



COPY

THE SENATE
Twenty-Third Northern Marianas Commonwealth Legislature
P. O. Box 500129
Saipan, MP 96950

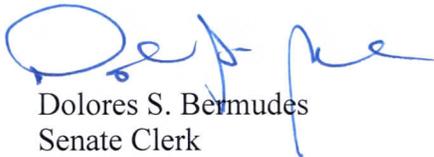
March 09, 2023

The Honorable Edmund S. Villagomez
Speaker
House of Representatives
23rd Northern Marianas Commonwealth Legislature
Saipan, MP 96950

Dear Speaker Villagomez:

I have the honor of returning without amendments House Bill No. 23-1, entitled, "To amend 7 CMC §4101 to lower the interest rate of civil money judgments from nine percent (9%) to three percent (3%)." The Senate passed H.B. No. 23-1 by the unanimous vote, a quorum being present, in its 3rd Day, First Regular Session on March 09, 2023.

Sincerely,



Dolores S. Bermudes
Senate Clerk

Attachment

Transmitted to HOUSE:

Received by:  Date: 3/9/2023 Time: 1:37 pm



The Senate
NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
P.O. BOX 500129
SAIPAN, MP 96950

STANDING COMMITTEE REPORT NO. 23-01

Date: February 22, 2023

RE: House Bill No. 23-01

S-Adopted 3/9/23

Honorable Edith E. DeLeon Guerrero
President of the Senate
Twenty-Third Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

Dear Madam President:

Your Committee on Judiciary, Government, and Law, to which was referred House Bill No. 23-01, entitled:

“To amend 7 CMC §4101 to lower the interest rate of civil money judgments from nine percent (9%) to three percent (3%).”

begs leave to report as follows:

I. RECOMMENDATION:

After considerable discussion and deliberation, your Committee recommends the passage of House Bill No. 23-01 in its current form.

II. ANALYSIS:

A) Purpose:

The purpose of House Bill No. 23-01 is to lower the current interest rate of civil money judgments from nine percent (9%) to three percent (3%) by amending 7 CMC §4101.

B) Committee Findings:

Your Committee finds that 7 CMC § 4101 mandates that “every judgment for the payment of money shall bear interest at the rate of nine percent a year from the date it is entered.” Court ordered individuals required to meet this statutory provision have been extremely burdened to fulfill the financial obligation at a time that our Commonwealth is still recovering from the devastation of several unprecedented natural disasters followed by a global pandemic that have resulted in a crippling local economy heavily impacted by national and foreign policies.

Your Committee further finds that the average interest rates for money judgments across the United States are reasonably less than the current interest rate of nine percent imposed on residents of the CNMI. Through the enactment of House Bill No. 23-01, the proposed reduction in interest rate of three percent for civil case judgments would provide residents of the Commonwealth a reasonable figure to fulfill their principle payments given the current state of our local economy.

Your Committee met on February 22, 2023 to formally discuss the proposed legislation and review the archived comment from the Office of the Public Defender received by the House Standing Committee on Judiciary and Governmental Operations during the Twenty-Second Northern Marianas Commonwealth Legislature who supported the intent of the proposed legislation. During the meeting, no member objected to the passage of the proposed legislation in its current form. It is for these reasons that your Committee supports the provisions proposed in House Bill No. 23-01 and recommends its passage in its current form.

C) Legislative History:

House Bill No. 23-01 was formally introduced by Representative Marissa R. Flores on February 3, 2023 and was subsequently passed on the same day by the House of Representatives in its current form on First and Final Reading during its Second Day, First Regular Session. House Bill No. 23-01 was transmitted to the Senate on February 6, 2023, and referred to the Senate Standing Committee on Judiciary, Government, and Law for disposition.

During the Twenty-Second Northern Marianas Commonwealth Legislature, a similar legislation, House Bill No. 22-58, was formally introduced by Representative Richard T. Lizama on May 28, 2021 and was subsequently referred to the House Standing Committee on Judiciary and Governmental Operations (JGO) for disposition. The House JGO Committee adopted the proposed legislation in its original form and reported its findings to the full body of the House of Representatives under House Standing Committee Report No. 22-26. On August 31, 2021 the House of Representatives passed House Bill No. 22-58 without amendments during its Second Day, Second Regular Session. House Bill No. 22-58 was transmitted to the Senate on September 2, 2021 and referred to the Senate Standing Committee on Judiciary, Government, Law, and Federal Relations (JGLFR) for disposition. No further action was taken.

