

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 428

H.P. 329 House of Representatives, February 19, 1987  
Reference to the Committee on Judiciary suggested and  
ordered printed.

EDWIN H. PERT, Clerk  
Presented by Representative CARROLL of Gray.

Cosponsored by Senators TUTTLE of York, BRANNIGAN of  
Cumberland and Representative PARADIS of Augusta.

STATE OF MAINE

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

AN ACT to Establish the Maine Court  
Facilities Authority.

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

Sec. 1. 4 MRSA c. 33 is enacted to read:

CHAPTER 33

MAINE COURT FACILITIES AUTHORITY

§1601. Short title

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

§1602. Maine Court Facilities Authority; members;  
compensation

1           1. Establishment; membership. The Maine Court  
2 Facilities Authority is created as a body corporate  
3 and politic and a public instrumentality and agency  
4 of the State. The exercise by the authority of pow-  
5 ers conferred by this chapter shall be considered to  
6 be the performance of essential governmental func-  
7 tions. The authority shall consist of 5 members who  
8 shall each serve for a term of 5 years and be ap-  
9 pointed by the Governor, subject to review by the  
10 joint standing committee of the Legislature having  
11 jurisdiction over state and local government and con-  
12 firmation by the Legislature. Any member of the au-  
13 thority may be removed by the Governor for cause. In  
14 the event of vacancy occurring in the membership, the  
15 Governor shall appoint a replacement member for the  
16 remainder of that term. Any member of the authority  
17 shall be eligible for reappointment.

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

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

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

1     §1603. Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

1 I. The cost of reserves for payment of future  
2 debt service on securities;

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

7 K. Administrative and operating expenses; and

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

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

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

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

1 other similar items necessary or convenient for the  
2 operation of a particular facility or structure in  
3 the manner for which its use is intended. "Project,  
4 projects or part of any project" does not include  
5 such items as fuel, supplies or other items which are  
6 customarily considered as a current operating charge.

7 8. Securities. "Securities" means any bonds,  
8 notes or other evidences of indebtedness authorized  
9 by this Act.

10 §1604. Powers

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

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

20 2. Power to sue and be sued. To sue and be  
21 sued, and complain and defend, in its own name, and  
22 to plead and be impleaded;

23 3. Official seal. To adopt and have an official  
24 seal and alter the seal at pleasure;

25 4. Bylaws; rules. To make and enforce bylaws or  
26 rules for the conduct of its affairs and business and  
27 for use of its services and facilities;

28 5. Acquire real or personal property. To ac-  
29 quire real or personal property, or any interest in  
30 real or personal property, including rights or ease-  
31 ments, on either a temporary or long-term basis by  
32 gift, purchase, transfer, foreclosure, lease or oth-  
33 erwise, to improve, hold, sell with or without public  
34 bidding, assign, lease, rent, encumber, mortgage or  
35 otherwise dispose of any real or personal property,  
36 or any interest in real or personal property, or  
37 mortgage interests owned or in its control, custody  
38 or possession and release or relinquish any right,  
39 title claim, lien, interest, easement or demand, how-  
40 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 part of any project and the outstanding securities  
20 issued with respect to the project, projects or any  
21 part of the project are no longer considered 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 considers 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. To manage or operate real and personal property,  
2 take assignments of leases and rentals or take any  
3 other action necessary or incidental to the perform-  
4 ance of its duties under this Act;  
5

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 considered executory only to the extent of money  
17 made available by the Legislature, and that no lia-  
18 bility on account of the state agency, instrumentali-  
19 ty or department may be incurred by the State or any  
20 such agency, instrumentality or department beyond the  
21 money 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 diat 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 Government 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           §1605. Issuance of securities

