

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIRST LEGISLATURE

Legislative Document

No. 874

S. P. 301

In Senate, January 30, 1963

Referred to Committee on Public Utilities. Sent down for concurrence and ordered printed.

CHESTER T. WINSLOW, Secretary

Presented by Senator Philbrick of Penobscot.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-THREE

AN ACT to Create the Maine Power Authority.

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

Sec. 1. Power project. In order to conserve and develop the water and power resources of the Saint John River in the most economical way for the benefit of the people of the State of Maine and to promote the agricultural, industrial and commercial development of the State, the Maine Power Authority (hereinafter created) is hereby authorized and empowered to construct, reconstruct, maintain, repair, operate and regulate a hydro electric power project located principally in the Counties of Aroostook and Piscataquis and the Province of Quebec, and to issue revenue bonds of the authority, payable solely from revenues, to finance such project.

Sec. 2. Credit of State not pledged. Revenue bonds issued under the provisions of this act shall not be deemed to constitute any debt or liability of the State of Maine or of any political subdivision thereof or a pledge of the faith and credit of the State of Maine or of any such political subdivision, but shall be payable solely from the funds herein provided therefor from revenues. All such revenue bonds shall contain on the face thereof a statement to the effect that neither the State of Maine nor the authority shall be obligated to pay the same or the interest thereon except from revenues of the power project or the portion thereof for which they are issued and that neither the faith and credit nor the taxing power of the State of Maine or of any political subdivision thereof is pledged to the payment of the principal of or the interest on such bonds. The issuance of revenue bonds under the provisions of this act shall not directly or indirectly or contingently obligate the State of Maine or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment.

All expenses incurred in carrying out the provisions of this act shall be payable solely from funds provided under the authority of this act and no liability or obligation shall be incurred by the authority hereunder beyond the extent to which moneys shall have been provided under the provisions of this act.

Sec. 3. Maine Power Authority. There is hereby created a body politic and corporate to be known as the "Maine Power Authority". The authority is hereby constituted a public instrumentality and the exercise by the authority of the powers conferred by this act in the construction, reconstruction, maintenance, repair, operation and regulation of the power project authorized by this act shall be deemed and held to be the performance of an essential government function.

The Maine Power Authority shall consist of 5 members including the Governor, who shall be a member and the chairman of the authority ex officio, and 4 members appointed by the Governor by and with the advice and consent of the council, who shall at all times be citizens of the State of Maine. Two appointed members shall be residents of the First Congressional District and the other appointed members shall be residents of the 2nd Congressional District. Any member who shall cease to reside within the district from which he was appointed shall thereupon be disqualified from holding office as a member of the authority. The appointed members of the authority shall serve for terms expiring on July 1, 1964, July 1, 1965, July 1, 1966, and July 1, 1967, respectively, and until their respective successors shall be appointed and qualified, the term of each such member to be designated by the Governor. The successor of each of the appointed members shall be appointed for a term of 4 years but any person appointed to fill a vacancy shall be appointed to serve only for the unexpired term, and a member of the authority shall be eligible for reappointment. Each member of the authority may be removed by the Governor with the consent of the council for misfeasance, malfeasance or willful neglect of duty. Each appointed member of the authority before entering upon his duties shall take and subscribe the oath or affirmation required by Article IX, Section 1, of the Constitution of the State of Maine. A record of each such oath shall be filed in the office of the Secretary of State.

The authority shall elect a secretary-treasurer who need not be a member of the authority, and who shall serve at the pleasure of the authority and shall receive such compensation as shall be fixed by the authority. The secretary-treasurer shall keep a record of the proceedings of the authority and shall be custodian of all books, documents and papers filed with the authority and of the minute book or journal of the authority and of its official seal. He shall have authority to cause copies to be made of all minutes and other records and documents of the authority and to give certificates under the official seal of the authority to the effect that such copies are true copies, and all persons dealing with the authority may rely upon such certificates.

