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DIVISION 2: PORTS

§ 2172. Ports Authority: Issuance of Bonds.

(a) In addition to its power to borrow as set forth in 2 CMC § 2171, the authority may authorize and issue the following types of bonds (including notes and other evidences of indebtedness) for the following purposes:

(1) Revenue bonds for the purchase, acquisition, construction, reconstruction, repair or renovation, improvement or expansion of its ports and any and all facilities and appurtenances (including equipment, furnishings, roads and utilities) which may constitute a part thereof under the definition of ports hereof, or for working capital or maintenance and operation or reserves for same in connection with port related activities, such bonds to be made payable from and secured by a pledge of all or part of the gross or net revenues of the authority derived from the operation of its ports or any specific facilities thereof, or from the rents and revenues of the authority derived from any one or more specific contracts, leases, or other agreements of the authority, or from any grants received or to be from the United States, the Commonwealth or any other agency. Such bonds may be further secured by a pledge or encumbrance of any other rights or assets (including real or personal property) owned by the authority. Property (real or personal) acquired, constructed or improved with proceeds of such bonds may be leased or sold to any person for use for any purpose which in the judgment of the board is port related, for such rent or price and on such terms and conditions as the board may determine.

(2) Interim bonds for any one or more of the purposes specified in subsection (a) of this section, so as to obtain interim or immediate funds for such purposes, the interim bonds to be payable from and secured by a pledge of any part or all of the revenues or other assets of the authority, described in subsection (a)(1) of this section or from other proceeds of bonds; and the existence of adequate revenues for the payment of interim bonds at maturity shall not be a legal prerequisite to their issuance.

(3) Refunding bonds for the purpose of refunding:

(A) Any revenue, interim or refunding bonds issued under this chapter;

(B) Any other bonds or obligations at any time outstanding under this chapter;

(C) The unpaid principal or interest or redemption price (including any redemption premium) on any of the foregoing bonds or obligations.

(b) The bonds authorized by subsection (a) of this section may be issued at any time and from time to time as the board shall determine, and shall be authorized and issued by complying with the following provisions of this subsection without reference to any other statutes, laws, rules or regulations, except as the following provisions shall expressly require:

(1) Revenue bonds, interim bonds and refunding bonds may be authorized and issued by the board of directors of the authority.

(2) The holders of revenue bonds, and the refunding bonds and interim bonds payable from revenue, shall never have the right to demand payment

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thereof out of funds raised or to be raised by taxation, and all such bonds shall so state.

(3) Revenue bonds and interim bonds may be issued alternatively on such terms as the board shall determine in exchange for property of any kind or any interest therein, which the board may deem necessary or convenient for any corporate purposes.

(4) The proceeds derived from the sale of any revenue bonds and interim bonds may be applied by the board to any use consistent with the purpose for which the bonds were issued, specifically and including, but not limited to:

(A) The payment of any amounts due under contracts of the authority entered into for the purchase of acquisition of lands or other types of properties considered necessary or appropriate to the acquisition, construction, or operation of the ports;

(B) The payment of any amounts due on interim bonds, whether or not such proceeds were theretofore expressly pledged to the payment thereof;

(C) The repayment of any loans or advances to the authority by the United States, the Commonwealth, or any other agency or political subdivision, for purposes consistent with the purpose for which such bonds were issued; and

(D) All expenses and fees incurred by the authority in the authorization and issuance of such bonds. Additionally, from the proceeds from the sale of any issue of bonds, the authority may set aside money to provide such bonds with reserve funds and such other funds as the board may determine and such amounts as are sufficient to pay the interest to accrue thereon for any period of time not to exceed three years.

(5) Any resolution authorizing interim bonds may contain such covenants relating to the future issuance of revenue bonds or additional interim bonds, or refunding bonds from which such interim bonds are to be retired, paid or refunded, as the board in its discretion may determine.

