

Article - Transportation

[Previous][Next]

§4-311.

(a) (1) Revenue bonds issued under this subtitle may be secured by a trust agreement between the Authority and a corporate trustee, which may be any trust company or bank having trust powers within or without this State.

(2) The trust agreement may pledge or assign all or any part of the revenues of the Authority or of any transportation facilities project, but may not mortgage any part of any transportation facilities project.

(b) Any trust agreement or bond authorizing resolution may:

(1) Contain any provisions for the protection and enforcement of the rights and remedies of bondholders as are considered reasonable and proper, including covenants setting forth the duties of the Authority as to the financing or development of any transportation facilities project, the extension, enlargement, improvement, maintenance, operation, repair, and insurance of the project, and the custody, safeguarding, and application of money;

(2) Provide for the employment of consulting engineers in connection with the construction or operation of any transportation facilities project;

(3) Set forth the rights and remedies of the bondholders and of the trustee;

(4) Restrict the individual right of action by bondholders; and

(5) Contain any other provisions that the Authority considers reasonable and proper for the security of the bondholders, including:

(i) Covenants to restrict or prohibit the construction or operation of competing transportation facilities of the same mode; and

(ii) Covenants relating to the issuance of additional parity bonds on stated conditions consistent with the requirements of this subtitle.

(c) All expenses incurred in carrying out the trust agreement may be treated as a part of the cost of the operation of the transportation facilities project in connection with which the bonds have been issued.

(d) The proceeds of the sale of bonds shall be paid to the trustee under the trust agreement securing the bonds and shall be disbursed in the manner and under the restrictions, if any, provided in the trust agreement.

(e) Any bank or trust company incorporated under the laws of this State that acts as depositary of the proceeds of the bonds or of revenues may furnish any

indemnifying bonds or pledge any securities that the Authority requires.

[Previous][Next]