Three members of the authority shall constitute a quorum and the affirmative vote of 3 members shall be necessary for any action taken by the authority. No vacancy in the membership of the authority shall impair the right of a quorum to exercise all the rights and perform all the duties of the authority. Before the issuance of any revenue bonds under the provisions of this act, each appointed member of the authority shall execute a surety bond in the penal sum of \$50,000

and the secretary-treasurer shall execute a surety bond in the penal sum of \$100,000, each such surety bond to be conditioned upon the faithful performance of the duties of his office, to be executed by a surety company authorized to transact business in the State of Maine as surety and to be approved by the Attorney General and filed in the office of the Secretary of State.

The members of the authority shall receive no salary but shall be paid their necessary expenses while engaged in the discharge of their duties, and the appointed members of the authority shall be paid the sum of \$50 for each day or portion thereof in which they are engaged in the performance of such duties.

Sec. 4. Definitions. As used in this act, the following words and terms shall have the following meanings unless the context shall indicate another or different meaning or intent:

(a) The word "authority" shall mean the Maine Power Authority created by section 3 of this act, or, if said authority shall be abolished, the board, body, commission, department or officer succeeding to the principal functions thereof or to whom the powers given by this act to the authority shall be given by law.

(b) The word "project" or the words "power project" shall mean the project constructed by the authority under the provisions of this act for beneficially controlling the flow and utilizing the water resources of the Saint John River and its tributaries, consisting of 2 developments, the Cross Rock Development located principally in the Counties of Aroostook and Piscataquis, State of Maine, and the International Development in the Province of Quebec, Canada, adjacent to and northwest of the Cross Rock Development, which will also utilize water resources in the Province of Quebec, including all dams, reservoirs, aqueducts, canals, locks, ditches, flumes, culverts, tunnels, penstocks, pipes and pipelines, mains, bridges, roads, powerhouses, turbines, generators, substations, switching stations, high voltage, not less than 115,000 volts, transmission lines wherever located, plant facilities, and all other buildings, structures and facilities which the authority may deem necessary for or useful in the operation of such project, together with all lands, property, rights, rights of way, franchises, easements and interests in lands which may be acquired by the authority for the construction or operation of the project.

(c) The word "cost" as applied to the power project or any portion thereof financed under the provisions of this act shall embrace the cost of construction, the cost of the acquisition of all lands, structures, property, rights, rights of way, franchises, easements and interests acquired by the authority for such construction, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved, the cost of all machinery and equipment, financing charges, interest prior to and during construction and, if deemed advisable by the authority, for a period not exceeding 2 years after completion of such construction, provisions for working capital, reserves for interest and for extensions, enlargements, additions and improvements, cost of engineering, financial and legal services, plans, specifications, studies, surveys, estimates of cost and of revenues, administrative expenses, expenses necessary or incident to determining the feasibility or practicability of constructing the project or any such portion, and such other expenses as may

be necessary or incident to the construction of the project or any such portion, the financing of such construction and the placing of the project or any such portion in operation. Any obligation or expense hereafter incurred by the State of Maine with the approval of the authority for studies, surveys, borings, preparation of plans and specifications, and other engineering services in connection with the construction of the project or any such portion shall be regarded as a part of the cost of the project or such portion and shall be reimbursed to the State of Maine out of the proceeds of the revenue bonds issued for the project or any such portion as hereinafter authorized.

(d) The word "bonds" or the words "revenue bonds" shall mean revenue bonds of the authority issued under the provisions of this act.

(e) The word "owner" shall include all individuals, copartnerships, associations or corporations and also municipalities, political subdivisions and all public agencies and instrumentalities having any title or interest in any property, rights, easements and interests authorized to be acquired by this act.

