State Government and other political subdivisions of the State and for other governmental functions.

44  
46 8. Securities. "Securities" means bonds, notes or other evidences of indebtedness authorized by this Act.

48 **§1704. Powers**

50 To carry out the purposes of this Act, the authority has the following powers with respect to a project, together with all

2 powers incidental to or necessary for the performance of those  
3 powers:

4 1. Have perpetual succession. To have perpetual succession  
5 as a body politic and corporate and an instrumentality or agency  
6 of the State;

8 2. Sue and be sued. To sue and complain, in its own name,  
9 and to plead;

10 3. Adopt official seal. To adopt and have an official seal  
11 and alter that seal at pleasure;

14 4. Make bylaws; rules. To make and enforce bylaws or rules  
15 for the conduct of its affairs and business and for use of its  
16 services and facilities;

18 5. Acquire, improve and release real or personal property.  
19 To acquire real or personal property or interest in real or  
20 personal property, including rights or easements, on either a  
21 temporary or long-term basis by gift, purchase, transfer,  
22 foreclosure, lease, lease-purchase or otherwise; to improve,  
23 hold, sell with or without public bidding, assign, lease, rent,  
24 encumber, mortgage or otherwise dispose of real or personal  
25 property or interest in real or personal property, or mortgage  
26 interests owned or in its control, custody or possession; and to  
27 release or relinquish a right, title claim, lien, interest,  
28 easement or demand, however acquired, including threat of  
29 foreclosure;

30 6. Prepare and plan projects and facilities. To prepare or  
31 cause to be prepared plans, subject to Title 5, section 1742;

34 7. Improve, furnish and equip project and attendant  
35 facilities. By contract or contracts to construct, acquire,  
36 alter, repair, reconstruct, rehabilitate, improve, furnish and  
37 equip the project and necessary and usual attendant facilities;

38 8. Maintain, reconstruct and operate until securities no  
39 longer outstanding. To maintain, reconstruct and operate the  
40 project until the cost and the outstanding securities issued are  
41 no longer considered outstanding. The lessee, with reasonable  
42 notification of the authority, may make necessary alterations to  
43 facilitate the efficient operations of State Government;

46 9. Fix and collect fees. To fix and collect fees, rentals  
47 and other charges for the use of the project; in accordance with  
48 Title 5, section 1742-D, to contract with holders of its  
49 securities for the fixing and collection of those fees, rentals  
50 and other charges; and to provide for the adoption of reasonable

2 and proper rules as necessary to ensure the maximum use of the  
facilities of the project at all times;

4 10. Provide financing or refinancing. To provide financing  
6 for the project or to provide refinancing of existing  
indebtedness, and, for the financing of that project and of other  
8 necessary and usual attendant facilities, to borrow money and  
issue negotiable securities and to provide for the rights of the  
holders of those securities;

10 11. Make and execute contracts and other financial  
12 documents. To make and execute contracts and all other  
14 instruments, including trust agreements and other financial  
documents, and enter into transactions as necessary or convenient  
for the exercise of its powers and functions under this Act;

16 12. Enter agreements; accept contributions, aid and  
18 grants. To enter into agreements with and accept loans, aid,  
contributions and grants from and the cooperation or assistance  
20 of the United States or an agency of the United States, or of the  
State or an agency or governmental subdivision of the State,  
22 including but not limited to the development, maintenance,  
operation and financing of the project, and to do all things  
24 necessary to avail itself of those loans, aid, contributions,  
grants and cooperation;

26 13. Enter agreements or other transactions. To enter into  
28 agreements or other transactions with any person, including  
construction agreements, purchase or acquisition agreements and  
30 loan or lease agreements with leasing corporations or other  
financial intermediaries;

32 14. Accept aid or contributions. To accept from any source  
34 aid or contributions of money, property, labor or other things of  
value, subject to the conditions upon which those grants and  
36 contributions are made, including, but not limited to, gifts or  
grants from a department or agency of the United States or the  
38 State for a purpose consistent with this Act;

40 15. Procure insurance. To procure insurance against any  
42 loss connected with its securities, its property and other assets  
in amounts and from insurers it considers desirable, including  
the Bureau of General Services, Division of Risk Management;

44 16. Consent to modification of contract, lease, indenture  
46 or agreement. To the extent permitted under its contract with  
the holders of securities, to consent to modification of a  
48 contract, lease, indenture or agreement to which the authority is  
a party;

