

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 1504

7 S.P. 564

In Senate, May 9, 1985

8 Reference to the Committee on Judiciary suggested and ordered printed.

9 JOY J. O'BRIEN, Secretary of the Senate

10 Presented by Senator Carpenter of Aroostook.

Cosponsored by Representative Kane of So. Portland.

11
12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-FIVE
16

17 AN ACT to Establish the Maine Court
18 Facilities Authority.
19

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

22 Sec. 1. 4 MRSA c. 31 is enacted to read:

23 CHAPTER 31

24 MAINE COURT FACILITIES AUTHORITY

25 §1501. Short title

26 This chapter shall be known and may be cited as
27 the "Maine Court Facilities Authority Act."

28 §1502. Maine Court Facilities Authority; members;
29 compensation

30 1. Establishment; membership. The Maine Court
31 Facilities Authority is created as a body corporate

1, and politic and a public instrumentality and agency
2 of the State. The exercise by the authority of pow-
3 ers conferred by this chapter shall be deemed to be
4 the performance of essential governmental functions.
5 The authority shall consist of 5 members who shall
6 each serve for a term of 5 years and be appointed by
7 the Governor, subject to review by the joint standing
8 committee of the Legislature having jurisdiction over
9 State Government and confirmation by the Legislature.
10 Any member of the authority may be removed by the
11 Governor for cause. In the event of vacancy occur-
12 ring in the membership, the Governor shall appoint a
13 replacement member for the remainder of that term.
14 Any member of the authority shall be eligible for re-
15 appointment.

16 2. Oath. Each member of the authority before
17 commencing his duties shall take an oath to adminis-
18 ter the duties of his office faithfully and impar-
19 tially and that oath shall be filed in the office of
20 the Secretary of State.

21, 3. Officers; quorum. The authority shall elect
22 from its membership a chairman, a vice-chairman, a
23 secretary and a treasurer. Three members of the au-
24 thority shall constitute a quorum and the vote of 3
25 members shall be necessary for any action taken by
26 the authority. No vacancy in the membership of the
27 authority may impair the right of a quorum to exer-
28 cise all the rights and perform all the duties of the
29 authority.

30 4. Compensation. A member of the authority
31 shall not receive compensation for serving as a mem-
32 ber of the authority, but each member shall be reim-
33 bursed by the authority for actual expenses at the
34 same rate as paid to state employees. Each member of
35 the authority shall be indemnified by the authority
36 against expenses actually and necessarily incurred by
37 him in connection with the defense of any action or
38 proceeding in which he is made a party by reason of
39 his being or having been a member of the authority,
40 against any final judgment rendered against him in
41 that action or proceeding.

42' §1503. Definitions

1 As used in this chapter, unless the context indi-
2 cates otherwise, the following terms have the follow-
3 ing meanings.

4 1. Act. "Act" means the Maine Court Facilities
5 Authority Act.

6 2. Authority. "Authority" means the Maine Court
7 Facilities Authority as established by this Act.

8 3. Bonds. "Bonds" means any bonds of the Maine
9 Court Facilities Authority issued pursuant to this
10 Act.

11 4. Cost. "Cost," as applied to a project,
12 projects or part of any project, includes, but is not
13 limited to:

14 A. The purchase price or acquisition cost of any
15 such project, projects or part of any project;

16 B. The cost of construction, building, altera-
17 tion, enlargement, reconstruction, renovation,
18 improvement and remodeling;

19 C. The cost of all labor, materials, machinery
20 and equipment;

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

24 E. The cost of all utility extensions, access
25 roads, site development, financing charges, pre-
26 miums for insurance, interest prior to and during
27 construction and for 6 months after construction;

28 F. The cost of working capital related to the
29 project, projects or part of any project;

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

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

34 I. The cost of reserves for payment of future
35 debt service on securities;

1 J. The cost of all other expenses necessary or
2 incident to determining the feasibility or prac-
3 ticability of the project, projects or part of
4 any project;

5 K. Administrative and operating expenses; and

6 L. Such other expenses as may be necessary or
7 incident to the project, projects or part of any
8 project and financing or refinancing authorized,
9 including the refunding of any outstanding obli-
10 gations, mortgages or advances issued, made or
11 given by any person for any of the costs men-
12 tioned in this subsection.

