

Twenty-Third

NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
Honorable Jesus P. Mafnas Memorial Building
P.O. BOX 500586
SAIPAN, MP 96950

Adopted (19-0) 10/25/2024
CONFERENCE COMMITTEE REPORT NO. 23-4
Date: October 3, 2024
RE: House Bill No. 23-97, SD1

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

and

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

Dear Mr. Speaker and Madam President:

The Conference Committee to which House Bill No. 23-97, SD1 was referred, entitled:

“To amend certain provisions of the Commonwealth Public Utilities Commission Act of 2006; and for other purposes.”

begs leave to report as follows:

HOUSE CLERK'S OFC
RECEIVED BY *JMV via email*
DATE *10/10/2024* TIME *1:57pm*

I. LEGISLATIVE HISTORY:

- A. House Bill No. 23-97, "*To amend certain provisions of the Commonwealth Public Utilities Commission Act of 2006; and for other purposes,*" was introduced by Representative Vincent Aldan on February 9, 2024.
- B. The House of Representatives adopted House Bill No. 23-97 on March 28, 2024, during its Sixth Day, Third Special Session.
- C. The House of Representatives transmitted House Bill No. 23-97 to the Senate on April 4, 2024.
- D. On April 12, 2024, House Bill No. 23-97 was subsequently referred to the Senate Standing Committee on Public Utilities, Transportation, and Communications for deliberation.
- E. On July 24, 2024, House Bill No. 23-97 was withdrawn from the Senate Standing Committee on Public Utilities, Transportation, and Communications and placed on the bill calendar of the agenda of the next scheduled Senate Session.
- F. The Senate made amendments to House Bill No. 23-97 and passed the measure during its First Day, Fourth Regular Session on August 8, 2024, in the form of House Bill No. 23-97, Senate Draft 1.
- G. The Senate transmitted House Bill No. 23-97, SD1, to the House of Representatives on August 13, 2024.
- H. The House of Representatives rejected House Bill No. 23-97, SD1, in its Second Day, Fourth Regular Session on August 30, 2024, and referred the legislation to a conference committee.
- I. The Senate was informed of the House of Representatives' rejection of House Bill No. 23-97, SD1, on September 4, 2024, and the House Speaker appointed its conferees accordingly.
- J. The Senate President appointed its conferees and notified the House of Representatives on September 6, 2024.
- K. A Conference Committee Meeting was initially scheduled for September 27, 2024. However, due to unforeseen circumstances the meeting was postponed to October 3, 2024.

II. CONFERENCE COMMITTEE MEETING:

On October 3, 2024, a Conference Committee Meeting was held in the House Chamber of the Honorable Jesus P. Mafnas Memorial Building, Capitol Hill, Saipan. The Conference Committee deliberated and focused its effort on major differences between House Bill No. 23-97, the House version; House Bill No. 23-97, SD1, the Senate version; and other additional amendments that were not detailed in either the House or Senate versions but are reflected in this report.

Public Comments in support of HB 23-97, SD1, were provided by the following:

1. Candice Nicole Leon Guerrero Muna, personal testimony
2. James Sirok, Chairperson, Public Utilities Commission
3. Dr. Jack Angello, Member, Public Utilities Commission

No Public Comment in opposition to HB 23-97, SD1, was received by the Conference Committee.

During the Conference Committee meeting, the House and Senate Conferees agreed to review a working draft of the proposed legislation that incorporated additional amendments. Additionally, both Chairpersons of the Conference Committee allowed James Sirok, Chairperson of the Public Utilities Commission, to participate in the discussion and provide clarity to the Conferees as needed.

III. RECOMMENDATION:

The Conferees agreed to the following debated issues:

- A. Section 1. Findings and Purpose. The Conferees rejected the proposed amendments in the Senate's version and agreed to further amend language in the *Findings and Purpose* to clarify the intent of the proposed legislation, as amended, beginning on page 1, line 1 through page 2, line 5, to read:

“Section 1. Findings and Purpose. The Commonwealth Legislature established the Public Utilities Commission (PUC) in 2006 as a regulatory agency, in accordance with Article III, Section 15 of the Commonwealth Constitution. The PUC is an independent agency within the executive branch of the Commonwealth government and not a part of any principal department. As an independent agency that oversees and regulates the tremendously important public utilities of the CNMI, the PUC must have greater

control of its finances, expedited procurement of its needs, and unencumbered hiring of its employees to successfully operate in a timely and efficient manner. Additionally, the Legislature finds that, due to the many challenges faced by PUC today, the compensation of the commissioners should be adjusted to entice highly-qualified candidates to accept appointments to serve on the Commission.