50

2 17. Manage or operate real and personal property. To  
4 manage or operate real and personal property, take assignments of  
leases and rentals or take other action necessary or incidental  
to the performance of its duties;

6 18. Lease or rent land, buildings, structures, facilities  
8 or equipment. To lease or rent to the State or an agency,  
10 instrumentality or department of the State, for amounts the  
12 authority determines, land, buildings, structures, facilities or  
14 equipment comprising all or a portion of the project. The  
16 obligation of the State or of an agency, instrumentality or  
department to make rental or other payments is considered  
executory only to the extent of money made available by the  
Legislature, and liability may not be incurred by the State or an  
agency, instrumentality or department beyond the money available  
for that purpose;

18 19. Make secured or unsecured loans. To make secured or  
20 unsecured loans to provide temporary or permanent financing or  
22 refinancing of all or part of the cost of the project, including  
24 the refunding of outstanding obligations, mortgages or advances  
issued, made or given by a person or other entity for the cost of  
the project;

26 20. Invest funds. Except as otherwise provided in this  
28 Act, to invest funds not needed for immediate use, including  
funds held in reserve, in property or securities in which  
fiduciaries in the State may legally invest funds;

30 21. Make appearances. To appear in its own behalf before  
32 boards, commissions, departments or agencies of Federal  
Government, State Government or municipal government;

34 22. Take action granted or implied. To take any action  
36 necessary to exercise the powers granted in this Act or  
reasonably implied from this Act; and

38 23. Accept federal funds, gifts and contributions. For the  
40 purposes set forth in section 1718, to accept federal funds,  
42 gifts and contributions that include, but are not limited to:  
money; annuities and investments; furnishings, including  
paintings, artifacts and similar items; or anything of value.

44 §1705. Issuance of securities

46 1. Resolution for issuance of securities. At one time or  
48 from time to time the authority may provide by resolution for the  
issuance and sale by the authority of securities, in the  
50 authority's own name, to pay the cost of a project approved by  
the authority or to refinance existing indebtedness. Securities

2 of the authority may not be authorized and issued except pursuant  
4 to a resolution adopted by the majority vote of the members of  
6 the authority. The resolution must include the general purpose  
8 or purposes for which the securities are issued and the maximum  
10 principal amount of those securities.

12 2. **Limitation on securities issued.** The authority may not  
14 issue outstanding securities in excess of \$25,000,000 at any one  
16 time except for the issuance of revenue-refunding securities  
18 authorized by section 1709. The amount of securities that may be  
20 outstanding in the name of the authority may be increased by the  
22 Legislature upon a showing by the authority that its available  
24 revenues are sufficient to support additional issuance of bonds  
26 and that the issuance of bonds will not materially impair the  
28 credit standing of the authority, the investment status of bonds  
30 issued by the authority or the ability of the authority to  
32 fulfill its commitments to bondholders.

34 3. **After issuance.** After issuance, all securities of the  
36 authority are presumed to be fully and duly authorized and issued  
38 under the laws of the State, and any person or governmental unit  
40 is estopped from questioning their authorization, sale, issuance,  
42 execution or delivery by the authority.

44 4. **Form of securities.** The securities of each issue must  
46 be dated, must mature at a time or times not exceeding 40 years  
48 from their date or dates of issuance and must bear interest at a  
50 rate or rates, including variable, floating or adjustable rates,  
2 authorized by the authority. These securities may be made  
4 redeemable, callable or subject to purchase or tender before  
6 maturity, at a price or prices and under terms and conditions  
8 provided by the authority before the issuance of the securities.  
10 The authority shall determine the form of the securities,  
12 including any interest coupons to be attached to the securities,  
14 and the manner of execution of the securities and shall fix the  
16 denomination or denominations of the securities and the place or  
18 places of payment of principal and interest, which may be at a  
20 bank, national banking association or trust company in or outside  
22 the State. Securities must be executed in the name of the  
24 authority by the manual or facsimile signature of the official or  
26 officials authorized in the resolution to execute those  
28 securities. Coupons attached to securities, if any, must be  
30 executed with the facsimile signature of the official or  
32 officials designated in the resolution. If an official whose  
34 signature or a facsimile of whose signature appears on securities  
36 or coupons ceases to be an official before the delivery of those  
38 securities, the signature or the facsimile is valid and  
40 sufficient for all purposes, with the same effect as if that  
42 official had remained in office until the delivery.