Sec. 5. General grant of powers. The authority is hereby authorized and empowered:

(a) to have perpetual succession as a body politic and corporate, and to adopt bylaws for the regulation of its affairs and the conduct of its business;

(b) to adopt an official seal and alter the same at pleasure;

(c) to maintain an office at such place or places as it may designate;

(d) to sue and be sued in its own name, plead and be impleaded;

(e) to determine the location and character of the project or any portion thereof to be financed under the provisions of this act, and to construct, reconstruct, maintain, repair, operate and regulate the same, and to enter into contracts for the management or operation of the Project or any portion thereof;

(f) to issue bonds, notes and other obligations of the authority for any of its corporate purposes, and to fund or refund the same, all as provided in this act;

(g) to fix and revise from time to time and charge and collect rates, fees and charges for the use of and for the services furnished or to be furnished by the project or any portion thereof;

(h) to establish rules and regulations for the use of the project;

(i) to acquire, hold, lease and dispose of real and personal property in the State of Maine and in the Province of Quebec, Canada, in the exercise of its powers and the performance of its duties under this act; provided, however, that the authority shall have no power to acquire by purchase, by condemnation or by the exercise of the power of eminent domain or otherwise any corporation or public utility engaged in the transmission, distribution and sale of electric energy within or without the State of Maine or in Canada;

(j) to sell or purchase for resale, or enter into contracts for supplying or transmitting, electric energy, to enter into interchange agreements involving

electric energy, and to lease the project or any portion thereof for such period or periods of years, not exceeding 99 years, and upon such terms and conditions as the authority shall determine; provided, however, that any such contract, agreement, or lease shall be subject to the approval of the Public Utilities Commission.

(k) to make application or cause application to be made to the appropriate agencies and officials of the Federal Government and Canada or its provinces for such licenses, permits or approvals with respect to the project or any portion thereof as it may deem necessary or desirable, and, in its discretion and upon such terms and conditions as it may deem appropriate, to accept such licenses, permits or approvals as may be tendered to it by such agencies or officials; and to enter into contracts with such agencies or officials relating to the construction or operation of the project or any portion thereof; if for any reason the authority shall fail to secure any such license, permit or approval as it may deem necessary or desirable, or shall not make application therefor, it is authorized to institute suit, or to apply to the Congress for legislation, or take such other action in the premises as it may deem necessary or desirable, in the furtherance of the project and for the protection of its rights and those of the State of Maine;

(l) to make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this act;

(m) to employ consulting engineers, attorneys, accountants, construction and financial experts, superintendents, managers, and such other employees and agents as may be necessary in its judgment, and to fix their compensation;

(n) to receive and accept from any federal agency loans or grants for or in aid of the construction of the project or any portion thereof, and to receive and accept aid or contributions from any source of either money, property, labor or other things of value, to be held, used and applied only for the purposes for which such loans, grants and contributions may be made;

(o) to provide cabins, lodges and other facilities for the utilization of the project for recreational purposes and to lease any such facilities, and to cooperate with the appropriate agencies of the State of Maine for the accomplishment of such purposes; and

(p) to do all acts and things necessary or convenient to carry out the powers expressly granted in this act.

Sec. 6. Acquisition of Property. The authority is hereby authorized and empowered to acquire by purchase, subject to the provisions of paragraph (i) of section 5 of this act, whenever it shall deem such purchase expedient, solely from funds provided under the authority of this act, such lands, structures, property, rights, rights of way, franchises, easements and other interests in lands, including lands lying under water and riparian rights, which are located within the State of Maine or in the Province of Quebec, Canada, as it may deem necessary or convenient for the construction or operation of the project, upon such terms and at such prices as may be considered by it to be reasonable and can be agreed upon between it and the owner thereof, and to take title thereto in the name of the authority.

All counties, cities, towns and other political subdivisions and all public agencies and commissions of the State, notwithstanding any contrary provision of law, are hereby authorized and empowered to lease, lend, grant or convey to the authority at its request upon such terms and conditions as the proper authorities of such counties, cities, towns, political subdivisions, agencies or commissions of the State may deem reasonable and fair and without the necessity for any advertisement, order of court or other action or formality, other than the regular formal action of the authorities concerned, any real property which may be necessary or convenient to the effectuation of the authorized purposes of the authority, including public roads and other real property already devoted to public use.