Furthermore, during the Twenty-First Northern Marianas Commonwealth Legislature, a similar legislation, House Bill No. 21-81, was formally introduced by Representative Richard T. Lizama on October 15, 2019 and was subsequently referred to the House Standing Committee on Judiciary and Governmental Operations (JGO) for disposition. The House JGO Committee adopted the proposed legislation in the form of House Bill No. 21-81, House Draft 1 and reported its findings to the full body of the House of Representatives under House Standing Committee Report No. 21-49. On February 7, 2020 the House of Representatives passed the proposed legislation with amendments in the form of House Bill No. 21-81, House Draft 2 during its First Day, Third Regular Session. House Bill No. 21-81, House Draft 2 was transmitted to the Senate on February 10, 2020 and referred to the Senate Standing Committee on Fiscal Affairs for disposition. No further action was taken.

D) Public Hearing and Comment:

1. Public Hearing. No public hearing was scheduled for House Bill No. 23-01. However, a Committee Meeting, which is open to the public, was held on February 22, 2023. See below for further details.
2. Committee Meeting. The proposed legislation made its first appearance during the scheduled committee meeting convened on February 22, 2023. The Committee Meeting notices and agenda were officially posted on February 14, 2023 on various legislative forums and social media sites to invite members of the general public to provide comments as indicated under Item No. 3. Public Comments of the Committee Agenda. However, no public comment was received on the proposed legislation by your Committee during the scheduled meeting.
3. Written Comment. Your Committee agreed to not solicit comments on the proposed legislation based on the following documents attached to this report for reference:
 - a. Written comment on House Bill No. 22-58 submitted by the Office of the Public Defender
 - b. House Standing Committee Report No. 22-26 regarding House Bill No. 22-58

E) Estimated Fiscal Cost:

The enactment of House Bill No. 23-01 will not result in additional costs to the CNMI government as the intent is to alleviate the financial strain on individuals of the Commonwealth by reducing the mandated interest rate of money judgments.

F) Summary of Committee Amendments:

Your Committee made no amendments to the proposed legislation.

III. CONCLUSION:

Your Committee agrees with the intent and purpose of the proposed legislation and recommends passage in its current form as House Bill No. 23-01.

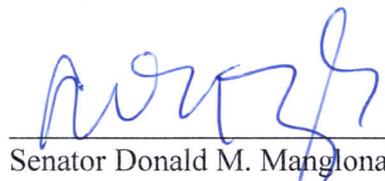
Respectfully submitted,

 2/27/23

Senator Celina R. Babauta
Chairperson



Senator Paul A. Manglona
Vice Chairperson

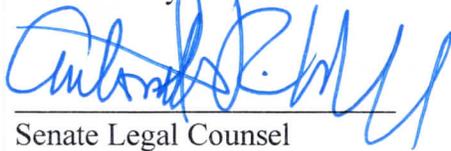


Senator Donald M. Manglona
Member



Senator Dennis C. Mendiola
Member

Reviewed by:



Senate Legal Counsel

Attachment(s):

1. *Written comment on House Bill No. 22-58 submitted by the Office of the Public Defender*
2. *House Standing Committee Report No. 22-26 regarding House Bill No. 22-58*



Hse. Comm. No. 23-01
House of Representatives

TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
P.O. BOX 500586
SAIPAN, MP 96950

February 6, 2023

The Honorable Edith E. DeLeon Guerrero
President
The Senate
Twenty-Third Northern Marianas
Commonwealth Legislature
Capitol Hill
Saipan, MP 96950

Dear Senate President DeLeon Guerrero:

I have the honor of transmitting herewith for Senate action **H. B. No. 23-1**, entitled: "**To amend 7 CMC §4101 to lower the interest rate of civil money judgments from nine percent (9%) to three percent (3%).**", which was passed by the House of Representatives on First and Final Reading, by the majority vote of the members present, a quorum being present, during its Second Day, First Regular Session on February 3, 2023.

Sincerely yours,


Linda B. Muña
House Clerk

Attachment

Transmittal to the SENATE

Received by: 

Date: 2/6/23

Time: 11:06am

TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 3, 2023

First Regular Session, 2023

H. B. 23-1

A BILL FOR AN ACT

To amend 7 CMC §4101 to lower the interest rate of civil money judgments from nine percent (9%) to three percent (3%).