2 Notwithstanding other provisions of this Act or recitals in  
3 securities issued under this Act, all such securities are  
4 considered negotiable instruments issued under the laws of the  
5 State. The securities may be issued in coupon or registered  
6 form, or both, as the authority determines. Provisions may be  
7 made for the registration of coupon securities as to principal  
8 alone and as to both principal and interest, and for the  
9 reconversion into coupon securities of securities registered as  
10 to both principal and interest. The authority may sell the  
11 securities at either public or private sale in a manner and for a  
12 price it determines to be for the best interests of the authority.

13  
14 5. Award and select securities. The power to fix the date  
15 of sale of securities, to receive bids or proposals, to award and  
16 sell securities, to set the terms and provisions of securities  
17 and to take all actions necessary to sell and deliver securities  
18 may be delegated to any officer of the authority by a majority of  
19 the members of the authority.

20 6. Proceeds of securities. The proceeds of the securities  
21 of each issue must be used solely for the purpose or purposes for  
22 which the securities were authorized and must be disbursed in  
23 that manner and under those restrictions the authority provides  
24 in the resolution authorizing the issuance of the securities or  
25 in the trust agreement securing the securities. If the proceeds  
26 of the securities are less than the cost, additional securities  
27 may be issued in like manner to provide the amount of the  
28 deficiency and, unless otherwise provided in the authorizing  
29 resolution or in the trust agreement securing the securities, are  
30 considered to be of the same issue and are entitled to payment  
31 from the same fund without preference or priority of the  
32 securities first issued for the same purpose. The resolution  
33 providing for the issuance of securities and any trust agreement  
34 securing the securities may contain limitations upon the issuance  
35 of additional securities the authority considers proper.  
36 Additional securities must be issued under restrictions and  
37 limitations prescribed by the resolution or trust agreement. The  
38 authority may provide for the replacement of securities that  
39 become mutilated, destroyed, stolen or lost. Securities may be  
40 issued under this Act without obtaining the consent of any  
41 department, division, commission, board, bureau or agency of the  
42 State and without any proceedings or conditions other than those  
43 specifically required by this Act.

44  
45 7. Use of proceeds. The proceeds of the securities of each  
46 issue must be used for the payment of all or part of the cost of  
47 the project for which authorized and must be disbursed in the  
48 manner and under the restrictions provided in the resolution  
49 authorizing the issuance of the bonds or in the trust agreement  
50 securing the securities. Bond proceeds may be used to pay all

2 costs incurred in issuing the bonds and interest on the bonds for  
3 the time authorized by the authority, subject to the provisions  
4 of this Act, and to establish reserve funds and sinking funds for  
5 the bonds.

6 8. Interim or temporary securities. Before the preparation  
7 of definitive securities, the authority may, under like  
8 restrictions, issue interim or temporary securities with or  
9 without coupons, exchangeable for definitive securities when  
10 those securities are executed and are available for delivery.

11 9. Securing of principal and interest. The principal of  
12 and interest on securities issued by the authority must be  
13 secured by a pledge of the revenues and receipts derived by the  
14 authority from the project financed and from other revenues of  
15 the authority specially pledged by the authority and may be  
16 secured by a mortgage covering all or part of the project,  
17 including enlargements of and additions to the project. The  
18 resolution under which the bonds may be issued and any mortgage  
19 may contain agreements and provisions respecting the maintenance  
20 of the project covered; the fixing and collection of rents, fees  
21 or other charges; the creation and maintenance of special funds  
22 from the revenues and any reserve funds; and the rights and  
23 remedies available in the event of default, all as the authority  
24 considers advisable and not in conflict with the provisions of  
25 this Act. Each pledge, agreement and mortgage made for the  
26 benefit or security of the holders of securities continues in  
27 effect until the principal of and interest on the securities for  
28 the benefit for which the securities were made have been fully  
29 paid.