13 5. Holder of securities or holder. "Holder of
14 securities" or "holder" or any similar term, when
15 used with reference to securities of the Maine Court
16 Facilities Authority, means any person who is the
17 bearer of any outstanding securities of the authority
18 registered to bearer or not registered, or the regis-
19 tered owner of any outstanding securities of the au-
20 thority which, at the time, is registered other than
21 to bearer.

22 6. Notes. "Notes" means any notes of the Maine
23 Court Facilities Authority issued pursuant to this
24 Act.

25 7. Project, projects or part of any project.
26 "Project, projects or part of any project" means the
27 acquisition, construction, improvement, reconstruc-
28 tion or equipping of, or construction of an addition
29 or additions to, any structure designed for use as a
30 court facility. "Project, projects or part of any
31 project" includes all real and personal property,
32 lands, improvements, driveways, roads, approaches,
33 pedestrian access roads, parking lots, parking facil-
34 ities, rights-of-way, utilities, easements and other
35 interests in land, machinery and equipment and all
36 appurtenances and facilities either on, above or un-
37 der the ground which are used or usable in connection
38 with the structure, and also includes landscaping,
39 site preparation, furniture, machinery, equipment and
40 other similar items necessary or convenient for the
41 operation of a particular facility or structure in
42 the manner for which its use is intended. "Project,

1 projects or part of any project" does not include
2 such items as fuel, supplies or other items which are
3 customarily considered as a current operating charge.

4 8. Securities. "Securities" means any bonds,
5 notes or other evidences of indebtedness authorized
6 by this Act.

7 §1504. Powers

8 In order to carry out the purposes of this Act,
9 the Maine Court Facilities Authority shall have the
10 following powers with respect to project, projects or
11 part of any project together with all powers incident-
12 al to those powers or necessary for the performance
13 of the following:

14 1. Perpetual succession. To have perpetual suc-
15 cession as a body politic and corporate and an in-
16 strumentality or agency of the State;

17 2. Power to sue and be sued. To sue and be
18 sued, and complain and defend, in its own name, and
19 to plead and be impleaded;

20 3. Official seal. To adopt and have an official
21 seal and alter the seal at pleasure;

22 4. Bylaws; rules. To make and enforce bylaws or
23 rules for the conduct of its affairs and business and
24 for use of its services and facilities;

25 5. Acquire real or personal property. To ac-
26 quire real or personal property, or any interest in
27 real or personal property, including rights or ease-
28 ments, on either a temporary or long-term basis by
29 gift, purchase, transfer, foreclosure, lease or oth-
30 erwise, to improve, hold, sell with or without public
31 bidding, assign, lease, rent, encumber, mortgage or
32 otherwise dispose of any real or personal property,
33 or any interest in real or personal property, or
34 mortgage interests owned or in its control, custody
35 or possession and release or relinquish any right,
36 title claim, lien, interest, easement or demand, how-
37 ever acquired, including threat of foreclosure;

1 6. Prepare and plan projects and facilities. To
2 prepare or cause to be prepared plans, specifica-
3 tions, designs and estimates of costs for the con-
4 struction and equipment of the project, projects or
5 part of any project and attendant facilities and from
6 time to time to modify those plans, specifications,
7 designs or estimates;

8 7. Improve, furnish and equip project, projects
9 or part of any project and attendant facilities. By
10 contract or contracts to construct, acquire, alter,
11 repair, reconstruct, rehabilitate and improve, and
12 furnish and equip, the project, projects or part of
13 any project and necessary and usual attendant facili-
14 ties;

15 8. Maintain, reconstruct and operate until secu-
16 rities no longer outstanding. To maintain, recon-
17 struct and operate the project, projects or part of
18 any project until the cost of the project, projects
19 or any part of the project and the outstanding secu-
20 rities issued with respect to the project, projects
21 or any part of the project are no longer deemed out-
22 standing;

23 9. Fix and collect fees. To fix and collect
24 fees, rentals and other charges for the use of the
25 project, projects or part of any project; to contract
26 with holders of its securities for the fixing and
27 collection of those fees, rentals and other charges;
28 to provide for the promulgation of such reasonable
29 and proper rules as may be necessary to assure the
30 maximum use of the facilities of any project,
31 projects or part of any project at all times;

