§ 10465. Refunding Bonds Authorized.

(a) Subject to the other provisions of this article, the Authority, without further authorization of the legislature, from time to time, for and in the name and on behalf of the Commonwealth, may issue general obligation refunding bonds of the Commonwealth to pay or provide for the payment of all or any part of the then outstanding bonds of the Commonwealth issued under this article, at or before their maturity or redemption date, and may include various series and issues of those outstanding bonds in a single issue of refunding bonds, and may include refunding bonds and bonds otherwise to be issued pursuant to this article in a single issue of bonds.

(b) The principal amount and interest rate or rates of the refunding bonds shall not be limited by the principal amount or interest rate or rates borne by any of the bonds to be refunded thereby.

(c) The refunding bonds may be issued and delivered at or at any time before the maturity or redemption date of the bonds to be refunded that the Authority determines to be in the best interest of the Commonwealth. The refunding bonds shall be issued in accordance with the provisions of this article with respect to bonds and all provisions of this article shall be applicable to refunding bonds.

(d) Proceeds of the sale of the refunding bonds shall be applied solely to the payment of the principal of, and redemption premium, if any, and interest on the bonds to be refunded under the provisions of this article or interest on the refunding bonds until payment of the bonds to be refunded, and to the payment of all costs of issuance of the refunding bonds, including any credit enhancement or hedge agreement.

(e) Pending the time the proceeds derived from the sale of refunding bonds issued pursuant to this section are required for the purposes for which they were issued, the proceeds may be invested in obligations of, or obligations unconditionally guaranteed by, the United States of America, or in any other investments consistent with the requirements of 4 CMC § 10403 and this article and deemed appropriate and in the best interest of the Commonwealth by the Authority. To further secure those refunding bonds, the Commonwealth, through the Authority, may enter into a contract with any bank or trust company, within or without the Commonwealth, with respect to the safekeeping and application of the earnings of such investments.

Source: PL 11-3, § 15, modified.