30  
31 **§1706. Pledges and covenants; trust agreement**

32  
33 In the discretion of the authority, securities issued under  
34 this Act may be secured by a trust agreement by and between the  
35 authority and a corporate trustee, which may be any trust company  
36 or bank or national banking association having the powers of a  
37 trust company in or outside the State. The trust agreement or  
38 the resolution providing for the issuance of the securities may  
39 pledge or assign all or any portion of the revenues of the  
40 authority or a project of the authority and may contain  
41 provisions for protecting and enforcing the rights and remedies  
42 of the holders of securities that are reasonable and proper and  
43 not in violation of law. The provisions may include covenants  
44 setting forth the duties of the authority in relation to the  
45 acquisition of property and the construction, reconstruction,  
46 renewal, replacement and insurance of a project in connection  
47 with which the securities have been authorized; the fees, charges  
48 or rents to be charged or other payments to be made for the use  
49 of or payment for securities; and the custody, safeguarding and  
50

2 application of all money. It is lawful for a bank or trust  
4 company incorporated under the laws of the State that may act as  
6 depository of the proceeds of securities or of revenues of the  
8 authority or a project to furnish indemnifying bonds or to pledge  
those instruments as required by the authority. Such a trust  
agreement may set forth the rights and remedies of the holders of  
the securities and of the trustee and may restrict the individual  
right of action by holders of securities.

10 To secure the payment of the securities, a trust agreement  
12 or other financial document may mortgage or assign the mortgage  
14 of a project and create a lien upon any or all of the revenues of  
16 the authority or a project or upon any or all of the real or  
18 personal property constituting a part of that project. The trust  
agreement, financial document or resolution may contain other  
provisions the authority considers reasonable and proper for the  
security of the holders of securities.

20 A trust agreement or financial document containing a  
22 mortgage or assignment of a mortgage in respect to a project may  
24 authorize the trustee or mortgagee in the event of a default as  
26 defined, in respect to the securities issued to provide for the  
28 costs of that project, to take possession of all or any part of  
30 the mortgaged property constituting the project; to hold, operate  
32 and manage the project; and, with or without taking possession,  
34 to sell or from time to time lease the project. A judgment for  
36 possession may be without conditions and such a sale or lease is  
not subject to a right to redeem the mortgaged property. Upon  
satisfaction of the obligations secured by the mortgage in  
respect to the project, which includes all applicable fees and  
expenses, surplus proceeds from the operation, sale or lease of  
the project must be paid to the mortgagor of the project or to  
those claiming under the mortgagee and, subject to sale or lease  
under this paragraph, the mortgaged property in respect to the  
project reverts to or is returned to the mortgagor or to those  
claiming under the mortgagee.

38 All expenses incurred in carrying out the trust agreement,  
40 financial document or resolution may be treated as part of the  
42 cost of the operation of a project. All pledges of revenues  
44 under this Act are valid and binding from the time the pledge is  
46 made. All revenues pledged and received by the authority are  
48 immediately subject to the lien of the pledges without physical  
delivery or further action under the Uniform Commercial Code or  
otherwise. The lien of the pledges is valid and binding against  
all parties having claims of any kind in tort, contract or  
otherwise against the authority, irrespective of whether the  
parties have notice of the lien.

2 A resolution or resolutions authorizing securities or any  
3 issue of securities, or a trust agreement with respect to  
4 securities, may contain provisions, which are a part of the  
5 contract or contracts with the holders of the securities, that:

6 1. Pledge the full faith and credit of authority. Pledge  
7 the full faith and credit of the authority or of all or any  
8 specified revenues or assets of the authority to secure the  
9 payment of the securities or of any issue of securities, subject  
10 to agreements with holders of securities that may then exist;

11 2. Pledge unencumbered revenues or assets of authority.  
12 Pledge all or part of the unencumbered revenues or assets of the  
13 authority to secure the payment of the securities or of any issue  
14 of securities, subject to agreements with holders of securities  
15 that may then exist;

16 3. Set aside reserves or sinking funds. Set aside reserves  
17 or sinking funds and provide for the regulation and disposition  
18 of the funds;

19 4. Limit use of proceeds of sale of securities. Limit the  
20 purpose to which the proceeds of sale of securities may be  
21 applied and pledge the proceeds to secure the payment of the  
22 securities or of any issue of securities;

23 5. Limit issuance of additional securities. Limit the  
24 issuance of additional securities, the terms upon which  
25 additional securities may be issued and secured and the refunding  
26 of outstanding or other securities;

27 6. Amend or abrogate contract terms; procedure. Prescribe  
28 the procedure, if any, by which the terms of a contract with  
29 holders of securities may be amended or abrogated, the amount of  
30 securities the holders of which must consent to that amendment  
31 and the manner in which the consent may be given;

32 7. Limit money expended by authority for expenses. Limit  
33 the amount of money that may be expended by the authority for  
34 operating, administrative or other expenses of the authority;

35 8. Vest in trustee rights, powers and duties in trust.  
36 Vest in a trustee any property, rights, powers and duties in  
37 trust the authority determines, which may include any or all of  
38 the rights, powers and duties of the trustee appointed for the  
39 holders of securities issued pursuant to this Act;

40 9. Define default; provide rights and remedies. Define the  
41 acts or omissions to act that constitute a default in the  
42 obligations and duties of the authority to the holders of the  
43 securities;

2 securities and provide for the rights and remedies of the holders  
4 of the securities in the event of that default, including as a  
6 matter of right the appointment of a receiver, but only if those  
8 rights and remedies are not inconsistent with the general laws of  
10 the State and the other provisions of this Act; and

12 10. Affect security. Include other matters that affect the  
14 security or protection of the holders of the securities.

16 **§1707. Trust funds**

18 All money received pursuant to the authority of this Act is  
20 considered to be trust funds, to be held and applied solely as  
22 provided in this Act. An officer to whom, or a bank, trust  
24 company or other fiscal agent or trustee to which, that money is  
26 paid shall act as trustee of the money and shall hold and apply  
28 the money for the purpose of this Act, subject to rules that may  
30 be adopted by the authority pursuant to this Act and that the  
32 resolution or trust agreement may provide.

34 **§1708. Remedies**

36 By action, mandamus or other proceeding, a holder of  
38 securities issued under this Act or of any of the coupons  
40 attached to those securities and the trustee under an applicable  
42 financial document, a resolution or a trust agreement, except to  
44 the extent the rights given are restricted by the resolution  
46 authorizing the issuance of the securities or the trust  
48 agreement, may protect and enforce all rights under the laws of  
50 the State or granted under this Act or under the resolution,  
financial document or trust agreement, including the appointment  
of a receiver, and may enforce and compel the performance of all  
duties required by this Act or by the resolution, financial  
document or trust agreement to be performed by the authority,  
including the collecting of rates, rents, fees and charges for  
the use of any or all of the project's facilities. Any such  
suit, action or proceeding must be brought for the benefit of all  
the holders of the securities and coupons, subject to the terms  
of such a resolution, trust agreement or financial document.

**§1709. Revenue-refunding securities**

The authority may provide by resolution for the issuance of  
revenue-refunding securities of the authority to refund  
obligations of the authority or to refinance existing  
indebtedness, then outstanding, issued or incurred under this  
Act, including the payment of a redemption premium and interest  
accrued or to accrue to the date of redemption of those  
obligations and in addition, if considered advisable by the  
authority, to construct improvements, extensions, enlargements or

2 additions of the project in connection with which the obligations  
3 to be refunded were issued. The authority may provide by  
4 resolution for the issuance of securities of the authority to  
5 refund outstanding obligations or revenue-refunding securities;  
6 to refinance existing indebtedness, which must have been issued  
7 or incurred under this Act, including the payment of any  
8 redemption premium on that indebtedness and interest accrued or  
9 to accrue to the date of redemption of the obligations; or to pay  
10 all or part of the cost of acquiring, constructing or enabling  
11 the acquisition or construction of an additional project or  
12 making improvements, extensions, enlargements or additions to a  
13 project. The issuance of the securities; the maturities and other  
14 details of the securities; the rights and remedies of the holders  
15 of the securities; and the rights, powers, privileges, duties and  
16 obligations of the authority with respect to the securities are  
17 governed by this Act.

18 **§1710. Tax exemption**

19 Securities issued under this Act constitute a proper public  
20 purpose and those securities, their transfer and the income from  
21 those securities, including profits from their sale, are exempt  
22 from taxation in this State.

23 **§1711. Governmental functions**

24 The authority's exercise of the powers and duties conferred  
25 upon it by this Act is the performance of an essential function.  
26 Nothing contained in this Act limits or restricts the powers and  
27 duties of the authority.

28 **§1712. Liberal construction**

29 This Act is necessary for the welfare of the State and its  
30 inhabitants and is liberally construed to effect its purposes.  
31 In the event of a conflict between this Act and another law, this  
32 Act prevails. The power and authority granted by this Act are in  
33 addition to and not in derogation of power and authority granted  
34 by any other law.

35 **§1713. Securities as legal investment**

36 The securities of the authority are legal investments in  
37 which all public officers and public bodies of the State and its  
38 political subdivisions; all municipalities and municipal  
39 subdivisions; all insurance companies and associations and other  
40 persons carrying on an insurance business; all banks, bankers,  
41 banking associations, trust companies, savings banks and savings  
42 associations, including savings and loan associations, building  
43 and loan associations, investment companies and other persons

2 carrying on a banking business; all administrators, guardians,  
4 executors, trustees and other fiduciaries; and all other persons  
6 who are now or may be authorized to invest in bonds or other  
8 obligations of the State, may properly and legally invest funds,  
10 including capital, that are in their control or belong to them.  
12 The securities are also, by this Act, made securities that may  
14 properly and legally be deposited with and received by all public  
16 officers and bodies of the State or an agency or political  
18 subdivision of the State and all municipalities and public  
20 corporations for any purpose for which the deposit of securities  
22 or bonds or other obligations of the State is authorized by law.

24 **§1714. Conflicts**

26 A member of the authority may not participate in a decision  
28 on a contract entered into by the authority under this Act if  
30 that member has a direct or indirect interest in a firm,  
32 partnership, corporation or association that is party to the  
34 contract. The interest must be disclosed to the authority in  
36 writing and set forth in the minutes of the authority.

38 **§1715. Actions against authority**

40 A member of the authority acting within the scope of this  
42 Act is not subject to personal liability resulting from the  
44 exercise of the authority's purposes or powers.

46 **§1716. Contract of State**

48 The State pledges and agrees with the holders of securities  
50 that the State will not limit or alter the rights vested in the  
52 authority to acquire, construct, reconstruct, equip and operate a  
54 project and related facilities; to establish and collect fees,  
56 charges, rentals and other charges referred to in this Act; and  
58 to fulfill the terms of agreements made with the holders of the  
60 securities, or impair the rights and remedies of the holders of  
62 the securities, until those securities together with interest on  
64 the securities, interest on unpaid installments on interest and  
66 all costs and expenses in connection with an action or a  
68 proceeding by or on behalf of the holders of those securities are  
70 fully met and discharged.

72 **§1717. Credit of State not pledged**

74 Securities issued under this Act do not constitute or create  
76 debts or liabilities on behalf of the State or of a political  
78 subdivision of the State other than the authority or a loan of  
80 the credit of the State or a pledge of the faith and credit of  
82 the State or of a political subdivision other than the authority,  
84 but are payable solely from the funds provided for that payment.

2 Those securities must contain on their face a statement to the  
4 effect that neither the State nor a political subdivision of the  
6 State is obligated to pay the securities or the interest on those  
8 securities except from revenues of the authority or the project  
10 for which they are issued and that neither the faith and credit  
12 nor the taxing power of the State or of a political subdivision  
14 of the State is pledged to the payment of the principal of or the  
16 interest on the securities. The issuance of securities under  
18 this Act does not directly, indirectly or contingently obligate  
20 the State or a political subdivision of the State to levy or to  
22 pledge a form of taxation or to make an appropriation for their  
24 payment. Nothing contained in this section prevents or may be  
construed to prevent the authority from pledging its full faith  
and credit to the payment of securities authorized pursuant to  
this Act.

18 **§1718. Gifts and contributions**

20 The authority may accept gifts and contributions as provided  
22 in section 1704, subsection 23 to design, construct, reconstruct,  
24 renovate or acquire a project in accordance with section 1705,  
subsection 2. The authority may accept gifts to furnish state  
office buildings. Furnishings include, but are not limited to,  
paintings, artifacts, furniture and similar articles.

26 1. Acceptance of money. In accepting gifts of money,  
28 federal funds or other types of income, the authority shall place  
30 this money in a special account for the purpose for which it is  
provided. The authority may invest the money as provided in this  
chapter, subject to limitations imposed by the donor.

32 2. Acceptance of furnishings. In accepting furnishings for  
34 a project, the authority shall allocate the furnishings as  
directed by the donor.

36  
38 **STATEMENT OF FACT**

40 This bill creates the Maine Office Development Authority for  
42 the purpose of renovating or constructing state-owned facilities  
to house the functions of State Government when practicable and  
in the best interests of the State.

44  
46 This document has not yet been reviewed to determine the  
48 need for cross-reference, stylistic and other technical  
amendments to conform existing law to current drafting standards.