32 10. Provide for financing or refinancing. To
33 provide financing for any project, projects or part
34 of any project or to provide for refinancing of ex-
35 isting indebtedness, and, for the financing of the
36 project, projects or part of any project and of other
37 necessary and usual attendant facilities, to borrow
38 money and to issue negotiable securities and to pro-
39 vide for the rights of the holders of those securi-
40 ties;

41 11. Make and execute contracts and other finan-
42 cial documents. To make and execute contracts and

1 all other instruments, including trust agreements and
2 other financial documents, and enter into such trans-
3 actions as is necessary or convenient for the exer-
4 cise of its powers and functions under this Act;

5 12. Agreements; acceptions; contributions; aid;
6 grants. To enter into agreements with and accept
7 loans, aid, contributions, grants and the cooperation
8 or assistance of the United States, or any agency of
9 the United States, or of the State or any agency or
10 governmental subdivision in furtherance of the pur-
11 poses of this Act, including, but not limited to, the
12 development, maintenance, operation and financing of
13 any project, projects or part of any project and to
14 do any and all things necessary in order to avail it-
15 self of those loans, aid, contributions, grants and
16 cooperation;

17 13. Agreements or other transactions. To enter
18 into agreements or other transactions with any per-
19 son, the purpose of which is to effectuate the pur-
20 poses of this Act, including construction agreements,
21 purchase or acquisition agreements and loan or lease
22 agreements, with leasing corporations or other finan-
23 cial intermediaries;

24 14. Accept aid or contributions. To receive and
25 accept aid or contributions, from any source, of mon-
26 ey, property, labor or other things of value, to be
27 held, used and applied to carry out the purposes of
28 this Act, subject to the conditions upon which those
29 grants and contributions may be made, including, but
30 not limited to, gifts or grants from any department
31 or agency of the United States or the State for any
32 purpose consistent with this Act;

33 15. Insurance. To procure insurance against any
34 loss in connection with its securities and its prop-
35 erty and other assets in such amounts and from such
36 insurers as it deems desirable;

37 16. Modification of contract, lease, indenture
38 or agreement. To the extent permitted under its con-
39 tract with the holders of securities, to consent to
40 any modification of any contract, lease, indenture or
41 agreement of any kind to which the authority is a
42 party;

1 17. Manage or operate real and personal property.
2 To manage or operate real and personal property,
3 take assignments of leases and rentals or take any
4 other action necessary or incidental to the perform-
5 ance of its duties under this Act;

6 18. Lease or rent any land, buildings, struc-
7 tures, facilities or equipment. To lease or rent any
8 land, buildings, structures, facilities or equipment
9 comprising all or a portion of a project, projects or
10 part of any project for such amounts as the authority
11 shall determine to the State or any agency, instru-
12 mentality or department of the State to further the
13 purposes of the Act; provided that the obligation of
14 the State or of any such agency, instrumentality or
15 department to make any rental or other payments shall
16 be deemed executory only to the extent of money made
17 available by the Legislature, and that no liability
18 on account of the state agency, instrumentality or
19 department may be incurred by the State or any such
20 agency, instrumentality or department beyond the mon-
21 ey available for that purpose;

22 19. Secured or unsecured loans. To make secured
23 or unsecured loans for the purpose of providing tem-
24 porary or permanent financing or refinancing of all
25 or part of the cost of any project, projects or part
26 of any project, including the refunding of any out-
27 standing obligations, mortgages or advances issued,
28 made or given by any person or other entity for the
29 cost of a project, projects or part of any projects;

30 20. Investments. Except as otherwise provided
31 in this Act, to invest any funds not needed for imme-
32 diate use, including any funds held in reserve, in
33 property or securities in which fiduciaries in the
34 State may legally invest funds;

35 21. Appearances. To appear in its own behalf
36 before boards, commissions, departments or agencies
37 of municipal, State or Federal Government;

38 22. Executive director; other employees. To em-
39 ploy an executive director, consulting engineers, ar-
40 chitects, attorneys, accountants, construction and
41 financial experts and such other employees and agents
42 as may be necessary in its judgment; and

1 23. All acts granted or implied. To do any act
2 necessary or convenient to exercise the powers
3 granted in this Act or reasonably implied from this
4 Act.

