

THIRTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

SEVENTH SPECIAL SESSION, 2002

Public Law 13-44

H. B. NO. 12-241

AN ACT

TO AUTHORIZE PUBLIC DEBT IN AN AMOUNT NOT TO EXCEED \$2,000,000 TO FUND THE REPAIR OR REPLACEMENT OF INFRASTRUCTURE SYSTEMS IN THE FIRST SENATORIAL DISTRICT WHICH WERE DAMAGED AS A RESULT OF SUPERTYPHOON PONGSONA.

**BE IT ENACTED BY THE THIRTEENTH NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:**

Section 1. Intent and Purpose. The Legislature finds that funds are urgently needed to repair and replace the infrastructure systems, or parts thereof, in the First Senatorial District which were damaged by Supertyphoon Pongsona. The purpose of this Act is to authorize the Commonwealth Development Authority to incur public debt in an amount not to exceed \$2,000,000, either in the form of a loan, or a bond within the meaning of Public Law 11-3. The proceeds will be used to pay for infrastructure repair or replacement projects in the First Senatorial District.

Section 2. Public Debt Authorization.

(a) Notwithstanding any other provision of law to the contrary, the Commonwealth Development Authority, in consultation with the Department of Finance, Department of Public Works, and the Mayor of Rota and on behalf of the Commonwealth Government, is hereby authorized to incur public debt in an amount not to exceed \$2,000,000 and either in the form of a loan, or a bond within the meaning of Public Law 11-3. The proceeds of loan or bond shall be used for the purpose of funding, in the First Senatorial District, the repair or replacement of infrastructure systems or parts thereof damaged as a result of Supertyphoon Pongsona.

(b) The public debt authorized herein shall be denominated herein and payable in United States Dollars and not in the equivalent amount of any foreign currency.

(c) The authorization for public debt hereunder is made only for the purpose of funding the replacement and/or repair of infrastructure systems or parts thereof in the First Senatorial District and only to a total indebtedness not to exceed \$2,000,000, inclusive of any commission or fee, and costs of issuance, credit enhancement or other similar expenses.

(d) The public debt authorized herein is only authorized with an interest rate not exceeding the prime rate prevailing at the time of closing on the principal amount remaining outstanding and unpaid and with repayment terms of not less than 10 years for payment in full of principal and interest.

(e) The public debt authorized herein shall be backed by the full faith and credit of the Commonwealth Government and shall be a debt of the Commonwealth.

Section 3. Supertyphoon Pongsona Account Established Notwithstanding any law to the contrary, the Secretary of Finance is hereby authorized to establish a “Supertyphoon Pongsona Account” separate from the general fund.

(a) The proceeds of the public debt authorized under this Act shall be deposited into a subaccount within the Supertyphoon Pongsona Account and the funds therein are hereby appropriated for projects to repair or replace infrastructure systems, or parts thereof, in the First Senatorial District and shall be under the expenditure authority of the Secretary of Public Works. Provided that the Rota Legislative Delegation shall allocate by resolution the amount appropriated herein by identifying the specific projects to be funded in accordance with this Act.

(b) Notwithstanding any law to the contrary, the Secretary of Finance is hereby authorized to reserve and to transfer funds from the general fund as required to meet the Commonwealth government’s obligation relating to the financing authorized by this Act into a subaccount within the Supertyphoon Pongson Account. Such funds are continually appropriated for the sole purpose of paying the principal and interest on any financing authorized by this Act. Provided, that, in the event the amount in the

subaccount is insufficient to cover any requisite payment upon such financing, the Governor shall, notwithstanding any law to the contrary, pay the remaining balance of such payment directly from the general fund. The funds in the subaccount shall be nonlapsing except, upon certification by the Secretary of Finance that all principal and interest on all financing has been paid in full and discharged, any funds remaining in subaccount shall lapse to the general fund.

Section 4. Severability. If any provisions 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 5. 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 the Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence on the date this Act becomes effective.

Section 6. Article X, Section 3 Certification. Upon passage of this bill by the Legislature, by a vote of at least two-thirds of the members in each house, the Speaker of the House of Representatives and the President shall certify and the House Clerk and the Senate Legislative Secretary shall attest to the passage of this bill by such two-thirds vote, in accordance with Article X, Section 3 of the Commonwealth Constitution. Such certification and attestation shall form a part of the engrossed bill for transmittal to the Governor, and shall serve as affirmation of the full faith and credit of the Commonwealth Government with respect to this bond issuance.

Section 7. Effective Date. This Act shall take effect upon its approval by the Governor, or it becoming law without such approval. Passed by the House of Representatives and by the Senate with the affirmative vote of two-thirds of the members in each house.

CERTIFIED BY:

/s/ _____
HEINZ S. HOFSCHEIDER
SPEAKER OF THE HOUSE

/s/ _____
PAUL A. MANGLONA
PRESIDENT OF THE SENATE

ATTESTED TO BY:

/s/ _____
EVELYN C. FLEMING
HOUSE CLERK

/s/ _____
THOMAS P. VILLAGOMEZ
SENATE LEGISLATIVE SECRETARY

Approved this 8th day of January, 2003

/s/ _____
JUAN N. BABAUTA
GOVERNOR
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS