*** § 2472. Reserve fund.** 1. The authority may create and establish one or more reserve funds to be known as debt service reserve funds and may pay into such reserve funds (a) any payments received from a participating municipality (b) any moneys appropriated and made available by the state for the purposes of such funds (c) any proceeds of sale of bonds and notes to the extent provided in the resolution of the authority authorizing the issuance thereof (d) any moneys directed to be transferred by the authority to such funds, and (e) any other moneys which may be made available to the authority for the purposes of such funds from any other source or sources. The moneys held in or credited to any debt service reserve fund established under this subdivision, except as hereinafter provided, shall be used solely for the payment of the principal of and interest on bonds of the authority secured by such reserve fund, as the same mature, required payments to any sinking fund established for the amortization of such bonds (hereinafter referred to as "sinking fund payments"), the purchase or redemption of such bonds of the authority or the payment of any redemption premium required to be paid when such bonds are redeemed prior to maturity; provided, however, that moneys in any such fund shall not be withdrawn therefrom at any time in such amount as would reduce the amount of such fund to less than the maximum amount of principal and interest maturing and becoming due in the then current or any succeeding calendar year on the bonds of the authority then outstanding and secured by such reserve fund, except for the purpose of paying principal and interest on the bonds of the authority secured by such reserve fund maturing and becoming due and sinking fund payments for the payment of which other moneys of the authority are not available. Any income or interest earned by, or increment to, any such debt service reserve fund due to the investment thereof may be transferred to any other fund or account of the authority to the extent it does not reduce the amount of such debt service reserve fund below the maximum amount of principal and interest maturing and becoming due in the then current or any succeeding calendar year on all bonds of the authority then outstanding and secured by such reserve fund. In computing the amount of any debt service reserve fund for the purposes of this section, securities in which all or a portion of such reserve fund are invested shall be valued at par if purchased at par or, if purchased at other than par, at amortized value.

2. The authority shall not issue bonds at any time if the maximum amount of principal and interest maturing and becoming due in the then current or any succeeding calendar year on the bonds outstanding and then to be issued and secured by a debt service reserve fund will exceed the amount of such reserve fund at the time of issuance, unless the authority, at the time of issuance of such bonds, shall deposit in such reserve fund from the proceeds of the bonds so to be issued, or otherwise, an amount which together with the amount then in such reserve fund, will be not less than the maximum amount of principal and interest maturing and becoming due in the then current or any succeeding calendar year on the bonds then to be issued and on all other bonds of the authority then outstanding and secured by such reserve fund.

3. To assure the continued operation and solvency of the authority for the carrying out of the public purposes of this act, provision is made in subdivision one of this section for the accumulation in each debt service reserve fund of an amount equal to the maximum amount of principal and interest maturing and becoming due in the then current or any succeeding calendar year on all bonds of the authority then outstanding and secured by such reserve fund.

4. Upon full amortization of any outstanding bonds issued for the acquisition, construction or rehabilitation of sports facilities, the authority is empowered to provide for the transfer or sale of such facilities to the participating municipality.

* NB (Disbanded March, 1980)