

NINTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

PUBLIC LAW NO. 9-60

H. B. NO. 9-126, H.D.2, S.D.1

SECOND REGULAR SESSION, 1994

AN ACT

Relating to general obligation bonds; and for other purposes.

BE IT ENACTED BY THE NINTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 1. Definitions. As used in this Act:

- (a) "Authority" means the Commonwealth Development Authority.
- (b) "Bonds" means general obligation bonds, notes, and other instruments of indebtedness.
- (c) "Commonwealth" means the Commonwealth of the Northern Mariana Islands.
- (d) "Islands of Rota and Tinian" means the first and second senatorial districts, respectively.
- (e) "Legislature" means the legislature of the Commonwealth.

Section 2. Authorization to Issue: Amount. The Authority may issue from time to time general obligation bonds of the Commonwealth, in an amount not exceeding the total amount of those bonds authorized to be issued by bond authorization acts of the legislature and any amendments thereto in effect at the date of issue of the bonds, and not exceeding the debt limitations prescribed by the Constitution of the Commonwealth. Once bonds are issued pursuant to a bond authorization act, the authorization is exhausted to the extent of the issue. To be valid as an authorization, Acts of the legislature authorizing bonds must be passed with the affirmative vote of at least two-thirds of the members in each house of the legislature, and must be limited to the subject of authorization of a stated amount of general obligation bonds, use of the proceeds of such bonds, any conditions on the issuance of the bonds, and any provisions for collateral or funding, repayment, or guarantee of the bonds, and the amount of bonds authorized but not issued plus the amount of bonds issued and outstanding may not exceed ten percent of the aggregate assessed valuation of the real property within the Commonwealth. For this purpose, bonds are not deemed outstanding if they are payable solely from funds escrowed for such purpose and by their terms are no longer a charge on the general fund of the Commonwealth. Bonds may not be authorized for operating expenses (including deficits arising therefrom) of the Commonwealth government or its political subdivisions. The Authority shall act as the instrument of the Commonwealth for purposes of issuing the bonds for and in the name and on behalf of the Commonwealth, which bonds shall be obligations of the Commonwealth (not of the Authority). Except as otherwise specifically provided in the act or acts authorizing the issuance thereof, the bonds shall be issued in the manner and upon the terms provided in this Act.

Section 3. Application of Proceeds.

(a) The proceeds of bonds so issued shall be devoted to the costs of issuance of the bonds, debt service reserves (if any), and any one or more of the following purposes (and any other purpose or purposes expressed in the acts of the legislature authorizing the issuance of bonds): public school and college facilities; streets, highways, roads, parking, wastewater, storm drainage, and sewage removal or treatment facilities; solid waste disposal (including landfill or incineration), remediation, recycling or resource recovery facilities; water supply, treatment (including desalination) or distribution facilities; judicial or criminal justice facilities; power generation or distribution facilities (including refinancing of generators purchased under contract with Japan Export-Import Bank); public health facilities; fire suppression facilities; tourism related public facilities; seaport facilities; public buildings, facilities, improvements, equipment or furnishings; public parks; or as matching funds in connection with capital improvement project grants or loans from the United States government or any agency or instrumentality thereof. Except as otherwise specifically provided by this Act, no proceeds shall be available for obligation or disbursement for any purpose other than debt service and payment of costs of issuance except pursuant to legislative appropriation. Debt service includes capitalization of interest, and costs of issuance includes costs of credit enhancement.

(b) The proceeds shall be devoted to such purposes in such order as the Legislature may determine by act or resolution or, to the extent not specified by the Legislature, as may be determined by the Authority. The proceeds of any issue of bonds may be allotted to various purposes irrespective of whether or not the purposes have all been provided for by the same legislative act and an allotment may be made of only a portion of the proceeds authorized for a particular purpose. No less than an one-eighth (1/8) share of the proceeds of bonds authorized in any bond authorization act, after first taking into account any costs of issuance and provisions for debt service, shall be allotted to projects or purposes on or for the islands of Rota and Tinian. The Authority may amend the Authority's allotments from time to time; ~~provided, that, except as otherwise specifically provided by law (including bond authorization acts) and except for good cause shown, projects and improvements shall proceed in such a manner that each senatorial district attains, at approximately the same time, a comparable level of infrastructure and services in a given area (e.g. water, power, sewers, drainage, public parks, roads, schools), as determined by reference to master plans for each senatorial district approved by the respective legislative delegations.~~

