

§13120-I. Bonds

1. Authorization. The authority may provide by resolution for the issuance of bonds for the purpose of funding the Speculative Industrial Buildings Fund, or any successor to the fund, for the construction of proposed commercial facilities and improvement of existing or acquired commercial facilities and for the fulfillment of other undertakings that it may assume. The bonds of the authority do not constitute a debt of the State or of any agency or political subdivision of the State but are payable solely from the revenue of the authority, and neither the faith nor credit nor taxing power of the State or any political subdivision of the State is pledged to payment of the bonds. Notwithstanding any other provision of law, any bonds issued pursuant to this subchapter are fully negotiable. If any member of the board of trustees whose signature appears on the bond or coupons ceases to be a member of the board of trustees before the delivery of those bonds, that signature is valid and sufficient for all purposes as if that member of the board of trustees had remained a member of the board of trustees until delivery. [PL 2005, c. 425, §14 (AMD).]

2. Resolution; prospective issues. The authority may, by resolution authorizing prospective issues, provide:

- A. The manner of executing bonds and coupons; [PL 2001, c. 703, §6 (NEW).]
- B. The form and denomination of bonds or coupons; [PL 2001, c. 703, §6 (NEW).]
- C. Maturity dates; [PL 2001, c. 703, §6 (NEW).]
- D. Interest rates on bonds or coupons; [PL 2001, c. 703, §6 (NEW).]
- E. For redemption prior to maturity and the premium payable; [PL 2001, c. 703, §6 (NEW).]
- F. The place or places for the payment of interest and principal; [PL 2001, c. 703, §6 (NEW).]
- G. For registration if the authority determines it to be desirable; [PL 2001, c. 703, §6 (NEW).]
- H. For the pledge of all or any of the revenue for securing payment; [PL 2001, c. 703, §6 (NEW).]
- I. For the replacement of lost, destroyed or mutilated bonds; [PL 2001, c. 703, §6 (NEW).]
- J. For the setting aside and the regulation and disposition of reserve and sinking funds; [PL 2001, c. 703, §6 (NEW).]
- K. For limitation on the issuance of additional bonds; [PL 2001, c. 703, §6 (NEW).]
- L. For the procedure, if any, by which the contract with a bondholder may be abrogated or amended; [PL 2001, c. 703, §6 (NEW).]
- M. For the manner of sale and purchase of bonds; [PL 2001, c. 703, §6 (NEW).]
- N. For covenants against pledging of any of the revenue of the authority; [PL 2001, c. 703, §6 (NEW).]
- O. For covenants fixing and establishing rates and charges for use of the authority's facilities and services made available so as to provide funds that will be sufficient to pay all costs of operation and maintenance, to meet and pay the principal and interest of all bonds as they severally become due and payable, for the creating of such revenues for the principal and interest of all bonds and for the meeting of contingencies and the operation and maintenance of its facilities as the board of trustees determines; [PL 2001, c. 703, §6 (NEW).]
- P. For such other covenants as to rates and charges as the board of trustees determines; [PL 2001, c. 703, §6 (NEW).]
- Q. For covenants as to the rights, liability, powers and duties arising upon the breach by the authority of any covenant, condition or obligation; [PL 2001, c. 703, §6 (NEW).]

R. For covenants as to the bonds to be issued, as to the issuance of those bonds in escrow and otherwise and as to the use and disposition of the proceeds; [PL 2001, c. 703, §6 (NEW).]

S. For covenants as to the use of its facilities and their maintenance and replacement, and the insurance to be carried on them, and the use and disposition of insurance money; [PL 2001, c. 703, §6 (NEW).]

T. For the issuance of bonds in series; [PL 2001, c. 703, §6 (NEW).]

U. For the performance of any and all acts as may be in the discretion of the board of trustees necessary, convenient or desirable to secure bonds or that tend to make bonds more marketable; and [PL 2001, c. 703, §6 (NEW).]

V. For the issuance of bonds on terms and conditions to effectuate the purpose of this subchapter. [PL 2001, c. 703, §6 (NEW).]

[PL 2001, c. 703, §6 (NEW).]

3. Money received. All money received from any bonds issued must be applied solely for loans to municipalities or local development corporations for speculative industrial buildings, for the construction of proposed commercial facilities and improvement of existing or acquired commercial facilities and for the fulfillment of other undertakings that are within the power of the authority. There is created a lien upon the money until so applied in favor of the bondholders or any member of the board of trustees as may be provided in respect of the bonds.

[PL 2005, c. 425, §15 (AMD).]

4. Trust indenture. In the discretion of the board of trustees, 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, located either within or outside the State. Such a trust indenture may pledge or assign the revenues of the authority or any part of it. Any trust indenture may set forth the rights and remedies of the bondholders and the trustee, restrict the individual right of action of bondholders and contain such other provisions as the board of trustees may consider reasonable and proper for the security of bondholders. Expenses incurred in carrying out any trust indenture may be treated as a part of maintenance.

[PL 2001, c. 703, §6 (NEW).]

5. Rights of bondholders. Provisions may be made for protecting and enforcing the rights and remedies of bondholders, including covenants as to acquisition of property, construction, maintenance, operation and repair, insurance and the custody, security and application of all money.

[PL 2001, c. 703, §6 (NEW).]

6. Depositories. Any trust company or bank having the powers of a trust company and located either within or outside the State may act as a depository of the proceeds of bonds and revenue and may furnish such indemnity or pledge such securities as may be required by the authority.

[PL 2001, c. 703, §6 (NEW).]

7. Tax free. The purposes of this subchapter being public and for the benefit of the people of the State, bonds of the authority are free from taxation by the State.

[PL 2001, c. 703, §6 (NEW).]

8. Revenue refunding bonds. The authority may issue revenue refunding bonds for the purpose of refunding revenue bonds issued under this subchapter. The issuance of any refunding bonds is the same as provided for in this subchapter relating to revenue bonds.

[PL 2001, c. 703, §6 (NEW).]

9. Default. In the event of default on bonds and in the event the default continues for a period of 3 months, action may be brought to enforce the rights of the bondholders by insuring that the operation by the trustees be in conformity with the covenants of the bonds or trust indenture.

[PL 2001, c. 703, §6 (NEW).]

SECTION HISTORY

PL 2001, c. 703, §6 (NEW). PL 2003, c. 281, §4 (AMD). PL 2005, c. 425, §§14,15 (AMD).

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