**BE IT ENACTED BY THE 23RD NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:**

1 **Section 1. Findings and Purpose.** The Legislature finds that pursuant to
2 7 CMC §4101, our respective judicial court is given the prerogative to grant money
3 judgements. Pursuant to the same statute, each money judgement consists of an
4 interest rate of nine percent (9%). However, the Legislature also finds that many of
5 our constituents, particularly those whom our judicial courts ruled against in
6 regards to money judgments, find it problematic and extremely burdensome to
7 compensate for the amount set forth by our court as well as its corresponding
8 excessive amount of interest. The Legislature finds that it is imperative to lower the
9 interest rate from nine percent (9%) to three percent (3%) to provide necessary
10 financial relief for those individuals who are struggling to pay the money

1 judgements without violating the integrity of such judgements and allow for them
2 to efficiently continue their court-ordered obligation.

3 Therefore, the purpose of this Act is to amend 7 CMC §4101 to lower the
4 interest rate of civil money judgments from nine percent (9%) to three percent (3%).

5 **Section 2. Amendment.** 7 CMC §4101 is hereby amended to read as
6 follows:

7 “§ 4101. Money Judgments.

8 Every judgment for the payment of money shall bear interest at the
9 rate of ~~nine~~ three percent a year from the date it is entered. The process to
10 enforce a judgment for the payment of money may be a writ of execution or
11 an order in aid of judgment, as provided in chapter 2 of this division
12 (commencing with 7 CMC § 4201).”

13 **Section 3. Severability.** If any provisions of this Act or the application of
14 any such provision to any person or circumstance should be held invalid by a court
15 of competent jurisdiction, the remainder of this Act or the application of its
16 provisions to persons or circumstances other than those to which it is held invalid
17 shall not be affected thereby.

18 **Section 4. Savings Clause.** This Act and any repealer contained herein
19 shall not be construed as affecting any existing right acquired under contract or
20 acquired under statutes repealed or under any rule, regulation, or order adopted
21 under the statutes. Repealers contained in this Act shall not affect any proceeding

HOUSE BILL 23-1

1 instituted under or pursuant to prior law. The enactment of the Act shall not have
2 the effect of terminating, or in any way modifying, any liability, civil or criminal,
3 which shall already be in existence on the date this Act becomes effective.

4 **Section 5. Effective Date.** This Act shall take effect upon its approval by
5 the Governor, or its becoming law without such approval.

Prefiled: 1/12/2023

Date: 1/12/2023

Introduced by: /s/ Rep. Marissa R. Flores

Reviewed for Legal Sufficiency by:

/s/ John M. Bradley
House Legal Counsel



**Office of the Public Defender
Commonwealth of the Northern Mariana Islands**

Civic Center Complex • P.O. Box 10007 • Saipan, MP 96950
Tel.: (670) 234-6215 • 234-6503 • 234-2421 • Fax: (670) 234-1009

Representative Celina Babauta
Chairwoman, House Judiciary and Government Operations Standing Committee
22nd Commonwealth Legislature
P.O. Box 500586 Saipan, MP, 96950

Re: H.B No. 22-58, and H.B. No 22-72

Dear Representative Babauta;

Thank you for soliciting comments from the Office of the Public Defender on the above legislation. Regarding H.B. No. 22-58, it is the position of this office that reducing the interest rate on money judgements from nine percent to three percent will benefit many members of our community who are already having a difficult time meeting the current financial needs of themselves and their families. Reducing the interest rate will allow residents to put more of their money towards the actual debt and fulfill their obligation to the creditor.

As to H.B. No. 22-72, which would raise the mandatory sentencing term from eight years to ten years for persons convicted of sexual assault in the first degree of a minor, the proposed legislation is unnecessary and will not have the desired deterrent effect. Tough on crime bills are often popular but rarely effective. States are repealing things like mandatory minimum sentences, long sentences and the death penalty as they learn these are ineffective in addressing criminal behavior. A potential offender does not say to themselves before committing a sexual assault that I will assault this person if I only go to jail for eight years, but will not if I may go to jail for ten years. In other words, increase in severity of punishment is rarely a deterrent.

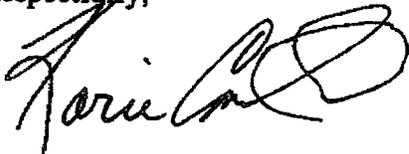
The Board of Parole currently has the opportunity to assess whether an offender should be released after serving eight years of their sentence. Their actual sentence is likely significantly longer. Allowing the Board of Parole to assess the individual facts and circumstances of the conviction serves the interests of justice as the Board can hear from the victim and the defendant and make an individual determination as to whether or not the defendant should be released or retained inside the jail.