(c) The purpose or purposes of issuance need not be stated in any bond. Whenever the issuance of bonds has been authorized by an act of the legislature, the bonds may be issued, sold, and delivered prior to or after any allotments have been made by the Authority for the purposes to be financed by the issuance of the bonds. The Legislature may change any of the projects for the financing of which bonds have been issued, or allotments of bond proceeds made by the Authority; ~~provided, that, such change will not cause loss of any exemption from federal income tax of interest on the bonds or breach of any covenant with the holders of any bonds, or result in the inability to complete any project on which proceeds had been expended.~~

Section 4. Details of Bonds.

(a) All bonds issued pursuant to this Act shall bear interest at such rate or rates (fixed

or variable), payable at such time or times; shall mature and be payable at such time or times; may be issued as serial bonds or term bonds or a combination thereof; may be made payable as to both principal and interest at a place or places within or without the Commonwealth; may be issued in coupon form or in fully registrable form without coupons; may be made registrable at a place or places within or without the Commonwealth; may be subject to redemption, to tenders for purchase or to purchase prior to their stated maturity at the option of the Commonwealth, or the holder, or both.

(b) The Authority shall determine the date, denomination or denominations, interest payment dates, maturity date or dates, place or places and manner of payment, schedule of serial or term bonds or combination and of any sinking fund payments for term bonds, registration privileges and places or places of registration, redemption price or prices and time or times and terms and conditions and method of redemption, the right of the holder to tender for purchase and the price or prices and time or times and terms and conditions upon which the right might be exercised, the right to purchase and the price or prices and the time or times and terms and conditions upon which the right may be exercised and the purchase may be made, and all other details of bonds issued under this Act.

(c) The principal of and interest and premium, if any, on all bonds issued under this Act shall be payable in any coin or currency of the United States of America, which at the time of payment is legal tender for public and private debts, or in such other currency as may be determined by the Authority to result in the lowest borrowing cost or other advantage to the Commonwealth.

Section 5. Sale of Bonds.

(a) The Authority may make such arrangements as may be necessary or proper for the sale of each issue of bonds or part thereof as are issued pursuant to this Act including, without limitation, arranging for the preparation and printing of the bonds, the official statement and any other documents or instruments deemed required for the issuance and sale of bonds, and retaining financial, accounting, and legal consultants, all upon such terms and conditions as the Authority deems advisable and in the best interest of the Commonwealth. The Authority may offer the bonds at competitive sale or may negotiate the sale of the bonds to any person or group of persons, to the United States of America, or any board, agency, instrumentality, or corporation thereof.

(b) The sale of the bonds by the Authority by negotiation shall be at such price or prices and upon such terms and conditions, and the bonds shall bear interest at such rate or rates or such varying rates determined from time to time in such manner as the Authority shall approve.

(c) The sale of the bonds by the Authority at competitive sale shall be at such price or prices and upon such terms and conditions, and the bonds shall bear interest at such rate or rates or such varying rates determined from time to time in the manner as specified by the successful bidder. The bonds offered at competitive sale may be sold to the bidder offering to purchase the bonds at the lowest interest cost (calculated on a net interest cost, true interest cost or other basis as determined by the Authority and described in the notice of sale herein mentioned). The bonds offered at competitive sale shall be sold only after published notice of sale; provided that in any case the right shall be reserved to reject any or all bids and to waive any irregularity or informality in any bid. The notice of sale shall be published at

least once and at least five days prior to the date of such sale in a newspaper published and of general circulation in the Commonwealth and in a financial newspaper or newspapers published in any of the cities of New York or San Francisco, and shall be in such form and contain such terms and conditions as the Authority shall determine. The notice of sale shall comply with the requirements of this section if it merely advises prospective purchasers of the proposed sale and makes reference to a detailed notice of sale which is available to prospective purchasers and which sets forth the specific details of the bonds and terms and conditions upon which the bonds are to be offered. The notice of sale published and any detailed notice of sale may omit the date and time of sale, in which event the date and time shall be either published in the same newspapers in which the notice of sale has been published or transmitted via electronic communication systems deemed proper by the Authority which are generally available to the financial community in the United States, in either case at least twenty-four hours prior to the time fixed for the sale.

