

TITLE 4: ECONOMIC RESOURCES
DIVISION 10: COMMONWEALTH DEVELOPMENT AUTHORITY

§ 10502. Power to Pledge Covenant Funds.

Covenant funds may be pledged to secure the payment of principal, premium and interest on bonds, the proceeds of which are to be used by CDA to finance specified capital improvement projects; provided however, that the indenture of trust shall provide that no bond proceeds shall be released by the bond trustee from the construction fund of the indenture of trust for expenditure on a project unless CDA, by an authorized officer, and the majority of the legislative members representing the respective senatorial district in which the CIP project is located, certifies to the bond trustee that such project is a CIP project further approved pursuant to House Joint Resolution 5-12, S.D. 1, as amended, by the affirmative vote of a majority of the legislative members representing the respective senatorial district in which such CIP project is located; provided, further, that as a condition to such certification, the first and second senatorial districts, shall each receive no less than a one-eighth share of the net proceeds of each bond drawdown up to drawdowns in the cumulative amount of \$126,000,000 and drawdowns which in the cumulative exceeds \$126,000,000, the first and second senatorial districts shall each receive no less than 16 percent of the net of each drawdowns for CIP projects in their respective senatorial districts, unless, however, the majority of the members of the respective senatorial districts agrees to a sum less than the one-eighth share of that particular drawdown or less than the 16 percent of any drawdowns in excess of \$126,000,000.

Source: PL 5-37, § 3 (§ 10502).