5 §1505. Issuance of securities

6 1. Resolution for issuance of securities. The
7 Maine Court Facilities Authority is authorized to
8 provide by resolution, at one time or from time to
9 time, for the issuance and sale by it of securities,
10 in its own name, for the purpose of paying the cost
11 of any project, projects or part of any project, or
12 the refinancing of existing indebtedness, approved by
13 the authority. No securities of the authority may be
14 authorized and issued except pursuant to a resolution
15 adopted by the vote of not less than a majority of
16 the members of the authority. The resolution shall
17 describe the general purpose or purposes for which
18 the securities are to be issued and state the maximum
19 principal amount of the securities proposed to be is-
20 ssued.

21 2. After issuance. After issuance, all securi-
22 ties of the authority shall be conclusively presumed
23 to be fully and duly authorized and issued under the
24 laws of the State and any person or governmental unit
25 shall be estopped from questioning their authoriza-
26 tion, sale, issuance, execution or delivery by the
27 authority.

28 3. Form of securities. The securities of each
29 issue shall be dated, shall mature at such time or
30 times not exceeding 40 years from their date or dates
31 and shall bear interest at such rate or rates, in-
32 cluding variable, floating or adjustable rates, as
33 may be authorized by the authority. These securities
34 may be made redeemable, callable or subject to pur-
35 chase or tender before maturity, at such price or
36 prices and under such terms and conditions as may be
37 provided for by the authority prior to the issuance
38 of the securities. The authority shall determine the
39 form of the securities, including any interest cou-
40 pons to be attached to the securities, if any, and
41 the manner of execution of the securities and shall
42 fix the denomination or denominations of the securi-
43 ties and the place or places of payment of principal

1 and interest, which may be at any bank, national
2 banking association or trust company within or with-
3 out the State. Securities shall be executed in the
4 name of the authority by the manual or facsimile sig-
5 nature of such official or officials as may be autho-
6 rized in the resolution to execute those securities.
7 Coupons, if any, attached to securities, shall be ex-
8 ecuted with the facsimile signature of the official
9 or officials designated in the resolution. If any
10 official whose signature or a facsimile of whose sig-
11 nature appears on any securities or coupons ceases to
12 be an official before the delivery of the securities,
13 the signature or the facsimile shall be valid and
14 sufficient for all purposes, with the same effect as
15 if he had remained in office until the delivery.

16 Notwithstanding any of the other provisions of this
17 Act or any recitals in any securities issued under
18 this Act, all such securities shall be deemed to be
19 negotiable instruments issued under the laws of the
20 State. The securities may be issued in coupon or
21 registered form, or both, as the authority may deter-
22 mine. Provisions may be made for the registration of
23 any coupon securities as to principal alone and as to
24 both principal and interest, and for the reconversion
25 into coupon securities of any securities registered
26 as to both principal and interest. The authority may
27 sell the securities in such manner, either at public
28 or private sale, and for such price as it may deter-
29 mine to be for the best interests of the authority.

30 4. Award and select securities. The power to
31 fix the date of sale of any securities, to receive
32 bids or proposals, to award and sell any securities,
33 to set the terms and provisions of any securities and
34 to take all other action necessary to sell and deliver
35 any securities may be delegated to any officer of
36 the authority by a majority of the members of the au-
37 thority.

38 5. Proceeds of securities. The proceeds of the
39 securities of each issue shall be used solely for the
40 purpose or purposes for which the securities were au-
41 thorized and shall be disbursed in such manner and
42 under such restrictions as the authority may provide
43 in the resolution authorizing the issuance of the se-
44 curities or in the trust agreement securing the secu-

1 rities. If the proceeds of the securities, by error,
2 of estimates or otherwise, are less than the cost,
3 additional securities may, in like manner, be issued
4 to provide the amount of the deficiency and, unless
5 otherwise provided in the authorizing resolution or
6 in the trust agreement securing the securities, shall
7 be deemed to be of the same issue and shall be enti-
8 tled to payment from the same fund without preference
9 or priority of the securities first issued for the
10 same purpose. The resolution providing for the issua-
11 nce of securities and any trust agreement securing
12 the securities may contain such limitations upon the
13 issuance of additional securities as the authority
14 may deem proper. Any additional securities shall be
15 issued under such restrictions and limitations as may
16 be prescribed by the resolution or trust agreement.
17 The authority may provide for the replacement of any
18 securities which become mutilated, destroyed, stolen
19 or lost. Securities may be issued under this Act
20 without obtaining the consent of any department, di-
21 vision, commission, board, bureau or agency of the
22 State and without any other proceedings or the hap-
23 pening of any other conditions or things other than
24 those proceedings, conditions or things which are
25 specifically required by this Act.