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

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

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

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

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

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

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

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

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

38 7. Interim or temporary securities. Prior to  
39 the preparation of definitive securities, the author-  
40 ity may, under like restrictions, issue interim or  
41 temporary securities with or without coupons,  
42 exchangeable for definitive securities when those se-  
43 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 made. The resolution  
12 under which the bonds may be issued and any mortgage  
13 may contain any agreements and provisions respecting  
14 the maintenance of the project, projects or part of  
15 any project covered, the fixing and collection of  
16 rents, fees or other charges, the creation and main-  
17 tenance of special funds from the revenues and any  
18 reserve funds and the rights and remedies available  
19 in the event of default, all as the authority shall  
20 consider advisable and not in conflict with the pro-  
21 vision of this Act. Each pledge, agreement and mort-  
22 gage made for the benefit or security of any of the  
23 holders of securities shall continue in effect until  
24 the principal of and interest on the securities for  
25 the benefit for which the securities were made have  
26 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 §1606. 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 consider reasonable and proper for the  
42 security 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 to the securities is-  
3 ssued 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 mortgage 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 §1607. Trust funds

20 All money received pursuant to the authority of  
21 this Act shall be considered 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 §1608. 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 nanacial document.

12 §1609. 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 considered  
22 advisable by the authority, for the additional pur-  
23 pose of construction or enabling the construction of  
24 improvements, extensions, enlargements or additions  
25 of the project, projects or part of any project in  
26 connection with which the obligations to be refunded  
27 were issued. The authority may provide by resolution  
28 for the issuance of securities of the authority for  
29 the combined purpose of refunding any obligations or  
30 revenue refunding securities then outstanding or for  
31 the purpose of the refinancing of existing indebted-  
32 ness, which shall have been issued or incurred under  
33 this Act or otherwise, including the payment of any  
34 redemption premium on that indebtedness and any in-  
35 terest accrued or to accrue to the date of redemption  
36 of 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  
46 to the securities, shall be governed by this Act.

1     §1610. Tax exemption

2             Securities issued under this Act shall be consid-  
3 ered to constitute a proper public purpose and the  
4 securities so issued, their transfer and the income  
5 from the securities, including any profits made on  
6 the sale of the securities, at all times shall be ex-  
7 empt from taxation within the State.

8     §1611. Governmental functions

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

15     §1612. Liberal construction

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

24     §1613. Securities as legal investment

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

1 curities are also, by this Act, made securities which  
2 may properly and legally be deposited with and re-  
3 ceived by all public officers and bodies of the State  
4 or any agency or political subdivision of the State  
5 and all municipalities and public corporations for  
6 any purpose for which the deposit of securities of  
7 bonds or other obligations of the State may be autho-  
8 riized by law.

9 §1614. Conflicts

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

18 §1615. Actions against authority

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

24 §1616. Contract of State

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

40 §1617. Credit of State not pledged

1 Securities issued under this Act shall not constitute or create any debt or debts, liability or liabilities on behalf of the State or of any political subdivision of the State other than the Maine Court  
2 Facilities Authority or a loan of the credit of the State or a pledge of the faith and credit of the  
3 State or of any political subdivision other than the authority, but shall be payable solely from the funds  
4 provided for that payment. All such securities shall contain on their face a statement to the effect that  
5 neither the State nor any political subdivision of the State be obligated to pay the securities or the  
6 interest on the securities, except from revenues of the authority or the project, projects or part of any  
7 project for which they are issued and that neither the faith and credit nor the taxing power of the  
8 State or of any political subdivision of the State is pledged to the payment of the principal of or the interest on the securities. The issuance of securities  
9 under this Act shall not directly, indirectly or contingently obligate the State or any political subdivision of the State to levy or to pledge any form of  
10 taxation whatever or to make any appropriation for their payment. Nothing contained in this section  
11 may prevent or be construed to prevent the authority from pledging its full faith and credit to the payment of securities authorized pursuant to this Act.

28           Sec. 2. 5 MRSA §12004, sub-§7, ¶A, sub-¶(11) is  
29 enacted to read:

30 (11) Maine Court Facilities Expenses 4 MRSA §1602  
31 Authority Only

32 STATEMENT OF FACT

33           This bill establishes the Maine Court Facilities  
34 Authority and authorizes the authority to issue revenue  
35 bonds in order to provide both a mechanism to insure  
36 adequate court facilities in the State and a means of  
37 financing the cost of providing the facilities.  
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