Whenever a reasonable price cannot be agreed upon, or whenever the owner is legally incapacitated or is absent, unknown or unable to convey valid title, the authority is hereby authorized and empowered, subject to the provisions of paragraph (i) of section 5 of this act, to acquire by condemnation or by the exercise of the power of eminent domain any lands, structures, property, rights, rights of way, franchises, easements and other interests in lands, including public lands, parks, playgrounds, reservations, highways or parkways, or parts thereof or rights therein, of any person, copartnership, association, railroad, public service, public utility or other corporation, municipality or political subdivision deemed necessary or convenient for the construction or the efficient operation of the project or necessary in the restoration of public or private property damaged or destroyed. Any such proceedings shall be conducted, and the compensation to be paid shall be ascertained and paid, in accordance with the provisions of section 5 of chapter 69, private and special laws of Maine of 1941, which relate to condemnation or the exercise of the power of eminent domain by the Maine Turnpike Authority, in so far as the same may be applicable, and, except as hereafter provided in this section, the Maine Power Authority shall have the right to immediate possession under the conditions prescribed by said Section 5.

If the owner, lessee or occupier of any property to be condemned shall refuse to remove his personal property therefrom or give up possession thereof, the authority may proceed to obtain possession in any manner now or hereafter provided by law; provided, however, that when a parcel of private property so taken is used in whole or in part for residential purposes, the owner or owners of said parcel may, within 30 days of the date of the authority's notice to vacate such parcel, appeal to the authority for a postponement of the date set for vacating, whereupon the authority shall grant to the owner or owners of the property a postponement of 3 months from the date upon which such appeal was mailed. Any such appeal for postponement shall be in the form of a written request to the authority sent by registered mail, return receipt requested.

Sec. 7. Incidental powers. The authority shall have power to vacate or relocate any public highway affected by the construction of the project in the manner now provided by law for the vacation or relocation of public roads, and any damages awarded on account thereof shall be paid by the authority as a part of the cost of the project.

In addition to the foregoing power the authority and its authorized agents and employees may enter upon any lands, waters and premises in the State of Maine

for the purpose of making studies, surveys, soundings, drillings and examinations as they may deem necessary or convenient for the purposes of this act, and such entry shall not be deemed a trespass, nor shall an entry for such purposes be deemed an entry under any condemnation proceedings which may be then pending. The authority shall make reimbursement for any actual damage resulting to such lands, waters and premises as a result of such activities.

The authority shall also have power to make reasonable regulations for the installation, construction, maintenance, repair, renewal, relocation and removal of tracks, pipes, mains, conduits, cables, wires, towers, poles and other equipment and appliances, herein called "public utility facilities", of any public utility or pipe line company in, on, along, over or under the project. Whenever the authority shall determine that it is necessary that any such public utility facilities which now are, or hereafter may be, located in, on, along, over or under the project should be relocated or should be removed, the owner or operator of such facilities shall relocate or remove the same in accordance with the order of the authority; provided, however, that the cost and expenses of such relocation or removal, including the cost of installing such facilities in a new location or new locations, and the cost of any lands, or any rights or interests in lands, and any other rights, acquired to accomplish such relocation or removal, shall be ascertained and paid by the authority as a part of the cost of the project. In case of any such relocation or removal of facilities, the owner or operator of the same, their successors or assigns, may maintain and operate such facilities, with the necessary appurtenances, in the new location or new locations, for as long a period and upon the same terms and conditions, as they had the right to maintain and operate such facilities in their former location or locations.

The State of Maine hereby consents to the use by the authority without the payment of compensation therefor of all lands owned by it, including lands lying under water, which are deemed by the authority to be necessary for the construction or operation of the project.

Sec. 8. Revenue bonds. The authority is hereby authorized to provide for the issuance, at one time or from time to time, of revenue bonds of the authority for the purposes of paying all or any part of the cost of the project or any portion or portions thereof, and the cost of replacements, extensions, enlargements and improvements. The principal of and the interest on such bonds shall be payable solely from the funds herein provided for such payment. The bonds of each issue shall be dated, shall bear interest at such rate or rates not exceeding 6% per annum, shall mature at such time or times not exceeding 60 years from their date or dates, as may be determined by the authority, and may be made redeemable before maturity, at the option of the authority, at such price or prices and under such terms and conditions as may be fixed by the authority prior to the issuance of the bonds. The authority shall determine the form and the manner of execution of the bonds, including any interest coupons to be attached thereto, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest, which may be at any bank or trust company within or without the State. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature

or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. The bonds may be issued in coupon or in registered form, or both, as the authority may determine, and provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, for the reconversion into coupon bonds of any bonds registered as to both principal and interest, and for the interchange of registered and coupon bonds. The authority may sell such bonds in such manner, either at public or private sale, and for such price as it may determine will best effect the purposes of this act.