Section 6. Form and Execution of Bonds. Bonds issued pursuant to this Act shall be in such form as the Authority may determine, and shall be lithographed or steel engraved. All bonds issued pursuant to this Act shall be manually signed by the Chairman of the Authority, shall bear the manual or a facsimile of the signature of the Executive Director of the Authority, and shall be sealed with the seal or a facsimile of the seal of the Commonwealth. If the Authority shall have designated a registrar for fully registered bonds, the Authority may provide that no fully registered bond shall be valid or obligatory for any purpose unless certified or authenticated by the registrar, in which case, notwithstanding the preceding provisions of this section, all signatures of the officers of the Authority upon the fully registered bonds may be facsimiles of the officers' signature, and fully registered bonds shall be valid and sufficient only if certified or authenticated by the manual signature of an authorized officer or signature of that registrar. Notwithstanding the preceding provisions of this section, the Authority may provide that bonds issued pursuant to this Act may be typewritten, printed, or otherwise reproduced. Interest coupons shall be executed with a lithographed or engraved facsimile of the signature of the Chairman. Pending the preparation of the definitive bonds, interim receipts, or certificates in such form and with such provisions as the Authority may decide upon, may be issued to the purchaser or purchasers of bonds sold pursuant to this part. The Authority may provide that the bonds be registered in book entry form with the Depository Trust Company and may enter into any agreement required or appropriate therefor.

Section 7. Signatures. When bonds of the Commonwealth are prepared and signed (manually or by facsimile) by the Chairman and the Executive Director of the Authority in office at the time of such signing, the signatures of the Chairman and the Executive Director shall be valid and sufficient for all purposes, and shall have the same effect as if the persons officially signing the bonds or whose facsimile signatures appear thereon had remained in office until the delivery of the same to the initial purchasers thereof, and upon any exchange or transfer between subsequent holders thereof, notwithstanding that the term of office of those persons or any of them may have expired or they may otherwise have ceased to be officers before the delivery, exchange, or transfer. Anything to the contrary notwithstanding, if blanks of fully registered bonds shall be held by a registrar pending exchange or transfer for other fully registered bonds of the same series, then upon delivery of bonds in an exchange or transfer, the bonds shall be valid and sufficient for all purposes notwithstanding that the signature of the Chairman and the Executive Director appearing thereon shall be that of the

person in office at the time of initial delivery of the bonds or that of the person in office at the time of such exchange or transfer.

Section 8. CUSIP Numbers.

(a) The Authority may provide that CUSIP identification numbers shall be imprinted on bonds issued pursuant to this part. In the event that CUSIP identification numbers are imprinted on any bonds:

(1) No number shall constitute a part of the contract evidenced by the particular bond upon which it is imprinted; and

(2) No liability shall attach to the Commonwealth or any officer or agent thereof, including any fiscal agent, paying agent, or registrar for the bonds, by reason of the numbers or any use made thereof, including any use made by the Commonwealth or any officer or agent thereof, or by reason of any inaccuracy, error, or omission.

(b) The Authority may require that all cost of obtaining and imprinting CUSIP identification numbers shall be paid by the purchaser of the bonds. For the purposes of this section, the term "CUSIP identification numbers" means the numbering systems adopted by the Committee for Uniform Security Identification Procedures formed by the Securities Industry Association.

Section 9. Credit and Liquidity Facility; Swaps and Hedges; Investments. Notwithstanding any other provision of law, all of the following apply:

