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TRANSPORTATION

Reported by: Senator PARADIS of Aroostook for the Committee.

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STATE OF MAINE
SENATE
117TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 102, L.D. 242, Bill, "An
Act to Increase the Bonding Limits of the Maine Turnpike
Authority"

Amend the bill by striking out everything after the enacting
clause and before the statement of fact and inserting in its
place the following:

'Sec. 1. 23 MRSA §1968, as amended by PL 1993, c. 410, Pt.
MM, §7, is repealed and the following enacted in its place:

§1968. Issuance of bonds

The authority may issue bonds as follows.

1. Turnpike revenue bonds. The authority may provide by
resolution from time to time for the issuance of turnpike revenue
bonds, including notes or other evidences of indebtedness or
obligations defined to be bonds under this chapter, but not
exceeding $116,000,000 in the principal amount at any one time
outstanding exclusive of refundings, for any purpose described in
section 1969, subsection 1.

2. Bonds for construction and reconstruction of
interchanges. In addition to bonds outstanding pursuant to
subsection 1, the authority may provide by resolution from time
to time for the issuance of turnpike revenue bonds, including
notes or other evidences of indebtedness or obligations defined
to be bonds under this chapter, but not exceeding $40,000,000 in
principal amount at any one time outstanding exclusive of

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refundings, to pay the cost, or a portion of the cost, of constructing or reconstructing interchanges. Construction or reconstruction costs of interchanges paid for with bonds in accordance with this subsection must be determined by the Department of Transportation and the authority to have a sufficient relationship to the public's use of the turnpike and the orderly regulation and flow of traffic on the turnpike in accordance with section 1974, subsection 3. New interchanges paid for with bonds in accordance with this subsection must be located in the Portland-Westbrook segment, the Lewiston-Auburn-Sabattus segment, or the Gray-New Gloucester segment of the turnpike.

3. Bonds; negotiable; not debt of State. The bonds of the authority do not constitute a debt of the State or of any agency or political subdivision of the State and are payable solely from the operating revenues of the turnpike. Notwithstanding any provision of law, any bonds issued pursuant to this chapter are fully negotiable. If any of the members or officers of the authority whose signatures appear on the bonds or coupons cease to be members or officers before the delivery of the bonds, the signature is, nevertheless, valid and sufficient for all purposes as if the members or officers had remained in office until that delivery.

Whether or not the bonds are of such form and character as to be negotiable instruments under the Title 11, Article 8, the bonds are hereby made negotiable instruments within the meaning of and for all the purposes of Title 11, Article 8, subject only to the provisions of the bonds for registration.

It is the intention of this chapter that any pledge made by the authority in respect to the bonds or notes is valid and binding from the time when the pledge is made; that the funds or property so pledged and thereafter received by the authority is immediately subject to the lien of that pledge without any physical delivery of those funds or property or further act; and that the lien of such a pledge is valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority irrespective of whether those parties have notice of that lien. Neither the resolution, trust indenture nor any other instrument by which a pledge is created need be recorded.

The authority may, in the resolution authorizing prospective issues, provide as to those bonds:

A. The manner of executing the bonds and coupons:
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B. The form and denomination of the bonds;

C. Maturity dates not more than 25 years from the date or dates of issuance, excluding the period, if any, during which bond anticipation notes are outstanding;

D. The interest rate or rates on the bonds, which may be fixed or variable or a combination of both;

E. For the redemption prior to maturity and the premium payable for the bonds;

F. The place or places for the payment of interest and principal;

G. For registration if the authority determines it to be desirable;

H. For the pledge of all or any of the operating revenues of the turnpike for securing payment;

I. For the replacement of lost, destroyed or mutilated bonds;

J. The setting aside of revenue and sinking funds and the regulation and disposition of these revenues and funds and for limitations on reserves, if any, established for capital outlay from operating revenues;

K. For limitations on the issuance of additional bonds;

L. For the procedure, if any, by which the contract with the bondholders may be abrogated or amended;

M. For the manner of sale, which may be public or private, and purchase of the bonds;

N. For covenants against pledging any or certain of the operating revenues of the turnpike;

O. For covenants fixing and establishing the prices, rates and charges for the use of the turnpike and other services made available in connection with the turnpike so as to provide at all times funds that will be sufficient:

(1) To pay all costs of operation and maintenance of the turnpike, together with the necessary repairs to the turnpike;
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(2) To meet and pay the principal and interest of all such bonds as they severally become due and payable;

(3) For the creation of these reserves for the principal and interest of all such bonds and for the meeting of contingencies and the operation and maintenance of the turnpike as the authority determines; and

(4) To pay other lawful charges or costs for which the authority is responsible;

P. For such other covenants as to such prices, rates and charges as the authority determines;

Q. For covenants as to the rights, liability, powers and duties arising upon the breach by the authority of any covenant, condition or obligation;

R. For covenants as to the bonds to be issued and as to the issuance of the bonds in escrow and otherwise and as to the use and disposition of the proceeds of the bonds;

S. For covenants as to the use of its property and the maintenance and replacement of the property and the insurance to be carried on the property and the use and disposition of insurance money;

T. For limitations upon the exercise of the powers conferred upon the authority by this chapter;

U. For the issuance of these bonds in series or in serial form or for a stated term of years with or without mandatory retirements from a sinking fund or otherwise;

V. For the issuance, in addition to the issuance of notes and other evidences of indebtedness or obligations authorized under this chapter, of notes in anticipation of authorized bonds and for the exercise with respect to the bond anticipation notes of any or all of its powers delineated in this chapter for the issuance of bonds; and

W. For the performance by the authority of any acts and things necessary or convenient or desirable in order to secure its bonds or in the absolute discretion of the authority as will tend to make the bonds more marketable notwithstanding that those acts or things may not be enumerated in this chapter.'
STATEMENT OF FACT

This amendment repeals and replaces the Maine Revised Statutes, Title 23, section 1968. The replacement language contains all provisions of former Title 23, section 1968 and, in addition, provides for an increase of $30,000,000 in the Maine Turnpike Authority's general bond capacity and an additional $40,000,000 in bond capacity for the Maine Turnpike Authority's interchange program. It specifies that new interchanges paid for with bonds must be located in the Portland-Westbrook, Lewiston-Auburn-Sabattus or Gray-New Gloucester segments of the turnpike.