

# MAINE STATE LEGISLATURE

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L.D. 242

DATE: April 26, 1995 (Filing No. S-94 )

TRANSPORTATION

Reported by: Senator PARADIS of Aroostook for the Committee.

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STATE OF MAINE
SENATE
117TH LEGISLATURE
FIRST REGULAR SESSION

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

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

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 MM, §7, is repealed and the following enacted in its place:

§1968. Issuance of bonds

The authority may issue bonds as follows.

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

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

R 48

COMMITTEE AMENDMENT "A" to S.P. 102, L.D. 242

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

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

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

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

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

44 A. The manner of executing the bonds and coupons;

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COMMITTEE AMENDMENT "A" to S.P. 102, L.D. 242

- 2           B. The form and denomination of the bonds;
- 4           C. Maturity dates not more than 25 years from the date or  
6           dates of issuance, excluding the period, if any, during  
8           which bond anticipation notes are outstanding;
- 10          D. The interest rate or rates on the bonds, which may be  
12          fixed or variable or a combination of both;
- 14          E. For the redemption prior to maturity and the premium  
16          payable for the bonds;
- 18          F. The place or places for the payment of interest and  
20          principal;
- 22          G. For registration if the authority determines it to be  
24          desirable;
- 26          H. For the pledge of all or any of the operating revenues  
28          of the turnpike for securing payment;
- 30          I. For the replacement of lost, destroyed or mutilated  
32          bonds;
- 34          J. The setting aside of revenue and sinking funds and the  
36          regulation and disposition of these revenues and funds and  
38          for limitations on reserves, if any, established for capital  
40          outlay from operating revenues;
- 42          K. For limitations on the issuance of additional bonds;
- 44          L. For the procedure, if any, by which the contract with  
46          the bondholders may be abrogated or amended;
- 48          M. For the manner of sale, which may be public or private,  
            and purchase of the bonds;
- N. For covenants against pledging any or certain of the  
            operating revenues of the turnpike;
- O. For covenants fixing and establishing the prices, rates  
            and charges for the use of the turnpike and other services  
            made available in connection with the turnpike so as to  
            provide at all times funds that will be sufficient;
- (1) To pay all costs of operation and maintenance of  
            the turnpike, together with the necessary repairs to  
            the turnpike;

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COMMITTEE AMENDMENT "A" to S.P. 102, L.D. 242

2           (2) To meet and pay the principal and interest of all  
3           such bonds as they severally become due and payable;

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

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

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

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

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

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

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

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

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

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

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**STATEMENT OF FACT**

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