The proceeds of the bonds of each issue shall be disbursed in such manner and under such restrictions, if any, as the authority may provide in the resolution authorizing the issuance of such bonds or in the trust agreement hereinafter mentioned securing the same. If the proceeds of the bonds of any issue, by error of estimates or otherwise, shall be less than such cost, additional bonds may in like manner be issued to provide the amount of such deficit, and, unless otherwise provided in the resolution authorizing the issuance of such bonds or in the trust agreement securing the same, shall be deemed to be of the same issue and shall be entitled to payment from the same fund without preference or priority of the bonds first issued. If the proceeds of the bonds of any issue shall exceed such cost, the surplus shall be deposited to the credit of the sinking fund for such bonds, or may be applied to the payment of the cost of any additional portion or portions of the project.

Prior to the preparation of definitive bonds, the authority may, under like restrictions, issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The authority may also provide for the replacement of any bonds which shall become mutilated or shall be destroyed or lost. Bonds may be issued under the provisions of this act without obtaining the consent of any department, division, commission, board, bureau or agency of the State, and without any other proceedings or the happening of any other conditions or things than those proceedings, conditions or things which are specifically required by this act.

Sec. 9. Trust agreement. In the discretion of the authority any bonds issued under the provisions of this act may be secured by a trust agreement by and between the authority and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within or without the State. Such trust agreement or the resolution providing for the issuance of such bonds may pledge or assign the revenues to be received, but shall not convey or mortgage the project or any portion thereof. Such trust agreement or resolution providing for the issuance of such bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority in relation to the acquisition of property and the construction, improvement, maintenance, repair, operation and insurance of the project or the portion or portions thereof in connection with which such bonds shall have been authorized, the rates, fees and charges to be fixed and collected, the custody, safeguarding and application of all moneys, and conditions or limitations with respect to the issuance of addi-

tional bonds. It shall be lawful for any bank or trust company incorporated under the laws of the State which may act as depository of the proceeds of bonds or of revenues to furnish such indemnifying bonds or to pledge such securities as may be required by the authority. Any such trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees, and may restrict the individual right of action by bondholders. In addition to the foregoing, any such trust agreement or resolution may contain such other provisions as the authority may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of such trust agreement or resolution may be treated as a part of the cost of the operation of the project.

Sec. 10. Revenues. The authority is hereby authorized to fix, revise, charge and collect rates, fees and charges for the use of and for the services furnished or to be furnished by the project or any portion thereof, and to contract with any person, partnership, association or corporation desiring the use of any part or all thereof, and to fix the terms, conditions, rents and rates of charges for such use. Such rates, fees and charges shall be so fixed and adjusted in respect of the aggregate of rates, fees and charges from the project or any portion or portions thereof in connection with which the bonds of any issue shall have been issued as to provide funds sufficient with other revenues, if any, (a) to pay the cost of maintaining, repairing, and operating the project or such portion, (b) to pay the principal of and the interest on such bonds as the same shall become due and payable, (c) to create and maintain reserves for such purposes, and (d) to make the annual payments to the Treasurer of the State of Maine which are required by this section. Such rates, fees and charges shall be subject to the jurisdiction of the Public Utilities Commission as required under chapter 44 of the Revised Statutes 1954 of the State of Maine as amended but shall not be subject to supervision or regulation by any other commission, board, bureau or agency of the State of Maine. A sufficient amount of the revenues derived from the project or any portion or portions thereof in connection with which the bonds of any issue shall have been issued, except such part thereof as may be necessary to pay such cost of maintenance, repair and operation and to provide such reserves therefor and for renewals, replacements, extensions, enlargements and improvements as may be provided for in the resolution authorizing the issuance of such bonds or in the trust agreement securing the same, shall be set aside at such regular intervals as may be provided in such resolution or such trust agreement in a sinking fund which is hereby pledged to, and charged with, the payment of the principal of and the interest on such bonds as the same shall become due, and the redemption price or the purchase price of bonds retired by call or purchase as therein provided. Such pledge shall be valid and binding from the time when the pledge is made; the rates, fees and charges and other revenues or other moneys so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority, irrespective of whether such parties have notice thereof. Neither the resolution nor any trust agreement by which a pledge is created need be filed or recorded except in the records of the authority. The use and disposition of moneys to the credit of such sinking fund shall be