(a) In connection with, or incidental to, the issuance or carrying of bonds, but only for the purpose of reducing the amount or duration of payment, currency rate, spread or similar risk or to result in a lower cost of borrowing and not for purposes of investment or speculation or where it would expose the assets, resources, or revenues of the Authority or the Commonwealth to unreasonable risk, the Authority, for and in the name and on behalf of the Commonwealth, may enter into any contracts which the Authority determines to be necessary or appropriate to place the obligation of the Commonwealth, as represented by the bonds in whole or in part, on the interest rate, cash-flow, or other basis desired by the Commonwealth government, including, without limitation, contracts commonly known as interest rate swap agreements, forward payment conversion agreements, futures, or contracts providing for payments based on levels of, or changes in, interest rates, stock or other indices, or contracts to exchange cash flows or a series of payments, or contracts, including, without limitation, interest rate floors or caps, options, puts or calls to hedge payment, rate, spread, or similar exposure. These contracts and arrangements shall be entered into with the parties, selected by the means, and contain the payment, security, default, remedy, and other terms and conditions, determined by the Authority, after giving due consideration for the credit worthiness of the counterparties, where applicable, including any rating by a nationally recognized rating agency or any other criteria as may be appropriate.

(b) In connection with, or incidental to, the issuance or carrying of bonds, or entering into any of the contracts or arrangements referred to in subdivision (a), the Authority, for and in the name and on behalf of the Commonwealth, may enter into credit enhancement or liquidity agreements, with payment, interest rate, security, default, remedy, and other terms and conditions as the Authority determines.

(c) Without limitation by subsection (a) of this section, proceeds of bonds and any moneys set aside and pledged to secure payment of the bonds or any of the contracts entered into pursuant to this section may be invested in securities or obligations described in the certificate, resolution, indenture, agreement or other instrument providing for the issuance of the bonds or the contract and may be pledged to and used to service any of the contracts or agreements entered into pursuant to this section.

Section 10. Bonds Tax Exempt; First Charge on General Fund; Additional Security; Waiver of Sovereign Immunity.

(a) All bonds issued pursuant to this Act and the income therefrom shall be exempt from all taxation by the Commonwealth or any political subdivision thereof, except inheritance, transfer, and estate taxes. Interest and principal payments of the bonds shall be a first charge on the general fund of the Commonwealth. The full faith and credit of the Commonwealth shall be and are hereby pledged to the punctual payment of the principal thereof, and interest thereon, as the same shall become due, irrespective of whether or not the pledge is stated in the bonds, and sufficient revenues shall be raised or provided from time to time for the purpose of payment.

(b) (1) The act of the legislature authorizing the issuance of bonds may authorize the Authority, for and in the name and on behalf of the Commonwealth, to pledge specified revenues of the Commonwealth as additional security for such bonds, including fuel taxes and vehicle licenses and registration fees, judicial building fund revenues, alcohol and cigarette taxes, hotel occupancy and other transient accommodations taxes, container taxes, water, power, sewer and refuse taxes and revenues, federal financial assistance payments, and any other revenues authorized in the act of the legislature authorizing issuance of such bonds. In the case any such additional security is pledged to bonds, the Authority may provide for, in which case the Secretary of the Department of Finance shall, transfer to and deposit in a special trust account the pledged revenues promptly upon receipt until the balance in said special trust account is at least equal to the debt service due or to become due on such bonds during the next succeeding six months (or as otherwise provided in the act of the legislature authorizing the issuance of such bonds).

(2) Alternatively, or in addition to the foregoing, the act of the Legislature authorizing the issuance of the bonds may authorize the Authority, for and in the name and on behalf of the Commonwealth, to covenant to bondholders to, and in the event the Authority does so covenant the Secretary of the Department of Finance shall, transfer each month up to ten percent of all general fund revenues of the Commonwealth received that month and deposit in a special trust account until the balance in said special trust account is at least equal to the debt service due or to become due on such bonds during the next succeeding six months (or as otherwise provided in the act of the Legislature authorizing the issuance of such bonds).

(3) Any special trust account established pursuant to this section shall be held separately from all other funds of the Commonwealth by the Secretary of the Department of Finance, or by a corporate trustee, fiscal agent or other financial institution, depository, or custodian designated by the Authority. A special trust account may be established to provide additional security for a single issue of bonds or multiple issues of bonds issued or to be issued, in which case each bond issue shall

be secured by the special trust account on a parity with every other bond issue secured by such special trust account, except to the extent that the pledge of revenues required to be deposited in the special trust account for one or more particular issues of bonds is expressly subordinate to the pledge for other issues of bonds.

