

TITLE 4: ECONOMIC RESOURCES
DIVISION 10: COMMONWEALTH DEVELOPMENT AUTHORITY

§ 10466. Bonds Negotiable, Incontestable.

This article, without reference to any other law except as provided herein, shall be full authority to issue or sell general obligation bonds of the Commonwealth, and the bonds and all interim receipts or certificates shall have all the qualities of negotiable paper under law. The bonds shall not be invalid for any irregularity or defect in the proceedings for the issue or sale thereof except as provided in this section. Whenever the Authority determines to issue bonds, notes, or other evidences of indebtedness, except refunding bonds (unless some portion of the proceeds of the sale will be applied to interest on the bonds to be refunded, or the Authority intends to enter into, or secure the refunding bonds with, a credit enhancement or hedge agreement with terms differing from any credit enhancement or hedge agreement applicable to the bonds to be refunded), or to take any other action under authority of 4 CMC § 10459, it shall, at least 30 days prior to delivery to purchaser of such bonds, notes or other evidences of indebtedness, or the execution of the other action, (1) transmit to the presiding officers of the legislature certified copies of the resolution authorizing issuance or approving other action together with copies of all documents or drafts authorized by such resolution, and (2) publish a notice at least four times in at least one newspaper of general circulation in the Commonwealth, which notice shall be deemed adequate so long as it states insofar as applicable, the maximum amount, interest rate and maturity of, and identifies any revenues to be pledged specifically or any credit enhancement or hedge agreement to be entered into to secure or otherwise in connection with, the proposed bonds, notes or other evidences of indebtedness, and comparable details with respect to any other action intended under authority of 4 CMC § 10459. At any time prior to the thirtieth day after the last such publication, any person in interest shall have the right to institute an appropriate action or proceeding to contest the validity of the authorized indebtedness, the pledge of revenues for the payment of principal and interest on such indebtedness, any credit enhancement or hedge agreement, and compliance of the Authority with applicable requirements of this article, the Open Government Act (1 CMC § 9901, et seq.), or the Commonwealth Development Authority Act (4 CMC § 10101 et seq.). If such action or proceeding shall not have been instituted prior to delivery, then the validity of the evidences of indebtedness shall be conclusively presumed and no court shall have authority to inquire into such matters. The bonds shall contain a recital that they have been authorized and issued pursuant to the laws of the Commonwealth, which recital shall be conclusive evidence of their validity and the regularity of their issuance, except in an action brought by the Commonwealth or the Authority against any person other than a bondholder or one whose interest derives from or is equivalent to that of a bondholder. This article provides a complete, additional, and alternative method of doing what is authorized by this article, and no proceedings in respect of the issuance of any bonds, the pledge of any revenues or the other acts authorized herein shall be necessary except proceedings required by this article. Except as specifically provided herein, nothing in this article exempts the Authority from the requirements of the Commonwealth Development Authority Act (4 CMC § 10101 et seq.) or the Open Government Act (1 CMC § 9901, et seq.).

Source: PL 11-3, § 16, modified.