subject to the provisions of the resolution authorizing the issuance of such bonds or of such trust agreement. Except as may otherwise be provided in such resolution or such trust agreement, such sinking fund shall be a fund for all such bonds without distinction or priority of one over another.

Beginning in the calendar year following the placing in operation of the project or any portion thereof for which bonds shall be issued under the provisions of this act, and in each succeeding calendar year thereafter, the authority shall pay or cause to be paid on or before the first day of April to the Treasurer of the State of Maine a sum equal to 5% of the gross revenues of the authority actually received during the preceding calendar year from the sale of electric energy generated by the project, the sum so paid to be deemed to be general revenue of the State of Maine.

Sec. 11. Trust funds. All moneys received pursuant to the authority of this act, whether as proceeds from the sale of bonds or as revenues, shall be deemed to be trust funds to be held and applied solely as provided in this act. Any officer with whom, or any bank or trust company with which, such moneys shall be deposited shall act as trustee of such moneys and shall hold and apply the same for the purposes hereof, subject to such regulations as this act and the resolutions authorizing the bonds of any issue or the trust agreement securing such bonds may provide.

Sec. 12. Remedies. Any holder of bonds issued under the provisions of this act or any of the coupons appertaining thereto, and the trustee or trustees under any trust agreement, except to the extent the rights herein given may be restricted by such trust agreement or the resolution authorizing the issuance of such bonds, may, either at law or in equity, by suit, action, mandamus or other proceedings, protect and enforce any and all rights under the laws of the State or granted hereunder or under such trust agreement or resolution, and may enforce and compel the performance of all duties required by this act or by such trust agreement or resolution to be performed by the authority or by any officer thereof, including the fixing, charging and collecting of rates, fees and charges.

Sec. 13. Negotiable instruments. Notwithstanding any of the foregoing provisions of this act or any recitals in any bonds issued under the provisions of this act, all such bonds shall be deemed to be negotiable instruments under the laws of this State.

Sec. 14. Exemption from taxation. The exercise of the powers granted by this act will be in all respects for the benefit of the people of the State of Maine, for the increase of their commerce and prosperity, and for the improvement of their health and living conditions, and as the operation and maintenance of the power project or any portion thereof by the authority will constitute the performance of an essential governmental function, the authority shall not be required to pay any taxes or assessments upon the power project or property acquired or used by the authority under the provisions of this act or upon the income therefrom, and any bonds issued under the provisions of this act, their transfer and the income therefrom, including any profit made on the sale thereof shall at all times be free from taxation within the State.

Sec. 15. Bonds eligible for investment. Bonds issued by the authority under

the provisions of this act are hereby made securities in which all public officers and public bodies of the State and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the State for any purpose for which the deposit of bonds or obligations of the State is now or may hereafter be authorized by law.

Sec. 16. Bond; Anticipation notes. The authority shall have power, at any time and from time to time after the issuance of bonds of the authority shall have been authorized, to borrow money for the purpose for which such bonds are to be issued in anticipation of the receipt of the proceeds of the sale of such bonds and within the authorized maximum amount of such bond issue. Bond anticipation notes shall be issued for moneys borrowed under the provisions of this section, which notes shall be payable solely from the proceeds of the sale of such bonds. Such notes shall mature not later than 5 years after the date on which the issuance of such bonds shall have been authorized. Such notes may be renewed from time to time, but all such notes shall mature within the time limited for the payment of the original loan. Such notes shall be authorized by a resolution of the authority and shall be in such denomination or denominations, shall bear interest at such rate or rates not exceeding 6% per annum, shall be in such form and shall be executed in such manner, all as the authority shall prescribe. Such notes may be sold at either public or private sale or, if such notes shall be renewal notes, they may be exchanged for notes then outstanding on such terms as the authority shall determine.

