§1606. Issuance of securities

1. Resolution for issuance of securities. The authority may provide by resolution, at one time or from time to time, for the issuance and sale by it of securities, in its own name, for the purpose of paying the cost of any project, projects or part of any project, or the refinancing of existing indebtedness, approved by the authority. Securities of the authority may not be authorized and issued except pursuant to a resolution adopted by the vote of not less than a majority of the members of the authority. The resolution must describe the general purpose or purposes for which the securities are to be issued and state the maximum principal amount of the securities proposed to be issued. Securities may not be issued by the authority without a 2/3 vote of approval in each House of the Legislature.
[PL 1997, c. 523, §14 (AMD).]

1-A. Resolution for issuance of securities.
[PL 1987, c. 872, §4 (RP).]

2. Limitation on securities issued. The authority may not issue securities in excess of $189,000,000 outstanding at any one time, of which no less than $136,000,000 must be specifically allocated to projects relating to the Judicial Branch, except for the issuance of revenue refunding securities authorized by section 1610 and securities issued under section 1610-A. The amount of securities that may be outstanding in the name of the authority may be increased by the Legislature upon a showing by the authority that its available revenues are sufficient to support additional issuance of securities and that the issuance of securities will not materially impair the credit standing of the authority, the investment status of securities issued by the authority or the ability of the authority to fulfill its commitments to holders of securities. Nothing in this chapter may be construed to authorize the authority to issue securities to fund the construction, reconstruction, purchase or acquisition of facilities without a majority vote of approval in each House of the Legislature.
[PL 2009, c. 213, Pt. WWWW, §1 (AMD).]

3. After issuance. After issuance, all securities of the authority shall be conclusively presumed to be fully and duly authorized and issued under the laws of the State and any person or governmental unit shall be estopped from questioning their authorization, sale, issuance, execution or delivery by the authority.
[PL 1987, c. 438, §1 (NEW).]

4. Form of securities. The securities of each issue must be dated, mature at such time or times not exceeding 40 years from their date or dates and bear interest at such rate or rates, including variable, floating or adjustable rates, as may be authorized by the authority. These securities may be made redeemable, callable or subject to purchase or tender before maturity, at such price or prices and under such terms and conditions as may be provided for by the authority prior to the issuance of the securities. The authority shall determine the form of the securities, including any interest coupons to be attached to the securities, if any, and the manner of execution of the securities and shall fix the denomination or denominations of the securities and the place or places of payment of principal and interest, which may be at any bank, national banking association or trust company within or without the State. Securities must be executed in the name of the authority by the manual or facsimile signature of such official or officials as may be authorized in the resolution to execute those securities. Coupons, if any, attached to securities must be executed with the facsimile signature of the official or officials designated in the resolution. If any official whose signature or a facsimile of whose signature appears on any securities or coupons ceases to be an official before the delivery of the securities, the signature or the facsimile is valid and sufficient for all purposes, with the same effect as if the official had remained in office until the delivery.

Notwithstanding any of the other provisions of this Act or any recitals in any securities issued under this Act, all such securities are deemed to be negotiable instruments issued under the laws of the State. The securities may be issued in coupon or registered form, or both, as the authority may determine.

Provisions may be made for the registration of any coupon securities as to principal alone and as to both principal and interest, and for the reconversion into coupon securities of any securities registered as to both principal and interest. The authority may sell the securities in such manner, either at public or private sale, and for such price as it may determine to be for the best interests of the authority.
[RR 2021, c. 1, Pt. B, §48 (COR).]

5. Award and select securities. The power to fix the date of sale of any securities, to receive bids or proposals, to award and sell any securities, to set the terms and provisions of any securities and to take all other action necessary to sell and deliver any securities may be delegated to any officer of the authority by a majority of the members of the authority.
[PL 1987, c. 438, §1 (NEW).]

6. Proceeds of securities. The proceeds of the securities of each issue shall be used solely for the purpose or purposes for which the securities were authorized and shall be disbursed in such manner and under such restrictions as the authority may provide in the resolution authorizing the issuance of the securities or in the trust agreement securing the securities. If the proceeds of the securities, by error of estimates or otherwise, are less than the cost, additional securities may, in like manner, be issued to provide the amount of the deficiency and, unless otherwise provided in the authorizing resolution or in the trust agreement securing the securities, shall be deemed to be of the same issue and shall be entitled to payment from the same fund without preference or priority of the securities first issued for the same purpose. The resolution providing for the issuance of securities and any trust agreement securing the securities may contain such limitations upon the issuance of additional securities as the authority may consider proper. Any additional securities shall be issued under such restrictions and limitations as may be prescribed by the resolution or trust agreement. The authority may provide for the replacement of any securities which become mutilated, destroyed, stolen or lost. Securities may be issued under this Act without obtaining the consent of any department, division, commission, board, bureau or agency of the State and without any other proceedings or the happening of any other conditions or things other than those proceedings, conditions or things which are specifically required by this Act.
[PL 1987, c. 438, §1 (NEW).]

7. Use of proceeds. The proceeds of the securities of each issue must be used for the payment of all or part of the cost of the project, projects or part of any project for which authorized and must be disbursed in such manner and under such restrictions as are provided in the resolution authorizing the issuance of the bonds or in the trust agreement securing the securities. Proceeds may be used to pay all costs incurred in issuing the securities, interest on the securities for such time as may be authorized by the authority, subject to the provisions of this Act and to establish reserve funds and sinking funds for the securities.
[PL 1997, c. 523, §16 (AMD).]

8. Interim or temporary securities. Prior to the preparation of definitive securities, the authority may, under like restrictions, issue interim or temporary securities with or without coupons, exchangable for definitive securities when those securities are executed and are available for delivery.
[PL 1987, c. 438, §1 (NEW).]

9. Securing of principal and interest. The principal of and interest on any securities issued by the authority, together with any related costs and expenses, must be secured by a pledge of the revenues and receipts derived by the authority from the project, projects or part of any project financed and from such other revenues of the authority as may be specially pledged by the authority and may be secured by a mortgage covering all or any part of the project, projects or part of any project, including any enlargements of and additions to the project, projects or part of any project made. The resolution under which the securities may be issued and any mortgage may contain any agreements and provisions respecting the maintenance of the project, projects or part of any project covered, the fixing and collection of rents, fees or other charges, the creation and maintenance of special funds from the revenues and any reserve funds and the rights and remedies available in the event of default, all as the

authority considers advisable and not in conflict with the provisions of this Act. Each pledge, agreement and mortgage made for the benefit or security of any of the holders of securities continues in effect until the principal of and interest and any related costs and expenses on the securities for the benefit for which the securities were made have been fully paid.
[PL 1997, c. 523, §16 (AMD).]

SECTION HISTORY

PL 1987, c. 438, §1 (NEW). PL 1987, c. 816, §KK6 (AMD). PL 1987, c. 859, §§1-3 (AMD). PL 1987, c. 872, §§1-4 (AMD). PL 1991, c. 868 (AMD). PL 1997, c. 523, §§14-16 (AMD). PL 1997, c. 752, §1 (AMD). PL 1997, c. 788, §2 (AMD). PL 1999, c. 127, §A2 (AMD). PL 1999, c. 787, §1 (AMD). PL 2005, c. 460, §1 (AMD). PL 2009, c. 213, Pt. WWWW, §1 (AMD). RR 2021, c. 1, Pt. B, §48 (COR).

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