(6) The bonds permitted by this chapter shall bear such date or dates, shall be issued in such amounts, shall mature serially or otherwise but not to exceed 30 years from their date, shall bear interest at such fixed or variable rate or rates, (notwithstanding 4 CMC §§ 5301-5303 or any other similar provision of law now or hereafter enacted), shall be payable at such times, and in such denomination or denominations, shall be in such form either coupon or registered as to the principal only, or as to both principal and interest, shall contain such registration privileges and such provisions as to interchange its coupon bonds to registered bonds and as to exchange of bonds of one denomination for bonds or other denominations, shall contain such options or requirements of redemption prior to maturity, shall be payable at such place or places, shall be payable from such revenues and other sources and shall contain such other provisions as the board shall provide in the resolution authorizing such bonds. Such resolution may contain such other provisions relating to reserve and other funds for the security and payment of such bonds, for the appointment of a trustee to hold proceeds and revenues, for the rights and remedies of bond-

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holders and for the maintenance of its airport and seaport facilities as the board may prescribe, together with such other covenants and provisions, not in conflict with this section, considered by it necessary or appropriate in the exercise of its sound business judgment and discretion. Such bonds may be sold in such manner, by public or private sale, and at such prices (above or below the par value thereof) as the board may prescribe. All refunding bonds may be issued to bear the same, a lesser or a higher rate of interest than that borne by the bonds to be refunded. In connection with the issuance of any bonds, the board may arrange for bond insurance, surety bond, letter of credit, line of credit or other credit facility to enhance the marketability or security of the bonds and enter into appropriate agreements to reimburse, with interest where appropriate (notwithstanding 4 CMC §§ 5301-5303 or any other similar provision of law now or hereafter enacted), any payments under such credit facility and to secure such reimbursement obligation.

(7) Such bonds shall be issued in the name of the authority and signed in its behalf by the chairman of the board, countersigned by the secretary of the board and approved as to form and legality by the attorney for the authority. All signatures required thereon may be by facsimile. The seal of the authority may be impressed on the bonds or a facsimile may be printed or lithographed thereon. If any officer of the board or such attorney ceases for any reason to be such officer or attorney, subsequent to signing any such bonds and prior to the delivery thereof, the signature thereon shall nevertheless suffice as compliance with the requirements of this paragraph.

(8) Before any bonds shall be issued and delivered by the authority, a certified copy of the proceedings relating thereto shall be submitted to the Attorney General of the Commonwealth, and if the Attorney General shall find that such bonds have been authorized in accordance with this chapter, a certificate shall be executed to that effect approving such bonds, which shall be filed in the office of the Governor who shall register said bonds. Any bonds thus approved and registered shall be incontestable for any cause.

(9) The accomplishment of the purposes stated in this chapter being governmental and public, all bonds issued hereunder and their transfer and the income therefrom, including deposits made on the sale thereof, shall, at all times, be free from taxation within the Commonwealth.

(10) Any pledge of revenues or other moneys or assets pursuant to the provisions of this chapter shall be valid and binding from the time such pledge is made. Revenues, moneys and assets so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority, irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need to be filed or recorded except in the records of the authority.

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(11) This chapter shall be deemed to provide a complete, additional, and alternative method for doing the things authorized thereby, and shall be regarded as supplemental and additional to the powers conferred by other laws. The issuance of bonds under the provisions of this chapter need not comply with the requirements of any other law applicable to the issuance of bonds. To the extent that the provisions of this chapter are inconsistent with any general statute or special act or parts thereof, the provisions of this chapter shall be deemed controlling.

(12) The Commonwealth does pledge to and agree with the holders of the bonds and other obligations issued pursuant to this chapter, and with those parties who may enter into contracts with the authority pursuant to the provisions of this chapter, that the Commonwealth will not limit, alter or restrict the rights hereby vested in the authority to finance or refinance port facilities and to fulfill the terms of any agreements made with the holders of bonds and other obligations issued pursuant to this chapter, and with the parties who may enter into contracts with the authority pursuant to the provisions of this chapter, or in any way impair the rights or remedies of the holders of such bonds or such parties until the bonds, together with interest thereof, are fully paid and discharged and such contracts are fully performed on the part of the authority. The authority shall have the right to include the pledge herein made in its bonds and contracts.

Source: PL 2-48, § 28; amended by PL 4-42, §§ 1-4.