(4) Any pledge of revenues as additional security for bonds made pursuant to this section shall be valid and binding from the time the pledge is made against all parties having claims of any kind in tort, contract, or otherwise against the Commonwealth or any institution holding the revenues irrespective of whether the parties have notice thereof; revenues so pledged and thereafter received by the Commonwealth shall be immediately subject to the lien of such pledge without any physical delivery thereof, recording or other further act; and such pledge shall have the priority provided by the Authority in establishing the pledge (subject only to any pledges previously made to the extent expressly senior). There is hereby appropriated all revenues pledged pursuant to this section for deposit into one or more special trust accounts or payment of principal and interest on the bonds to which such revenues are pledged, and this appropriation shall be a continuous and paramount appropriation upon the general fund and the other funds of the Commonwealth in which such revenues may be held. All revenues pledged pursuant to this section and deposited into special trust accounts shall be available without need for further appropriation for payment of principal and interest on the bonds to which such revenues are pledged. All revenues pledged pursuant to this section shall be disregarded or excluded from the base when computing the distribution revenues pursuant to any law earmarking a specified percentage of designated revenues to a particular purpose or entity.

(c) The Commonwealth, to the fullest extent permitted by its Constitution, waives sovereign immunity and authorizes the holder of any bond to sue the Commonwealth for payment of principal of and interest on such bond with any moneys in the general fund of the Commonwealth or otherwise available therefor (or any specific revenues pledged therefor as additional security) and, if such moneys are insufficient, to compel the Commonwealth to raise funds sufficient therefor by any means not prohibited by the Constitution of the Commonwealth.

(d) For purposes of this section, the term "bonds" shall include any contract or agreement entered into pursuant to section 9(a) and (b) of this Act to the extent provided by the Authority in such contract or agreement.

Section 11. Payment, Principal and Interest.

(a) When bonds issued pursuant to this Act and the several interest amounts mature, the Authority shall pay the same. If the bonds or interest are made payable elsewhere than at the office of the Authority, the Authority shall make arrangements to provide sufficient funds at the designated place or places of payment to meet and pay all obligations in accordance with the terms thereof.

(b) There is hereby appropriated out of the general fund of the Commonwealth all amounts necessary for the payment from time to time of the principal of the bonds and the several interest amounts as they mature, and this appropriation shall be a continuous and paramount appropriation upon the general fund of the Commonwealth. The Secretary of Finance shall transfer to the Authority, or as directed by the Authority in the certificate,

resolution, indenture or other instrument providing for issuance of the bonds, from time to time such funds as are necessary to make the payments required by this section. No further appropriation shall be necessary for such transfer and payment.

Section 12. Fiscal and Paying Agents and Registrars. The Authority may appoint such trustees, fiscal agents, tender agents, paying agents, and registrars, within and without the Commonwealth, as may be necessary and expedient to facilitate the sale, purchase, registration, transfer, exchange, and redemption of the bonds and the payment of the principal thereof and interest thereon. The Authority may authorize and empower trustees, fiscal agents and paying agents, for and on behalf of the Commonwealth, to receive and receipt for moneys realized from the sale of bonds and to pay out moneys for the payment, redemption, or purchase thereof and for the payment of interest thereon, and to receive receipts for all moneys so paid out.

Section 13. Federal Tax Exempt Status, Preference, Protection. Bonds issued pursuant to this Act, to the extent practicable, shall be issued to comply with requirements imposed by applicable law providing that the interest on the bonds shall be excluded from gross income for United States federal tax income purposes (except as certain minimum taxes or other special taxes may apply). The Authority and the Director of the Department of Finance are authorized to enter into agreements, establish funds or accounts, and take any action required in order to comply with applicable United States federal law including pledge to pay and payment to the United States government of any arbitrage rebate necessary to maintain the tax-exempt status of the bonds, and there is hereby appropriated from the general fund of the Commonwealth all amounts necessary for such purpose (which appropriation shall be a continuous and paramount appropriation upon the general fund of the Commonwealth). The Authority and the Director of Finance may pay any such arbitrage rebate without need for further appropriation. Nothing in this Act shall be deemed to prohibit the issuance of bonds, the interest on which may be included in gross income for United States federal income tax purposes.