One more concern: H.B. No. 22-72 does not expressly address whether it is intended that the new parole eligibility restriction apply to those who have already been convicted prior to the

enactment of the bill. Our office cautions the legislature that sentence enhancements cannot be imposed retroactively without violating the federal and Commonwealth Constitutions' prohibition of *ex post fact* laws. See NMI Const. art. 1 ss 1; U.S. Const. art 1 ss 10; see also *Weaver v. Graham*, 450 U.S. 24 (1981). Although we oppose H.B. No. 22-72 as inevitably ineffective and unnecessarily undermining the role of the Board of Parole, we note that the bill, if it is passes, should clarify within its text that it cannot and does not apply *ex post facto*.

Thanks again for allowing the Office of the Public Defender this opportunity to comment.

Respectfully,

A handwritten signature in black ink, appearing to read "Karie Comstock". The signature is fluid and cursive, with a large loop at the end.

Karie Comstock
Public Defender

CC: Committee of Judiciary and Governmental Operations, Vice Chairman Blas T. Attao, Member Vicente C. Camacho, Member Richard T. Lizama, Member Edwin K. Propst, Member Christina M.E. Sablan, Member Donald M. Manglona



HOUSE OF REPRESENTATIVES

TWENTY-SECOND LEGISLATURE
COMMONWEALTH OF THE NORTHERN MARIANAS COMMONWEALTH
LEGISLATURE
P.O. BOX 500586 SAIPAN, MP 96950

CELINA R. BABAUTA
CHAIRPERSON
JUDICIARY AND GOVERNMENTAL OPERATIONS COMMITTEE

STANDING COMMITTEE REPORT NO. 22-24
DATE: JULY 13, 2021
RE: H.B. 22-58

The Honorable Edmund S. Villagomez
Speaker of the House of Representatives
Twenty-Second Northern Marianas
Commonwealth Legislature
Capitol Hill
Saipan, MP 96950

Dear Mr. Speaker:

Your Committee on Judiciary and Governmental Operations to which was referred:

H. B. No. 22-58:

“To amend 7 CMC §4101 to lower the interest rate of civil money judgments from nine percent (9%) to three percent (3%).”

begs leave to report as follows:

I. RECOMMENDATION:

After considerable discussion, your Committee recommends that H. B. NO. 22-58 be passed by the House in its current form.

II. ANALYSIS:

A. Purpose:

The purpose of House Bill No. 22-58 is to amend 7 CMC §4101 to lower the interest rate of civil money judgments from nine percent (9%) to three percent (3%).

B. Committee Findings:

Your Committee finds that civil cases within our judicial courts involve private disputes between persons or organizations. Many cases that have been heard by our respective local court result in the form of “money judgements” by one of the two parties as ordered by the court. Your Committee further finds that many of our constituents, especially those whom the court have ruled against, find it extremely difficult to pay the stated amount in addition to the accruing interests. The current interest rate of nine percent (9%) has resulted into an extra burden to be endured by the affected party. Your Committee finds that it is imperative to reduce the money judgement interest rate to provide better opportunities for the affected party to pay their judgements as ordered by the court without further jeopardizing their financial security.

Your Committee also finds that pursuant to Michigan Compiled Laws (MCL) Section 600.6013, the interest rate for money judgements in a civil action is equal to 1.739% as of July 1, 2021.¹ Furthermore, the post judgement and pre-judgement interest rates in the state of New Jersey is equal to 1.5% as of 2021.² Further, pursuant to Va. Code Ann. §6.2-302, the judgement interest rate is set at 6%, except that a money judgment entered in an action arising from a contract shall carry interest at the rate lawfully charged on such contract, or at six percent annually, whichever is higher.³ Your Committee finds that it would be appropriate to follow suit with these other U.S. Jurisdictions. Cognizant of the aforementioned state judgement interest rates and the financial stability of our constituents, your Committee finds that an interest rate of 3% for money judgments in civil actions is sufficient in satisfying judgments.

Therefore, your Committee agrees with the intent and purpose of House Bill No. 22-58 and recommends its passage in its current form.

C. Legislative History:

House Bill No. 22-58 was introduced by Representative Richard T. Lizama on May 28 2021 to the full body of the House and was referred to the House Standing Committee on Judiciary and Governmental Operations for disposition.