26 6. Use of proceeds. The proceeds of the securi-
27 ties of each issue shall be used for the payment of
28 all or part of the cost of the project, projects or
29 part of any project for which authorized and shall be
30 disbursed in such manner and under such restrictions
31 as are provided in the resolution authorizing the issua-
32 nce of the bonds or in the trust agreement se-
33 curing the securities. Bond proceeds may be used to
34 pay all costs incurred in issuing the bonds, interest
35 on the bonds for such time as may be authorized by
36 the authority, subject to the provisions of this Act
37 and to establish reserve funds and sinking funds for
38 the bonds.

39 7. Interim or temporary securities. Prior to
40 the preparation of definitive securities, the author-
41 ity may, under like restrictions, issue interim or
42 temporary securities with or without coupons,
43 exchangeable for definitive securities when those se-
44 curities are executed and are available for delivery.

1 8. Securing of principal and interest. The
2 principal of and interest on any securities issued by
3 the authority shall be secured by a pledge of the
4 revenues and receipts derived by the authority from
5 the project, projects or part of any project financed
6 and from such other revenues of the authority as may
7 be specially pledged by the authority and may be se-
8 secured by a mortgage covering all or any part of the
9 project, projects or part of any project, including
10 any enlargements of and additions to the project,
11 projects or part of any project thereafter made. The
12 resolution under which the bonds are authorized to be
13 issued and any mortgage may contain any agreements
14 and provisions respecting the maintenance of the
15 project, projects or part of any project covered, the
16 fixing and collection of rents, fees or other
17 charges, the creation and maintenance of special
18 funds from the revenues and any reserve funds and the
19 rights and remedies available in the event of de-
20 fault, all as the authority shall deem advisable and
21 not in conflict with the provision of this Act. Each
22 pledge, agreement and mortgage made for the benefit
23 or security of any of the holders of securities shall
24 continue in effect until the principal of and inter-
25 est on the securities for the benefit for which the
26 securities were made have been fully paid.

27 9. Securities not to constitute debt or liability
28 of State. Securities issued under this Act shall
29 not constitute any debt or liability of the State, of
30 any municipality in the State or of any political
31 subdivision of the State, but shall be payable solely
32 from the revenues of the authority or any project,
33 projects or part of any project for which they are
34 issued and all such securities shall contain on their
35 face a statement to that effect. The issuance of se-
36 curities under this Act shall not directly, indirect-
37 ly or contingently obligate the State, any municipal-
38 ity or political subdivision to levy or to pledge any
39 form of taxation whatever or to make any appropria-
40 tion for their payment.

41 §1506. Pledges and covenants; trust agreement

42 In the discretion of the authority, any securi-
43 ties issued under this Act may be secured by a trust
44 agreement by and between the authority and a corpo-

1 rate trustee, which may be any trust company or bank
2 or national banking association having the powers of
3 a trust company within or without the State. The
4 trust agreement or the resolution providing for the
5 issuance of the securities may pledge or assign all
6 or any portion of the revenues of the authority or
7 any project, projects or part of any project of the
8 authority and may contain such provisions for pro-
9 tecting and enforcing the rights and remedies of the
10 holders of securities as may be reasonable and proper
11 and not in violation of law. The provisions may in-
12 clude covenants setting forth the duties of the au-
13 thority in relation to the acquisition of property
14 and the construction, reconstruction, renewal, re-
15 placement and insurance of any project, projects or
16 part of any project in connection with which the se-
17 curities have been authorized, the fees, charges or
18 rents to be charged or other payments to be made for
19 the use thereof or payment therefor, and the custody,
20 safeguarding and application of all money. It is
21 lawful for any bank or trust company incorporated un-
22 der the laws of the State which may act as depository
23 of the proceeds of securities or of revenues of the
24 authority or any project, projects or part of any
25 project to furnish such indemnifying bonds or to
26 pledge such instruments as may be required by the au-
27 thority. Any such trust agreement may set forth the
28 rights and remedies of the holders of the securities
29 and of the trustee and may restrict the individual
30 right of action by holders of securities.