Section 14. Bond Anticipation Notes. In anticipation of the issuance pursuant to this Act of general obligation bonds authorized by the legislature and of the receipt of the proceeds of sale of those bonds, the Authority, for and in the name and on behalf of the Commonwealth, may issue and sell general obligation bond anticipation notes for the purposes for which the bonds have been authorized, the maximum principal amount of which notes shall not exceed the authorized principal amount of the bonds. The full faith and credit of the Commonwealth shall be pledged to the payment of the principal and interest of the notes. The issuance of the notes and the details thereof shall be governed by the provisions of this Act with respect to bonds insofar as the same maybe applicable; provided that:

(a) Each note, together with all renewals and extensions thereof, or refunding thereof by other notes issued pursuant to this section, shall mature within five (5) years from the date of the original note; and

(b) The interest on the notes shall be paid from the general fund and the principal thereof from the proceeds of sale of the bonds in anticipation of which the notes have been issued, or from any moneys in the general fund available therefor. To the extent that the principal of the notes shall be paid from moneys other than the proceeds of sale of the bonds, the maximum amount of bonds that has been authorized shall be reduced by the amount of

notes paid.

Section 15. Refunding Bonds Authorized.

(a) Subject to the other provisions of this Act, 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 Act, 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 Act 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 Act with respect to bonds and all provisions of this Act 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 Act 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 Act 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.

Section 16. Bonds Negotiable, Incontestable. This Act, without reference to any other law except as provided herein, shall be full authority to issue or sell general obligation bonds of the Commonwealth, and the bonds and all interim receipts or certificates shall have all the qualities of negotiable paper under law. ~~The bonds shall not be invalid for any irregularity or defect in the proceedings for the issue or sale thereof except as provided in this section. Whenever the Authority determines to issue bonds, notes, or other evidences of indebtedness, or to take any other action under authority of this Act, it shall, at least thirty days prior to delivery to purchaser of such bonds, notes, or other evidences of indebtedness, or the execution of the other action, (1) transmit to the presiding officers of the legislature certified copies of the resolution authorizing their issuance or approving other action, and (2) publish a notice thereof and of citizens rights under this section at least four times in at least one newspaper of general circulation in the Commonwealth. At any time~~

~~prior to delivery, any person in interest shall have the right to institute an appropriate action or proceeding to contest the validity of the authorized indebtedness, the pledge of revenues for the payment of principal and interest on such indebtedness, the validity of the collection and disposition of the revenue necessary to pay the principal and interest on such indebtedness, and the validity of all other provisions and proceedings in connection with the authorization and issuance of the bonds, notes, or other evidences of indebtedness. If such action or proceeding shall not have been instituted prior to delivery, then the validity of the evidences of indebtedness shall be conclusively presumed. The bonds shall contain a recital that they have been authorized and issued pursuant to the laws of the Commonwealth, which recital shall be conclusive evidence of their validity and the regularity of their issuance, except in an action brought by the Commonwealth or the Authority against any person other than a bondholder or one whose interest derives from or is equivalent to that of a bondholder. This Act provides a complete, additional, and alternative method of doing what is authorized by this Act, and no proceedings in respect of the issuance of any bonds, the pledge of any revenues or the other acts authorized herein shall be necessary except proceedings required by this Act. Except as specifically provided herein, nothing in this Act exempts the Authority from the requirements of the Commonwealth Development Authority Act (Title 4, Division 10 of the Commonwealth Code) or the Open Government Act (Title 1, Division 9, Chapter 9 of the Commonwealth Code).~~

Section 17. Severability. If any provision of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Section 18. Savings Clause. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of this Act shall not have the effect of terminating, or in any way modifying, any liability civil or criminal, which shall already be in existence at the date this Act becomes effective.

Section 19. Effective Date. This Act shall take effect upon its approval by the Governor or upon its becoming law without such approval.

CERTIFIED BY:

/s/ Diego T. Benavente
DIEGO T. BENAVENTE
Speaker
House of Representatives

ATTESTED BY:

/s/ Evelyn C. Fleming
EVELYN C. FLEMING
House Clerk

 Approved this 10th day of October , 1995

/s/ Froilan C. Tenorio

FROILAN C. TENORIO

Governor

Commonwealth of the Northern Mariana Islands