A similar legislation, namely House Bill 21-81, was introduced to the full body of the House on October 15, 2019 and was referred to the Senate Standing Committee on Judiciary and Governmental Operations for disposition. On January 22, 2020, the Senate Committee passed the legislation in the form of House Draft 1 as reflected in House Standing Committee Report 21-49. On February 07, 2020, the House adopted House Standing Committee Report 21-49 and subsequently passed the legislation in the form of House Draft 2 in a session held on the same date. On February 10, 2020, the proposed legislation was transmitted to the Senate in the form of Senate House Communication 21-104. No further action was taken

¹ <https://courts.michigan.gov/administration/scao/resources/documents/other/interest.pdf>

² <https://www.njcourts.gov/courts/assets/civil/postprejudgementrates.pdf>

³ <https://law.lis.virginia.gov/vacode/6.2-302/>

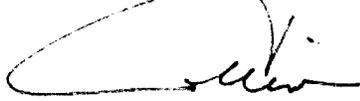
D. Cost Benefit:

The enactment of House Bill No. 22-58 will not result in additional cost to the CNMI government because the intent of the bill is to change the interest rate for money judgements to a lower percentage to provide better financial stability to our constituents.

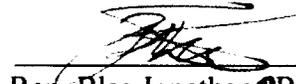
III. CONCLUSION:

The Committee is in accord with the intent and purpose of H. B. NO. 22-58 and recommends its passage in its current form.

Respectfully submitted,



Rep. Celina R. Babauta, Chairperson



Rep. Blas Jonathan "BJ" T. Attao, Vice Chair



Rep. Donald M. Mangiona, Member



Rep. Richard T. Lizama, Member



Rep. Vicente C. Camacho, Member

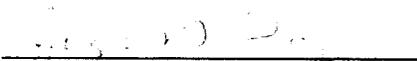


Rep. Christina M.E. Sablan, Member



Rep. Edwin K. Propst, Member

Reviewed by:



House Legal Counsel

TWENTY-SECOND NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

Regular Session, 2021

H. B. 22-58

A BILL FOR AN ACT

To amend 7 CMC §4101 to lower the interest rate of civil money judgments from nine percent (9%) to three percent (3%).

BE IT ENACTED BY THE 22ND NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:

1 **Section 1. Findings and Purpose.** The Legislature finds that pursuant to 7
2 CMC §4101, our respective judicial court is given the prerogative to grant money
3 judgements. Pursuant to the same statute, each money judgement consists of an
4 interest rate of nine percent (9%). However, the Legislature also finds that many of
5 our constituents, particularly those whom our judicial courts ruled against in
6 regards to money judgments, find it problematic and extremely burdensome to
7 compensate for the amount set forth by our court as well as its corresponding
8 excessive amount of interest. The Legislature finds that it is imperative to lower the
9 interest rate from nine percent (9%) to three percent (3%) to provide necessary
10 financial relief for those individuals who are struggling to pay the money

1 judgements without violating the integrity of such judgements and allow for them
2 to efficiently continue their court-ordered obligation

3 Therefore, the purpose of this Act is to amend 7 CMC §4101 to lower the
4 interest rate of civil money judgments from nine percent (9%) to three percent (3%).

5 **Section 2. Amendment.** 7 CMC §4101 is hereby amended to read as
6 follows.

7 "§ 4101. Money Judgments.

8 Every judgment for the payment of money shall bear interest at the
9 rate of ~~nine~~ three percent a year from the date it is entered. The process to
10 enforce a judgment for the payment of money may be a writ of execution or
11 an order in aid of judgment, as provided in chapter 2 of this division
12 (commencing with 7 CMC § 4201)."

13 **Section 3. Severability.** If any provisions of this Act or the application of
14 any such provision to any person or circumstance should be held invalid by a court
15 of competent jurisdiction, the remainder of this Act or the application of its
16 provisions to persons or circumstances other than those to which it is held invalid
17 shall not be affected thereby.

18 **Section 4. Savings Clause.** This Act and any repealer contained herein
19 shall not be construed as affecting any existing right acquired under contract or
20 acquired under statutes repealed or under any rule, regulation, or order adopted
21 under the statutes. Repealers contained in this Act shall not affect any proceeding

1 instituted under or pursuant to prior law. The enactment of the Act shall not have
2 the effect of terminating, or in any way modifying, any liability, civil or criminal,
3 which shall already be in existence on the date this Act becomes effective.

4 **Section 5. Effective Date.** This Act shall take effect upon its approval by
5 the Governor, or its becoming law without such approval.

Filed: 3/13/2021

Date: 3/13/2021 Introduced by: REP.
Rep. Richard T. Lizama

Reviewed for Legal Sufficiency by:
[Signature]
House Legal Counsel

[Signature]
[Signature]

[Signature]
[Signature]
[Signature]
Suzette Cabanera