Sec. 17. Revenue refunding bonds. The authority is hereby authorized to provide for the issuance of revenue bonds of the authority for the purpose of refunding any bonds then outstanding which shall have been issued under the provisions of this act, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds, and, if deemed advisable by the authority, for the additional purpose of paying all or any part of the cost of constructing improvements, extensions, or enlargements of the project or any portion thereof in connection with which the bonds to be refunded shall have been issued or all or any part of the cost of any additional portion of the project. In case such bonds shall be issued for the purpose or in part for the purpose of refunding outstanding bonds prior to their stated maturity or earliest redemption date, the authority must determine either (a) that such refunding will result in savings to the authority, taking into account the redemption premium, if any, to be paid and the interest to accrue to such maturity or redemption date, the savings resulting from a reduction in the interest rate borne by the outstanding bonds, any premium or discount on the sale of such refunding bonds and the income to be received from the investment of the proceeds of such refunding bonds, or (b) that such refunding is necessary to avoid a default in the payment of the principal of such outstanding bonds at their stated maturity. The issuance of such bonds, the maturities and other details thereof, the right of the holders thereof, and the rights, duties and obligations of the authority in respect of the same, shall be governed by the provisions of this act in so far as the same may be applicable.

Sec. 18. Miscellaneous. Any action taken by the authority under the provisions of this act may be authorized by resolution at any regular or special meeting, and each such resolution shall take effect immediately and need not be published or posted.

The authority shall cause the project or any portion thereof when constructed and placed in operation to be maintained and kept in good condition and repair.

Within the first 90 days of each calendar year, the authority shall make an annual report to the Legislature of its activities for the preceding calendar year. Each such report shall set forth a complete operating and financial statement covering its operations during such year. The authority shall cause an audit of its books and accounts to be made at least once in each year by certified public accountants and the cost thereof may be treated as a part of the cost of construction or operation.

Sec. 19. Preliminary expenses. To provide for the preliminary expenses of the authority in carrying out the provisions of this act the sum of \$50,000 is appropriated from the Unappropriated Surplus of the General Fund, which sum shall be paid to the authority and, simultaneously with the delivery of the bonds of the first issue, the sum so paid shall be reimbursed by the authority to the State for the credit of the General Fund out of the proceeds of such bonds.

The authority is hereby authorized and directed to make such surveys and studies of the project or any portion thereof as may be necessary to effect the financing authorized by this act at the earliest practicable time, and for this purpose to employ such engineers, legal and financial experts and such other employees and agents as it may deem necessary.

Sec. 20. Additional method. The foregoing sections of this act shall be deemed to provide an additional and alternative method for the doing of the things authorized thereby, and shall be regarded as supplemental and additional to powers conferred by other laws; provided, however, that the issuance of revenue bonds or revenue refunding bonds under the provisions of this act need not comply with the requirements of any other law applicable to the issuance of bonds.

Except as otherwise expressly provided in this act, none of the powers granted to the authority under the provisions of this act shall be subject to the supervision or regulation or require the approval or consent of any municipality or political subdivision or any commission, board, bureau, official or agency thereof or of the State.

Sec. 21. Act liberally construed. This act, being necessary for the welfare of the State of Maine and its inhabitants, shall be liberally construed to effect the purposes thereof.

Sec. 22. Constitutional construction. The provisions of this act are severable, and if any of its provisions shall be held unconstitutional by any court of competent jurisdiction, the decision of such court shall not affect or impair any of the remaining provisions.

Sec. 23. Inconsistent laws inapplicable. All other general or special laws, or parts thereof, inconsistent herewith are hereby declared to be inapplicable to the provisions of this act.