

Health Care Financing Administration, which are referred to in section 502(a)(1) (except for the reference to the Micronesian Claims Act of 1971 (85 Stat. 96)) of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America, approved by joint resolution approved on March 24, 1976 (90 Stat. 263), and 502(a)(2) of said Covenant shall be applicable to the territories of Guam and the Virgin Islands on the same terms and conditions as such laws are applied to the Commonwealth of the Northern Mariana Islands.”

#### EFFECTIVE DATE OF 1977 AMENDMENT

Amendment by Pub. L. 95-135 effective as of Oct. 15, 1977, see section 2 of Pub. L. 95-135, set out as a note under section 1421q-1 of this title.

### § 1574a. Revenue bonds or other obligations

#### (a) Authorization for issuance; use of proceeds; legislative initiative and binding referendum vote

In addition to the authority conferred by section 1574(b) of this title, the legislature of the government of the Virgin Islands is authorized to cause to be issued bonds or other obligations of such government in anticipation of revenues to be received under section 7652(b)(3) of title 26. The proceeds of such bonds or other obligations may be used for any purpose authorized by an act of the legislature. The legislature of the government of the Virgin Islands may initiate, by majority vote of the members, a binding referendum vote to approve or disapprove the amount of any such bond or other obligation and/or any purpose for which such bond or other obligation is authorized.

#### (b) Federal guarantee

The legislature of the government of the Virgin Islands may provide, in connection with any issue of bonds or other obligations authorized to be issued under subsection (a) of this section the proceeds of which are to be used for public works or other capital projects, that a guarantee of such bonds or obligations by the United States should be applied for under section 1574b of this title.

#### (c) Limitations on issuance

Except to the extent inconsistent with the provisions of this Act, the provisions of section 1574(b)(ii) of this title (other than the limitation contained in the proviso to the first sentence of subparagraph (A)) shall apply to bonds and other obligations authorized to be issued under subsection (a) of this section.

(Pub. L. 94-392, §1, Aug. 19, 1976, 90 Stat. 1193; Pub. L. 105-83, title I, §124(c), Nov. 14, 1997, 111 Stat. 1567; Pub. L. 106-84, §1(b)(3), Oct. 28, 1999, 113 Stat. 1295.)

#### REFERENCES IN TEXT

This Act, referred to in subsec. (c), is Pub. L. 94-392, Aug. 19, 1976, 90 Stat. 1193, as amended, which enacted sections 1574a to 1574d of this title, amended section 1397 of this title, and enacted a provision set out as a note below. For complete classification of this Act to the Code, see Tables.

#### CODIFICATION

In subsec. (a), “section 7652(b)(3) of title 26” substituted for “section 28(b) of such Act (26 U.S.C. 7652)”, meaning section 28(b) of the Revised Organic Act of the

Virgin Islands (68 Stat. 508), which was classified to section 3350(c) of former Title 26, Internal Revenue Code, on authority of section 7852(b) of Title 26, Internal Revenue Code, which provided that any reference in any other law to a provision of the Internal Revenue Code of 1939 shall be deemed a reference to the corresponding provision of the Internal Revenue Code of 1986.

Section was not enacted as part of the Revised Organic Act of the Virgin Islands which comprises this chapter.

#### AMENDMENTS

1999—Subsec. (d). Pub. L. 106-84 struck out subsec. (d) which read as follows: “The legislature of the Government of the Virgin Islands may cause to be issued notes in anticipation of the collection of the taxes and revenues for the current fiscal year. Such notes shall mature and be paid within one year from the date they are issued. No extension of such notes shall be valid and no additional notes shall be issued under this section until all notes issued during a preceding year shall have been paid.”

1997—Subsec. (d). Pub. L. 105-83 added subsec. (d).

#### AUTHORIZATION OF APPROPRIATIONS

Section 6 of Pub. L. 94-392 provided that: “There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act [enacting this section and sections 1574b to 1574d of this title and amending section 1397 of this title].”

### § 1574b. Federal guarantee for issuance of revenue bonds or other obligations

#### (a) Application to Secretary of the Interior; contents

When authorized under subsection (b) of section 1574a of this title, the government of the Virgin Islands may apply to the Secretary of the Interior (hereinafter referred to as the “Secretary”) for a guarantee of any issue of bonds or other obligations authorized to be issued under subsection (a) of section 1574a of this title. Any such application shall contain such information as the Secretary may prescribe.

#### (b) Terms and conditions of guarantee or commitment to guarantee; determination by Secretary of approval

The Secretary is authorized, with the approval of the Secretary of the Treasury, to guarantee and to enter into commitments to guarantee, upon such terms and conditions as he may prescribe, payment of principal and interest on bonds and other obligations issued by the government of the Virgin Islands under subsection (a) of section 1574a of this title. No guarantee or commitment to guarantee shall be made unless the Secretary determines—

(1) that the proceeds of such issue will be used only for public works or other capital projects, except that \$28,000,000 of the guaranteed bonding authority will be used for water producing and power projects, including maintenance and overhaul of electrical generating and distribution mechanisms, and \$12,000,000 of the guaranteed bonding authority will be used for repair and improvements of the water distribution and storage systems;

(2) taking into account anticipated expenditures by the government of the Virgin Islands while the bonds or other obligations forming a part of such issue will be outstanding, all outstanding obligations of the government of the Virgin Islands which will mature while the