31 Any such trust agreement or other financial docu-
32 ment may, to secure the payment of the securities,
33 mortgage or assign the mortgage of any project,
34 projects or part of any project and create a lien
35 upon any or all of the revenues of the authority or
36 any project, projects or part of any project or upon
37 any or all of the real or personal property consti-
38 tuting a part of the project, projects or part of any
39 project. The trust agreement, financial document or
40 resolution may contain such other provisions as the
41 authority may deem reasonable and proper for the se-
42 curity of the holders of securities.

43 A trust agreement or financial document contain-
44 ing a mortgage or assignment of a mortgage in respect
45 to a project, projects or any part of a project may

1 authorize the trustee or mortgagee in the event of a
2 default as defined in respect of the securities is-
3 sued to provide for the costs of the project,
4 projects or any part of a project, to take possession
5 of all or any part of the mortgaged property consti-
6 tuting the project, projects or any part of a
7 project, to hold, operate and manage the project,
8 projects or any part of a project and, with or with-
9 out such taking of possession, to sell or from time
10 to time to lease the project, projects or any part of
11 a project. A judgment for possession may be without
12 conditions and such a sale or lease shall not be sub-
13 ject to any right to redeem the mortgaged property.
14 Upon satisfaction at any time of the obligations se-
15 cured by the mortgage in respect to the project,
16 projects or any part of a project, which shall be
17 deemed to include all applicable fees and expenses,
18 any surplus proceeds from the operation, sale or
19 lease of the project, projects or any part of a
20 project shall be paid to the mortgagor of the
21 project, projects or any part of a project or to
22 those claiming under the mortgagee and, subject to
23 any sale or lease under this paragraph, the mortgaged
24 property in respect to the project, projects or any
25 part of a project shall revert or be returned to the
26 mortgagor or to those claiming under the mortgagee.

27 All expenses incurred in carrying out the trust
28 agreement, financial document or resolution may be
29 treated as a part of the cost of the operation of a
30 project, projects or part of any project. All
31 pledges of revenues under this Act shall be valid and
32 binding from the time when the pledge is made. All
33 such revenues so pledged and thereafter received by
34 the authority shall immediately be subject to the
35 lien of the pledges without any physical delivery or
36 further action under the Uniform Commercial Code of
37 the State or otherwise. The lien of the pledges
38 shall be valid and binding as against all parties
39 having claims of any kind in tort, contract or other-
40 wise against the authority irrespective of whether
41 the parties have notice of the lien.

42 Any resolution or resolutions authorizing any se-
43 curities of any issue of securities, or any trust
44 agreement with respect to any securities, may contain
45 provisions, which shall be a part of the contract or

1 contracts with the holders of the securities, as to:

2 1. Pledge of full faith and credit of authority.
3 Pledging the full faith and credit of the authority
4 or of all or any specified revenues or assets of the
5 authority to secure the payment of the securities or
6 of any issue securities, subject to such agreements
7 with holders of securities as may then exist;

8 2. Pledging of unencumbered revenues or assets
9 of authority. Pledging all or any part of the unen-
10 cumbered revenues or assets of the authority to se-
11 ecure the payment of the securities or any issue of
12 securities, subject to such agreements with holders
13 of securities as may then exist;

14 3. Setting aside of reserves or sinking funds.
15 Setting aside of reserves or sinking funds and the
16 regulation and disposition of the funds;

17 4. Limitations on use of proceeds of sale of se-
18 curities. Limitations on the purpose to which the
19 proceeds of sale of securities may be applied and
20 pledging of the proceeds to secure the payment of the
21 securities or of any issue of securities;

22 5. Limitations on issuance of additional securi-
23 ties. Limitations on the issuance of additional se-
24 curities, the terms upon which additional securities
25 may be issued and secured and the refunding of out-
26 standing or other securities;

27 6. Amendment or abrogation of contract terms;
28 procedure. The procedure, if any, by which the terms
29 of any contract with holders of securities may be
30 amended or abrogated, the amount of securities the
31 holders of which must consent to and the manner in
32 which the consent may be given;

33 7. Limitations on money expended by authority
34 for expenses. Limitations on the amount of money to
35 be expended by the authority for operating, adminis-
36 trative or other expenses of the authority;

37 8. Trustee, vesting of rights; powers and duties
38 in trust. Vesting in a trustee or trustees such
39 property, rights, powers and duties in trust as the

1 authority may determine which may include any or all
2 of the rights, powers and duties of the trustee ap-
3 pointed for the holders of securities issued pursuant
4 to this Act;

5 9. Default. Defining the acts or omissions to
6 act which shall constitute a default in the obliga-
7 tions and duties of the authority to the holders of
8 the securities and providing for the rights and reme-
9 diies of the holders of the securities in the event of
10 that default, including as a matter of right the ap-
11 pointment of a receiver; but only if the rights and
12 remedies are not inconsistent with the general laws
13 of the State and the other provisions of this Act;
14 and

15 10. Other matters. Any other matters of like or
16 different character, which in any way affect the se-
17 curity or protection of the holders of the securi-
18 ties.

19 §1507. Trust funds

20 All money received pursuant to the authority of
21 this Act shall be deemed to be trust funds, to be
22 held and applied solely as provided in this Act. Any
23 officer to whom, or any bank, trust company or other
24 fiscal agent or trustee to which, that money is paid
25 shall act as trustee of the money and shall hold and
26 apply the money for the purpose of this Act, subject
27 to such rules as may be adopted by the authority pur-
28 suant to this Act and as the resolution or trust
29 agreement may provide.

30 §1508. Remedies

31 Any holder of securities issued under this Act or
32 of any of the coupons appertaining to the securities
33 and the trustee under any resolution or trust agree-
34 ment, except to the extent the rights given may be
35 restricted by the resolution authorizing the issuance
36 of the securities or the trust agreement, or applica-
37 ble financial document may, either by action, manda-
38 mus or other proceeding, protect and enforce any and
39 all rights under the laws of the State or granted un-
40 der this Act or under the resolution, financial docu-
41 ment or trust agreement, including the appointment of

1 a receiver and may enforce and compel the performance
2 of all duties required by this Act or by the resolu-
3 tion, financial document or trust agreement to be
4 performed by the authority, including the collecting
5 of rates, rents, fees and charges for the use of any
6 or all of its facilities of any project, projects or
7 part of any project. Any such suit, action or pro-
8 ceeding shall be brought for the benefit of all the
9 holders of the securities and coupons, subject to the
10 terms of any such resolution, trust agreement or fi-
11 nancial document.

12 §1509. Revenue refunding securities

13 The authority may provide by resolution for the
14 issuance of revenue refunding securities of the au-
15 thority for the purpose of refunding any obligations
16 of the authority or for the purpose of the refinanc-
17 ing of existing indebtedness, then outstanding, which
18 have been issued or incurred under this Act or other-
19 wise, including the payment of any redemption premium
20 and any interest accrued or to accrue to the date of
21 redemption of those obligations and, if deemed advis-
22 able by the authority, for the additional purpose of
23 construction or enabling the construction of improve-
24 ments, extensions, enlargements or additions of the
25 project, projects or part of any project in connec-
26 tion with which the obligations to be refunded were
27 issued. The authority may provide by resolution for
28 the issuance of securities of the authority for the
29 combined purpose of refunding any obligations or rev-
30 enue refunding securities then outstanding or for the
31 purpose of the refinancing of existing indebtedness,
32 which shall have been issued or incurred under this
33 Act or otherwise, including the payment of any red-
34 emption premium on that indebtedness and any inter-
35 est accrued or to accrue to the date of redemption of
36 the obligations and paying all or any part of the
37 cost of acquiring or constructing or enabling the ac-
38 quisition or construction of any additional project,
39 projects or part of any project, or any improvements,
40 extensions, enlargements or additions of any project,
41 projects or part of any project. The issuance of the
42 securities, the maturities and other details of the
43 securities, the rights and remedies of the holders of
44 the securities and the rights, powers, privileges,
45 duties and obligations of the authority with respect

1 to the securities, shall be governed by the provi-
2 sions of this Act.

3 §1510. Tax exemption

4 Securities issued under this Act shall be deemed
5 to constitute a proper public purpose and the securi-
6 ties so issued, their transfer and the income from
7 the securities, including any profits made on the
8 sale of the securities, at all times shall be exempt
9 from taxation within the State.

10 §1511. Governmental functions

11 The carrying out by the Maine Court Facilities
12 Authority of the powers and duties conferred upon it
13 by this Act shall be deemed to be the performance of
14 an essential function. Nothing contained in this Act
15 may in any way limit or restrict the powers and du-
16 ties of the authority granted to it.

