



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

**STANDING COMMITTEE REPORT NO. 23-119**  
**Date: September 10, 2024**  
**RE: House Bill No. 23-26**

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

Dear Madam President:

Your Committee on Fiscal Affairs, to which was referred House Bill No. 23-26, entitled:

“To amend 4 CMC 1402(g)(1) to allocate 10 percent of the excise tax to the Solid Waste Management Revolving Fund”,

begs leave to report as follows:

**I. RECOMMENDATION:**

After considerable discussion and deliberation, your Committee recommends the passage of the proposed legislation in the form of House Bill No. 23-26, Senate Draft 1.

**II. ANALYSIS:**

A) Purpose:

The purpose of House Bill No. 23-26 is to amend the current allocation of excise tax being allocated to the Solid Waste Management Revolving Fund pursuant to 4 CMC § 1402(g)(1).

B) Committee Findings:

Your Committee finds that the Solid Waste Management Revolving Fund (SWMRF) was enacted by Public Law No. 13-42 to establish a funding source to maintain the operations and management of the solid waste facilities in the Commonwealth, to include the transitional costs for the closure of the Puerto Rico Dump into a public park and financial assurance for the designated closure of one or more cells at the Marpi Landfill. Additionally, several sources of funds were identified to be deposited into the SWMRF account currently includes:

1. 2 CMC § 3551 (b):  
“All monies received from direct appropriation, or as payment of fees pursuant to this Act, any tipping fees collected from any Commonwealth solid waste management facility, solid waste user fees assessed directly on residents and businesses, advance disposal fees, and any other sources of solid waste management funding, such as federal grants or loans, shall be deposited into the revolving fund....”
2. 2 CMC § 3520:  
“All tipping fees or other solid waste disposal or collection fees collected by the Division of Solid Waste Management shall be deposited into the Solid Waste Revolving Fund.”
3. 4 CMC § 1402(g)(1), *as amended by Public Law 18-64*:  
“Seven percent of excise taxes collected under this section shall be reserved for the solid waste management program and shall be deposited into the Solid Waste Management Revolving Fund.”
4. 4 CMC § 1411(a), *as amended by Public Law 19-04*:  
“Notwithstanding any other provision of law, a tax at the rate of .42 percent ad valorem is hereby assessed on all consumer goods as defined in § 1401(f). The tax shall be collected by the Division of Customs at the point of entry.”

Your Committee further finds that Public Law No. 13-42 initially allocated 10% of excise taxes collected to be deposited into the SWMRF. However, the 10% allocation was later amended by Public Law No. 18-64 to reduce the original allocation to the current rate of 7%, as codified under 4 CMC § 1402(g)(1).

Your Committee met on September 10, 2024, to discuss the proposed legislation in comparison to Senate Bill No. 23-08, a separate legislation that seeks to amend certain provisions of the SWMRF account codified under 2 CMC § 3551. Your Committee recognizes that House Bill No. 23-26 aims to amend 4 CMC § 1402(g)(1) to revert to the original 10% allocation of excise taxes to be deposited into the SWMRF account for its intended purpose, which your Committee unanimously supports.



Your Committee further recognizes that additional amendments to the proposed legislation were necessary to ensure critical funding be allocated to aid the solid waste personnel and operations of the First and Second Senatorial Districts. Therefore, with an increase in allocations to the SWMRF account from the collection of excise taxes, a proposed amendment for the allocation of 15% of the total excise taxes deposited into the SWMRF account under 1402(g)(1), as amended, be provided to the First and Second Senatorial Districts, with the respective Resident Department Heads of the Department of Public Works, with the concurrence of the respective municipality mayor, to serve as the expenditure authority. No member objected to the proposed amendment. For these reasons, your Committee supports the intent of the proposed legislation, as amended, and recommends its passage in the form of House Bill No. 23-26, Senate Draft 1.

C) Legislative History:

House Bill No. 23-26 was formally introduced by Representative Blas Jonathan “BJ” T. Attao on March 9, 2023, and was subsequently referred to the House Standing Committee on Ways and Means (WM) for disposition. The House WM Committee reported its findings to the full body of the House of Representatives under House Standing Committee Report No. 23-16 recommending passage of House Bill No. 23-26 in its original form.

On May 10, 2023, during its First Day, Second Special Session, the House of Representatives adopted House SCR No. 23-16 and passed House Bill No. 23-26 in its original form on the First and Final Reading. House Bill No. 23-26 was transmitted to the Senate on May 11, 2023, and subsequently referred to the Senate Standing Committee on Fiscal Affairs for disposition.

D) Public Hearing and Comment:

1. Public Hearing. No public hearing was scheduled for House Bill No. 23-26. However, a Committee Meeting, which is open to the public, was held on September 10, 2024. See below for further details.
2. Committee Meeting. The proposed legislation made its first appearance during the scheduled Committee Meeting September 10, 2024. The Committee Meeting notices and agenda were officially posted on September 6, 2024, on various legislative forums and social media sites to invite members of the general public to provide comments as indicated under *Item No. III. Public Comment* of the Committee Agenda. However, no oral testimony in support or in opposition was stated before your Committee.
3. Written Comment. No request for comments were sent on the proposed legislation.

E) Estimated Fiscal Cost:

The enactment of House Bill No. 23-26 would increase excise taxes collected equivalent to 10% to be deposited into the Solid Waste Management Revolving Fund (SWMRF) account, which would reduce the excise taxes remitted to the general fund by three percent. Additionally, the proposed legislation, as amended, seeks to provide 15% each to the First and Second Senatorial Districts from the total excise taxes deposited into the SWMRF.

However, the need to identify additional revenue sources to support the maintenance and operations of the solid waste program throughout the three senatorial districts is of significant importance for the safety and well-being of all residents and visitors of the Commonwealth.

F) Summary of Committee Amendments:

For reference purposes, single underlines and ~~single strikethroughs~~ are the original amendments proposed; double underlines and ~~double strikethroughs~~ are amendments recommended by the Committee. Therefore, your Committee agreed to the following amendments:

1. Title. Amendments made to reflect amendments incorporated into the proposed legislation, to read:

“ To amend 4 CMC 1402 (g)(1) to allocate 10 percent of the excise tax to the Solid Waste Management Revolving Fund and to allocate a portion of the excise tax to the First and Second Senatorial districts; and for other purposes.”

2. Section 1. Findings and Purpose. Amendments were made to expand the findings and insert the purpose of the proposed legislation, beginning on page 1, lines 1-7, to read:

“**Section 1. Findings and Purpose.** The Legislature finds that ~~10 percent of the total excise tax collected under 4 CMC § 1402 should be allocated to the Solid Waste Revolving Account~~ increased to 10 percent and to include an allocation to the First and Second Senatorial districts. Accordingly, the purpose of this Act is to increase the excise tax under 1402(g)(1) and to allocate 15 percent of the tax to the First Senatorial District and 15 percent of the tax to the Second Senatorial District.”

3. Section 2. Amendment. Maintained the original proposed amendments and inserted additional amendments to reflect the actual statutory provision of 4 CMC § 1401(g)(1). Additionally, the amendments adopted by the Committee to allocate 15% of excise taxes deposited to the SWMRF account to each of the First and Second Senatorial Districts and clarify the expenditure authority of these funds were inserted, beginning on page 1, line 8 through page 2, line 11, to read:



“**Section 2. Amendment.** Title 4 of the CNMI Code section 1402 (g) (1) is amended to read as follows:

“(1) ~~Seven~~ Ten percent of excise taxes collected under ~~4 CMC § 1402 (g)(1)~~ this section shall be reserved for the Solid Waste Management Program and deposited into the Solid Waste Management Revolving Fund. Provided that 15% of this tax shall be allocated each to the First and Second Senatorial District subaccounts for personnel and operations, and provided further that the respective DPW Resident Department Head, with the concurrence of the respective mayor, shall be the expenditure authority of the funds allocated for the First and Second Senatorial districts. The Secretary of the Department of Public Works shall be the expenditure authority of the balance of this tax for personnel and operations of the Solid Waste facility in the Third Senatorial District.

