

be applicable to the territories of Guam and the Virgin Islands on the same terms and conditions as such laws are applied to the Northern Mariana Islands.

(Pub. L. 95-134, title IV, §403, Oct. 15, 1977, 91 Stat. 1163; Pub. L. 95-135, §1, Oct. 15, 1977, 91 Stat. 1166; Pub. L. 108-173, title IX, §900(e)(7), Dec. 8, 2003, 117 Stat. 2374.)

REFERENCES IN TEXT

The Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America, referred to in text, is contained in section 1 of Pub. L. 94-241, set out as a note under section 1801 of this title. For Jan. 9, 1978, as the date section 502 of the Covenant came into force, see Proc. No. 4534, §2, set out as a note under section 1801 of this title.

The joint resolution approved on March 24, 1976, referred to in text, is Pub. L. 94-241, Mar. 24, 1976, 90 Stat. 263, as amended, which is classified generally to subchapter I (§1801 et seq.) of chapter 17 of this title. For complete classification of this Act to the Code, see Tables.

The Micronesian Claims Act of 1971, referred to in text, is Pub. L. 92-39, July 1, 1971, 85 Stat. 92, as amended, which was classified generally to section 2018 et seq. of the former Appendix to Title 50, War and National Defense, and which was omitted from the Code as terminated Aug. 3, 1976.

CODIFICATION

Section is also classified to section 1421q-1 of this title.

Section was formerly set out as a note under section 1681 of this title.

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

AMENDMENTS

2003—Pub. L. 108-173 substituted “Centers for Medicare & Medicaid Services” for “Health Care Financing Administration”.

1977—Pub. L. 95-135 amended section generally. Prior to amendment, section read as follows: “Effective on October 15, 1977, those laws, except for any laws administered by the Social Security Administration and except for medicaid which is now administered by the 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) 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).

(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

Pub. L. 94-392, §6, Aug. 19, 1976, 90 Stat. 1195, 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 bonds or other obligations forming a part of such issue will be outstanding, and such other factors as he deems pertinent, that the revenues expected to be received under section 7652(b)(3) of title 26 will be sufficient to pay the principal of, and interest on, the bonds or other obligations forming a part of such issue;

(3) that credit is not otherwise available on reasonable terms and conditions and that there is reasonable assurance of repayment, and

(4) that the maturity of any obligations to be guaranteed does not exceed thirty years or 90 per centum of the useful life of the physical assets to be financed by the obligation, whichever is less as determined by the Secretary.

(c) Administrative costs; deposit of fees

The Secretary shall charge and collect fees in amounts sufficient in his judgment to cover the costs of administering this section. Fees collected under this subsection shall be deposited in the revolving fund created under subsection (g).

(d) Conclusiveness and incontestability; pledge of full faith and credit

Any guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligation for such guarantee, and the validity of any guarantee so made shall be incontestable, except for fraud or material misrepresentation, in the hands of the holder of the guaranteed obligation. Such guarantee shall constitute a pledge of the full faith and credit of the United States for such obligation.

(e) Interest on guaranteed obligations taxable

The interest on any obligation guaranteed under this section shall be included in gross income for purposes of chapter 1 of the Internal Revenue Code of 1986 [26 U.S.C. 1 et seq.].

(f) Maximum amount guaranteed; time limitations on commitments to guarantee, obligation of guaranteed but unobligated funds, and repayment of unobligated proceeds of bonds or other obligations

The aggregate principal amount of obligations which may be guaranteed under this Act shall not exceed \$101,000,000. No commitment to guarantee may be issued by the Secretary, and no guaranteed but unobligated funds may be obligated by the government of the Virgin Islands after October 1, 1990. After October 1, 1990, any unobligated proceeds of bonds or other obligations issued by the government of the Virgin Islands pursuant to this section shall be repaid immediately by the government of the Virgin Islands to the lenders with the agreed upon interest. Should there be any delay in the government of the Virgin Islands’ making such repayment, the Secretary shall deduct the requisite amounts from moneys under his control that would otherwise be paid to the government of the Virgin Islands under section 7652(b)(3) of title 26.

(g) Revolving fund; establishment; submission of budget to Congress; payments; transfers from fund to general fund of Treasury; issuance and sale of notes or other obligations for guarantees

(1) There is hereby created within the Treasury a separate fund (hereinafter referred to as “the fund”) which shall be available to the Secretary without fiscal year limitation as revolving fund for the purpose of this Act. A business-type budget for the fund shall be prepared, transmitted to the Congress, considered, and enacted in the manner prescribed by law (sections 9103 and 9104 of title 31) for wholly owned Government corporations.

(2) All expenses, including reimbursements to other government accounts, and payments pursuant to operations of the Secretary under this Act shall be paid from the fund. If at any time the Secretary determines that moneys in the fund exceed the present and any reasonably prospective future requirements of the fund, such excess may be transferred to the general fund of the Treasury.

(3) If at any time the moneys available in the fund are insufficient to enable the Secretary to discharge his responsibilities under guarantees under this Act, he shall issue to the Secretary of the Treasury notes or other obligations in such