17 §1512. Liberal construction

18 This Act, being necessary for the welfare of the
19 State and its inhabitants, shall be liberally con-
20 strued to effect its purposes. To the extent of any
21 conflict between this Act and any other law, this Act
22 shall prevail, but the power and authority granted by
23 this Act shall be deemed to be in addition to and not
24 in derogation of power and authority granted by any
25 other law.

26 §1513. Securities as legal investment

27 The securities of the authority shall be legal
28 investments in which all public officers and public
29 bodies of the State, its political subdivisions, all
30 municipalities and municipal subdivisions, all insur-
31 ance companies and associations and other persons
32 carrying on an insurance business, all banks, bank-
33 ers, banking associations, trust companies, savings
34 banks and savings associations, including savings and
35 loan associations, building and loan associations,
36 investment companies and other persons carrying on a
37 banking business, all administrators, guardians exec-
38 utors, trustees and other fiduciaries, and all other
39 persons who are now or may hereafter be authorized to

1 invest in bonds or other obligations of the State,
2 may properly and legally invest funds, including cap-
3 ital, in their control or belonging to them. The se-
4 curities are also, by this Act, made securities which
5 may properly and legally be deposited with and re-
6 ceived by all public officers and bodies of the State
7 or any agency or political subdivision of the State
8 and all municipalities and public corporations for
9 any purpose for which the deposit of securities of
10 bonds or other obligations of the State may be autho-
11 riized by law.

12 §1514. Conflicts

13 No member of the Maine Court Facilities Authority
14 may participate in any decision on any contract en-
15 tered into by the authority under this Act if he has
16 any interest, direct or indirect, in any firm, part-
17 nership, corporation or association which may be par-
18 ty to the contract. The interest shall be disclosed
19 to the authority in writing and shall be set forth in
20 the minutes of the authority.

21 §1515. Actions against authority

22 No member of the Maine Court Facilities Authori-
23 ty, while acting within the scope of the authority of
24 this Act, may be subject to any personal liability
25 resulting from the exercise or carrying out of any of
26 the authority's purposes or powers.

27 §1516. Contract of State

28 The State pledges and agrees with the holders of
29 securities that the State will not limit or alter the
30 rights vested in the authority to acquire, construct,
31 reconstruct, equip and operate a project, projects or
32 part of any project and related facilities, to estab-
33 lish and collect fees, charges, rentals and other
34 charges referred to in this Act and to fulfill the
35 terms of any agreements made with the holders of the
36 securities or in any way impair the rights and reme-
37 diies of the holders of securities until the securi-
38 ties, together with interest on securities, interest
39 on any unpaid installments on interest and all costs
40 and expenses in connection with any action or pro-
41 ceeding by or on behalf of the holders of securities
42 are fully met and discharged.

1 §1517. Credit of State not pledged

2 Securities issued under this Act shall not con-
3 stitute or create any debt or debts, liability or li-
4 abilities on behalf of the State or of any political
5 subdivision of the State other than the Maine Court
6 Facilities Authority or a loan of the credit of the
7 State or a pledge of the faith and credit of the
8 State or of any political subdivision other than the
9 authority, but shall be payable solely from the funds
10 provided for that payment. All such securities shall
11 contain on their face a statement to the effect that
12 neither the State nor any political subdivision of
13 the State be obligated to pay the securities or the
14 interest on the securities, except from revenues of
15 the authority or the project, projects or part of any
16 project for which they are issued and that neither
17 the faith and credit nor the taxing power of the
18 State or of any political subdivision of the State is
19 pledged to the payment of the principal of or the in-
20 terest on the securities. The issuance of securities
21 under this Act shall not directly, indirectly or con-
22 tingently obligate the State or any political subdi-
23 vision of the State to levy or to pledge any form of
24 taxation whatever or to make any appropriation for
25 their payment. Nothing in this section contained may
26 prevent or be construed to prevent the authority from
27 pledging its full faith and credit to the payment of
28 securities authorized pursuant to this Act.

29 Sec. 2. 5 MRSA §12004, sub-§7, ¶A, sub-¶(9) is
30 enacted to read:

31 (9) Maine Court Facilities Expenses 4 MRSA §1502
32 Authority Only

33 STATEMENT OF FACT

34 This bill establishes the Maine Court Facilities
35 Authority and authorizes the authority to issue reve-
36 nue bonds in order to provide both a mechanism to in-
37 sure adequate court facilities in the State and a
38 means of financing the cost of providing the facili-
39 ties.

40 3075042285