

TITLE 2: NATURAL RESOURCES
DIVISION 2: PORTS

§ 2175. Designation of Depository for Authority.

The board shall designate one or more banks within the Commonwealth to serve as depository for the funds of the authority. All funds of the authority shall be deposited in the depository bank or banks, except that funds required as security for or to pay bonds issued hereunder may be deposited with a trustee bank as provided in the resolution authorizing the bonds. Funds on deposit in trustee banks shall be secured in the manner provided in the resolution authorizing the issuance of the bonds to which the funds relate. Before designating a depository bank or banks, the board of directors shall issue a notice stating when and where the board will meet for such purpose and invite banks in the Commonwealth to submit an application to be designated depositories. The term of service for depository shall be prescribed by the board. The notice shall be published one time in a newspaper of general circulation in the Commonwealth as specified by the board. At its meeting, the board shall consider the applications and the management and conditions of the applicant banks.

The board shall designate as depository or depositories the bank or banks which offer the most favorable terms and conditions for the handling of the funds of the authority, and which the board finds have proper management and are in a condition to warrant handling of authority funds. Membership on the board of an officer or director of a bank shall not disqualify the bank from being designated as depository. If no applications are received by the time stated in the notice, the board shall designate any bank or banks within the Commonwealth upon such terms and conditions as it may find advantageous.

Source: PL 2-48, § 30.

Commission Comment: This section derives from Congress of Micronesia PL 6-58, § 33, enacted in 1975. When re-enacted in 1981, certain language was omitted, apparently through inadvertence. The Commission reinstated the omitted language (“or depositories the bank or banks which offer the most favorable terms”).