

TITLE 4: ECONOMIC RESOURCES
DIVISION 10: COMMONWEALTH DEVELOPMENT AUTHORITY

§ 10415. Authority Reinvestment Revenue Bonds Program.

(a) In furtherance of 4 CMC § 10203 and not in limitation thereof, the authority is expressly authorized and empowered to make and issue bonds, notes, or other obligations in furtherance of the purposes of this division by reinvesting all or any portion of the proceeds of such bonds, notes or other obligations pursuant to 4 CMC § 10403(e) and subsection (c) of this section and to use any or all of the proceeds, reinvestment and earnings therefrom to provide for timely repayment of such bonds, notes or other obligations in accordance with their respective terms and the payment of any cost and expenses incidental to such bonds, notes or other obligations, and to use any excess earnings or other moneys derived therefrom in furtherance of the purposes of this division for one or more public purposes at the direction of the authority with the approval of the legislature by joint resolution, and which bonds, notes or other obligations shall be secured by such proceeds, such reinvestment or such other guarantees and collateral as may be determined or pledged by the authority; provided that, such bonds, notes or other obligations shall not constitute obligations or indebtedness of the Commonwealth or any political subdivision, governmental unit or agency thereof, but shall be special and limited obligations of the authority, payable solely from the revenues and assets determined or pledged by the authority to provide for the repayment thereof. Neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof is or shall be pledged to the payment of the principal of, premiums, if any, or interests on such bonds, notes or other obligations.

(b) The authority is expressly authorized and empowered in connection with the making and issuance of such bonds, notes or other obligations, to waive expressly at or before the time of the issuance of such bonds, notes or other obligations, any right of the authority to issue such bonds, notes or other obligations exempt as to principal and interest, from taxation by the United States or by any state, territory or possession of the United States, or any political subdivision of any of them.

(c) In furtherance of 4 CMC § 10403 and not in limitation thereof, proceeds of bonds, notes or other obligations of the authority made and issued pursuant to this section shall be reinvested by the authority made and issued pursuant to this section shall be reinvested by the authority, to the extent permitted by law, in one or more insurance or endowment policies or annuity contracts or optional annuity contracts, including without limitation funding agreements and guaranteed investment contracts, issued by any foreign or domestic insurance corporation, company or firm; provided that, such bonds, notes or other obligations or the claims paying ability of the insurance corporations, companies or firms issuing such policies, contracts, or agreements are rated at the time of their issuance in either of the two highest rating categories by a nationally recognized rating agency, in one or more investment securities (as defined in 4 CMC § 10403(d)), which policies, contracts, agreements or investment securities in each such case mature not later than the date on which money so reinvested will be needed for the purposes of this division.

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(d) The implementation of the authority reinvestment revenue bonds program pursuant to subsections (a), (b) and (c) of this section is in compliance with 4 CMC § 10402. The authority is requested to prepare, within not more than 180 days following the initial issuance date of bonds, notes or other obligations pursuant to this section, and to update as necessary, an “authority reinvestment revenue bonds program report” for delivery to the legislature and the Governor. Failure to prepare such report shall not affect the validity of the issuance of such bonds, notes or other obligations pursuant to subsections (a), (b) and (c) of this section.

(e) The making and issuance of bonds, notes or other obligations by the authority pursuant to this section is hereby expressly defined as a public purpose and in furtherance of the purposes of this division, including without limitation to stimulate the economic development of the Commonwealth.

(f) In furtherance of 4 CMC § 10203(b)(4) and not in limitation thereof, the legislature may approve by joint resolution the authorization, making the issuance by the authority of bonds, notes or other obligations pursuant to subsections (a), (b) and (c) of this section either in a stated aggregate principal amount or an aggregate principal amount not in excess of a principal amount necessary and convenient to earn over the term of such bonds through the reinvestment revenue bond program a stated aggregate amount of excess earnings or other moneys derived therefrom. Such approval by the legislature may be of a single making and issue of bonds, or of one or more series of such bonds from time to time. Such approval by the legislature pursuant to this subsection shall be deemed to satisfy the requirements of 4 CMC § 10203(b)(4).

Source: PL 5-27, § 4.

Commission Comment: PL 5-27 took effect February 20, 1987.