

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 308

H.P. 240 House of Representatives, February 6, 1987  
Reference to the Committee on Transportation suggested  
and ordered printed.

EDWIN H. PERT, Clerk  
Presented by Representative HIGGINS of Scarborough.  
Cosponsored by Representative MACOMBER of South Portland,  
Senators WHITMORE of Androscoggin and DUTREMBLE of York.

STATE OF MAINE

IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND EIGHTY-SEVEN

AN ACT to Amend the Maine Turnpike Authority  
Act.

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

Sec. 1. 23 MRSA §1961, 2nd ¶, as enacted by PL  
1981, c. 595, §3, is amended to read:

It is the expectation of the Legislature that on  
or before July 1, 1982, all bonds outstanding on June  
1, 1981, and the interest thereon will be paid or a  
sufficient amount for the payment of all bonds and  
the interest to maturity thereon will be set aside in  
trust for the benefit of the bondholders and shall  
continue to be held for the purpose. It is the ex-  
pectation of the Legislature that further bonds will  
have to be issued for the purposes provided in this

1 section. It is expected that tolls on the turnpike  
2 will have to be increased to implement this chapter.

3 Sec. 2. 23 MRSAs §1965, sub-§1, ¶D, as enacted by  
4 PL 1981, c. 595, §3, is amended to read:

5 D. Construct, maintain, reconstruct and operate  
6 a toll turnpike from a point at or near York in  
7 York County to a point at or near Augusta in Ken-  
8 nebec County, except that the traveled way shall  
9 not be widened or expanded beyond 3 lanes for  
10 each direction of travel without the express ap-  
11 proval of the Legislature;

12 Sec. 3. 23 MRSAs §1965, sub-§1, ¶R, as enacted by  
13 PL 1981, c. 595, §3, is amended to read:

14 R. Issue revenue bonds in accordance with this  
15 chapter for the purpose of payment to the Federal  
16 Government for any funds owed by the State as the  
17 result of maintaining tolls on the turnpike and  
18 issue additional revenue bonds for the construc-  
19 tion and reconstruction of interchanges and re-  
20 lated access roads and the reconstruction of the  
21 turnpike. The additional revenue bonds so issued  
22 shall not exceed \$20,000,000 in aggregate princi-  
23 pal amount outstanding at any one time, excluding  
24 bonds issued to refund outstanding bonds;

25 Sec. 4. 23 MRSAs §1968, sub-§1, as enacted by PL  
26 1981, c. 595, §3, is amended to read:

27 1. General. The authority is authorized to pro-  
28 vide by resolution from time to time for the issuance  
29 of turnpike revenue bonds, including notes or other  
30 evidences of indebtedness or obligations defined to  
31 be bonds under this chapter, but not exceeding  
32 \$20,000,000 in the principal amount at any one time  
33 outstanding exclusive of refundings, for the purpose  
34 of paying the cost of constructing, reconstructing or  
35 making extraordinary repairs to the turnpike and the  
36 location thereof, for the purpose of repaying grants  
37 or loans from the Federal Government the proceeds of  
38 which were used to construct or reconstruct the turn-  
39 pike or portions thereof or access roads or portions  
40 thereof, but only to the extent repayment is required  
41 in order for the authority to continue to collect

1 tolls on the turnpike and, with the approval of the  
2 Department of Transportation, for the purpose of pay-  
3 ing the cost, or a portion of the cost, of construc-  
4 tion or reconstruction of interchanges, or portions  
5 thereof. The bonds of the authority shall not con-  
6 stitute a debt of the State or of any agency or po-  
7 litical subdivision thereof, but shall be payable  
8 solely from the operating revenues of the turnpike.  
9 Notwithstanding any provision of any law, any bonds  
10 issued pursuant to this chapter shall be fully nego-  
11 tiable. In case any of the members or officers of  
12 the authority whose signatures appear on the bonds or  
13 coupons, if any, shall cease to be members or offi-  
14 cers before the delivery of the bonds, the signature  
15 shall, nevertheless, be valid and sufficient for all  
16 purposes the same as if the members or officers had  
17 remained in office until that delivery.

18 Whether or not the bonds are of such form and charac-  
19 ter as to be negotiable instruments under the Uniform  
20 Commercial Code, Title 11, Article 8, the bonds shall  
21 be and are hereby made negotiable instruments within  
22 the meaning of and for all the purposes of the Uni-  
23 form Commercial Code, Title 11, Article 8, subject  
24 only to the provisions of the bonds for registration.

25 It is the intention of this chapter that any pledge  
26 made by the authority in respect of the bonds or  
27 notes shall be valid and binding from the time when  
28 the pledge is made; that the moneys or property so  
29 pledged and thereafter received by the authority  
30 shall immediately be subject to the lien of such  
31 pledge without any physical delivery thereof or fur-  
32 ther act; and that the lien of any such pledge shall  
33 be valid and binding as against all parties having  
34 claims of any kind in tort, contract or otherwise  
35 against the authority irrespective of whether those  
36 parties have notice thereof. Neither the resolution,  
37 trust indenture nor any other instrument by which a  
38 pledge is created need be recorded.

39 Sec. 5. 23 MRSA §1974, sub-§1, ¶¶C, E and F, as  
40 enacted by PL 1981, c. 595, §3, are amended to read:

41 C. Construction or reconstruction to improve the  
42 turnpike to meet greater traffic demands or im-  
43 prove safety of operation, including reserves

1 therefor, as authorized in paragraph E, except  
2 that the traveled way shall not be widened or ex-  
3 expanded beyond 3 lanes for each direction of  
4 travel without the express approval of the Legis-  
5 lature;

6 E. Payments to reserve or sinking funds estab-  
7 lished by the authority to meet anticipated fu-  
8 ture costs of constructing or reconstructing des-  
9 ignated interchanges or portions thereof submit-  
10 ted by the department, or to accomplish other  
11 designated purposes for which the authority is  
12 authorized to issue bonds, provided that the  
13 funding for those projects financed from re-  
14 serves, together with the estimated future costs  
15 thereof, have been approved by the authority; and

16 F. Repayment to the Federal Government for  
17 grants or loans the proceeds of which were used  
18 in connection with the construction or recon-  
19 struction of any portion of the turnpike or of  
20 any interconnecting access roads, but only to the  
21 extent that the repayment is required in order  
22 for the authority to continue to collect tolls on  
23 the turnpike; and

24 Sec. 6. 23 MRSA §1974, sub-§1, ¶C is enacted to  
25 read:

26 G. Payment or repayment to the Federal Govern-  
27 ment or any agency of the Federal Government of  
28 any charges, taxes or other payments required by  
29 law in connection with the construction, recon-  
30 struction or operation of the turnpike or the fi-  
31 nancing or refinancing of the turnpike or any  
32 part of the turnpike.

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STATEMENT OF FACT

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This bill will enable the Maine Turnpike Authority to expand the number of travelling lanes of the turnpike, to augment the amount of bonded indebtedness the authority may incur for its purposes and to comply with provisions of the United States Internal Revenue Code concerning the rebate of the so-called arbitrage earnings received in connection with the authority's tax-exempt bonds.

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