

# MAINE STATE LEGISLATURE

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# 121st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2003

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**Legislative Document**

**No. 604**

S.P. 213

In Senate, February 11, 2003

**An Act To Allow the Maine Turnpike Authority To Benefit from  
Advantageous Interest Rates**

(EMERGENCY)

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Submitted by the Maine Turnpike Authority pursuant to Joint Rule 204.  
Reference to the Committee on Transportation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator SAVAGE of Knox.

2           **Emergency preamble. Whereas.** Acts of the Legislature do not  
become effective until 90 days after adjournment unless enacted  
as emergencies; and

4  
6           **Whereas,** the Maine Turnpike Authority plans to take  
advantage of currently low interest rates and issue revenue bonds  
in the spring of 2003 to finance certain capital improvements; and

8  
10          **Whereas,** the Maine Turnpike Authority believes that because  
of currently low interest rates it may be advantageous in 2003 to  
refinance a portion of its existing debt;

12  
14          **Whereas,** the Maine Turnpike Authority believes that because  
of currently low interest rates it may be cost-effective in the  
spring of 2003 to enter into agreements that may provide  
subsequent advantages based on future interest rates;

16  
18          **Whereas,** legislative action is immediately necessary if the  
Maine Turnpike Authority is to take advantage of the currently  
low prevailing interest rates in its spring 2003 financing  
activities;

20  
22          **Whereas,** in the judgment of the Legislature, these facts  
create an emergency within the meaning of the Constitution of  
Maine and require the following legislation as immediately  
necessary for the preservation of the public peace, health and  
safety; now, therefore,

24  
26  
28         **Be it enacted by the People of the State of Maine as follows:**

30           **Sec. 1. 23 MRSA §1968, sub-§1-A** is enacted to read:

32           **1-A. Bonds for refinancing.** In addition to bonds  
34 outstanding pursuant to any other provision of this chapter, the  
authority may provide by resolution at any time during calendar  
36 year 2003 for the issuance of turnpike revenue bonds, including  
notes or other evidences of indebtedness or obligations defined  
38 to be bonds under this chapter, but not exceeding \$10,000,000 in  
principal amount at any one time outstanding exclusive of  
40 refundings, for the purpose of refunding outstanding turnpike  
revenue bonds issued pursuant to this chapter.

42           **Sec. 2. 23 MRSA §1983** is enacted to read:

44           **§1983. Interest rate agreements**

46           The authority is authorized to enter from time to time into  
48 agreements with another party, on terms and conditions that the  
authority determines are necessary or convenient, in which the  
50 authority agrees to make a payment to, or to receive a payment

2 from, the other party based on a comparison at a future date  
4 between an interest rate specified on the date of the agreement  
6 and a rate derived on or about that future date from an interest  
8 rate index. The authority is authorized to enter into any credit  
10 enhancement or liquidity agreement on terms and conditions that  
12 the authority determines are necessary or convenient for carrying  
14 out this section.

16 **Emergency clause.** In view of the emergency cited in the  
18 preamble, this Act takes effect when approved.

## 20 SUMMARY

22 The bill authorizes the Maine Turnpike Authority to enter  
24 into agreements at one time that may provide a subsequent  
26 advantage to the authority based on future interest rates. The  
28 bill also provides a temporary extension of the authority's  
30 bonding capacity for the year 2003 that will enable it to perform  
refinancing.