

**12-2832. Modernization of system; fund; loans.** It shall be the duty of the board, as promptly as possible, to rehabilitate, reconstruct and modernize all portions of any transportation system acquired by the authority and to maintain at all times an adequate and modern transportation system suitable and adapted to the needs of the municipalities served by the authority, and for safe, comfortable and convenient service. To that end the board shall establish a modernization fund which shall include, but is not limited to, cash in renewal, equipment or depreciation funds which are part of a private transportation system acquired by the authority and any excess cash derived from the sale of revenue bonds or certificates. The moneys in the modernization fund shall be disbursed for the purpose of acquiring or constructing extensions and improvements and betterment of the system, to make replacements of property damaged or destroyed or in necessary cases where depreciation fund is insufficient, to purchase and cancel its revenue bonds and certificates prior to their maturity at the price of not to exceed their par value, and to redeem and cancel its revenue bonds and certificates according to their terms. The board may make temporary loans from the modernization fund for use as initial working capital.

**History:** L. 1955, ch. 118, § 32; April 13.