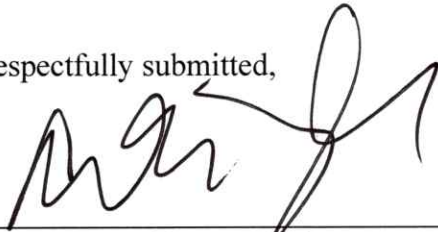
(2) [unchanged]  
(3) [unchanged]”

4. Technical amendments made throughout the proposed legislation.

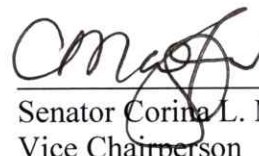
### III. CONCLUSION:

Your Committee agrees with the intent and purpose of the proposed legislation and recommends its passage in the form of House Bill No. 23-26, Senate Draft 1.

Respectfully submitted,



Senator Donald M. Manglona  
Chairperson



Senator Corina L. Magofna  
Vice Chairperson



Senator Celina R. Babauta  
Member



Senator Jude U. Hofschneider  
Member

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Senator Karl R. King-Nabors  
Member

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Senator Paul A. Manglona  
Member

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Senator Dennis C. Mendiola  
Member

Reviewed by:



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Senate Legal Counsel

**TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH  
LEGISLATURE**

**IN THE HOUSE OF REPRESENTATIVES**

**MARCH 9, 2023**

**First Regular Session, 2023**

**H. B. 23-26, SD1**

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**A BILL FOR AN ACT**

To amend 4 CMC § 1402 (g)(1) to allocate 10 percent of the excise tax to the Solid Waste Management Revolving Fund and to allocate a portion of the excise tax to the First and Second Senatorial districts; and for other purposes.

**BE IT ENACTED BY THE 23<sup>RD</sup> NORTHERN MARIANAS  
COMMONWEALTH LEGISLATURE:**

1           **Section 1. Findings and Purpose.** The Legislature finds that ~~10 percent of~~  
2 the total excise tax collected under 4 CMC § 1402 should be ~~allocated to the Solid~~  
3 ~~Waste Revolving Account~~ increased to 10 percent and to include an allocation to  
4 the First and Second Senatorial districts.

5           Accordingly, the purpose of this Act is to increase the excise tax under  
6 1402(g)(1) and to allocate 15 percent of the tax to the First Senatorial District and  
7 15 percent of the tax to the Second Senatorial District.

8           **Section 2. Amendment.** Title 4 of the CNMI Code section 1402 (g) (1) is  
9 amended to read as follows:

10                   “(1) ~~Seven~~ Ten percent of excise taxes collected under ~~4 CMC §~~  
11 ~~1402 (g)(1)~~ this section shall be reserved for the Solid Waste Management

1           Program and deposited into the Solid Waste Management Revolving Fund.  
2           Provided that 15% of this tax shall be allocated each to the First and Second  
3           Senatorial District subaccounts for personnel and operations, and provided  
4           further that the respective DPW Resident Department Head, with the  
5           concurrence of the respective mayor, shall be the expenditure authority of  
6           the funds allocated for the First and Second Senatorial districts. The  
7           Secretary of the Department of Public Works shall be the expenditure  
8           authority of the balance of this tax for personnel and operations of the Solid  
9           Waste facility in the Third Senatorial District.

10                   (2) [unchanged]

11                   (3) [unchanged]”

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

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



1 the effect of terminating, or in any way modifying, any liability, civil or criminal,  
2 which shall already be in existence on the date this Act becomes effective.

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

Prefiled: 3/6/2023

Date: \_\_\_\_\_ Introduced by: /s/ Rep. Blas Jonathan "BJ" T. Attao  
/s/ Rep. Roman C. Benavente  
/s/ Rep. Manny G. T. Castro  
/s/ Rep. Marissa R. Flores  
/s/ Rep. Julie M.A. Ogo  
/s/ Rep. John Paul P. Sablan  
/s/ Rep. Edmund S. Villagomez  
/s/ Rep. Denita Kaipat Yangetmai  
/s/ Rep. Ralph N. Yumul

Reviewed for Legal Sufficiency by:  
/s/ John M. Bradley  
House Legal Counsel