

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 906

S.P. 302

In Senate, February 20, 2003

An Act Pertaining to Trustee Services for the Maine Turnpike Authority

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, reading "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator HATCH of Somerset.
Cosponsored by Representative USHER of Westbrook and
Senators: DAMON of Hancock, SAVAGE of Knox, Representatives: COLLINS of Wells,
JODREY of Bethel, McKENNEY of Cumberland, McNEIL of Rockland, PARADIS of
Frenchville, SAMPSON of Auburn.

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

Sec. 1. 23 MRSA §1970, as enacted by PL 1981, c. 595, §3, is repealed and the following enacted in its place:

§1970. Bonds; how secured

1. Trust indentures. In the discretion of the authority, bonds may be secured by a trust indenture by and between the authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or outside of the State, or by a loan or other security agreement with a lender or with such a trustee containing provisions that may be included in a bond resolution or trust indenture under this chapter. The trust indenture or loan or other security agreement may pledge or assign tolls or revenues to be received but may not convey or mortgage the turnpike or any part thereof. Either the resolution providing for the issuance of the bonds or the trust indenture or loan or other security agreement may contain provisions for protecting and enforcing the rights and remedies of the bondholders or other lenders or of the trustee, if any, as may be reasonable and proper and not in violation of law, including: covenants setting forth the duties of the authority in relation to the acquisition of property; the construction, maintenance, operation, repair and insurance of the turnpike; the custody, safeguarding and application of all money; and any other provisions that the authority determines are necessary, convenient or desirable for the security of bondholders and other lenders or of the trustee, if any. Any such indenture or loan or other security agreement may restrict the individual right of action of bondholders or other lenders to the extent the authority determines is necessary, convenient or desirable. All expenses incurred in carrying out the trust indenture or loan or other security agreement may be treated as a part of the cost of the maintenance, operation and repair of the turnpike.

2. Other agreements. The authority may enter into an agreement with a bank or financial institution incorporated within or outside of the State as necessary or convenient for the provision of trustee, paying agent, depository or other financial services in connection with bonds issued by the authority pursuant to this chapter, and it is lawful for any bank or trust company to enter into any such agreements with the authority and to furnish indemnity bonds or to pledge any securities required by the authority.

SUMMARY

2

4 This bill clarifies that the Maine Turnpike Authority may
6 obtain trustee and similar services from any bank or financial
8 institution. The number of banks within or outside of the State
 that provide the services required by the Maine Turnpike
 Authority has been steadily declining. This bill also makes
 corrections to eliminate redundancy and improve the clarity of
 the section.