Thus, the amendments herein change the manner of PUC's funding administration, the process of its procurement needs, the civil service status of its staff and employees, and the compensation of its commissioners."

- B. NEW Section 2. Amendment. The Conferees agreed to insert a new section to amend 4 CMC § 8403(a) to require the Secretary of Finance (SOF) serve as an ex-officio non-voting member of the PUC. This amendment stems from the Conferees' discussion regarding what would constitute sufficient cause for the SOF to suspend subsections (a) through (e) of 4 CMC § 8427, as amended by Section 8 of the proposed legislation. The inclusion of the SOF as an ex-officio non-voting member is intended to ensure that any financial issues that could prompt suspension of 4 CMC §§ 8427(a)–(e), are articulated and addressed by the Commission before the SOF exercises her authority to suspend such subsections. Therefore, based on the foregoing, the Conferees agreed to the inserted language beginning on page 2, line 8 through page 3, line 7, to read:

“§ 8403. Public Utilities Commission: Establishment and Commissioners.

(a) There is established in the Commonwealth government the Public Utilities Commission, a regulatory agency, in accordance with Article III, Section 15 of the Commonwealth Constitution. The Commission shall be an independent agency within the Executive Branch of the Commonwealth government and not part of any principal department. The Commission shall be composed of five members to be called Commissioners. The Governor, with the confirmation of both the Senate and the House of Representatives of the Commonwealth Legislature, shall appoint all five members. The members shall be of good ethical standing in their field of expertise and demonstrate experience in business regulations, in a business regulated by the Commission, or in accounting, law, or engineering. The Governor shall seek to appoint members with managerial or engineering experience in one of the fields of power engineering, water-treatment, wastewater management, telecommunications, cable television services, and accounting. At least one Commissioner shall reside on Tinian, one Commissioner shall

reside on Rota, and at least three Commissioners shall reside on Saipan. The Secretary of Finance shall serve as an ex-officio non-voting member of the Commission and shall provide financial oversight as necessary.”

- C. RENUMBERED Section 3. Repealed and Reenacted. On page 3, the Conferees agreed to the amendments in the Senate’s version for 4 CMC § 8404, *Compensation of the Commissioners*, and made technical amendments to insert the dollar symbol and deleted the word “dollar” for the monthly compensation rates (line 12), clarified “Chairperson or designee” (line 14), and inserted the word “shall” (line 17).
- D. RENUMBERED Section 4. Amendment. The Conferees accepted the technical amendments in the Senate’s version for 4 CMC § 8406(a), *Operation of the Commission*, and included the insertion of language in the existing statutory provision that was mistakenly omitted.
- E. RENUMBERED Section 5. Amendment. The Conferees discussed the proposed amendments to 4 CMC §§ 8411(k), (l), (n), and an additional amendment to remove subsection (o):

1. 4 CMC § 8411(k). The Conferees rejected the proposed amendment in the Senate’s version that read (*italicized*):

“(k) Prepare and submit a budget to the legislature for its approval ~~information~~ or disapproval. Either house of the legislature may disapprove the budget by resolution not later than 30 days before the end of the fiscal year. In the event that one house disapproves the budget, the PUC budget level shall be the same as the previous year. Provided however that if neither house disapproves the budget as provide in this subsection, the submitted PUC budget is deemed approved.”

Furthermore, the Conferees agreed to amend subsection (k) detailing the PUC’s requirement to submit a proposed budget to the Governor at least 30 days prior to his submittal of the proposed annual budget to the Legislature, beginning on page 5, lines 8–10, to read:

“(k) Prepare and submit a proposed budget to the legislature for its approval Governor at least 30 days prior to the Governor’s submittal of the proposed annual balanced budget to the Legislature.”

2. 4 CMC § 8411(l). The Conferees agreed to the amendments in the House's version for subsection (l) on page 5, lines 11-12.
3. 4 CMC § 8411(n). The Conferees rejected several amendments in the Senate's version that read (*italicized*):

~~“(n) To promulgate *The Commission shall follow the Procurement Regulations provided under NMIAC Title 70, Subchapter 70-30.3, and may promulgate regulations for such other orders, rules, and regulations and adopt such policies as are necessary and appropriate for the exercise of its regulatory and enforcement powers in accordance with this Chapter.*”~~

The Conferees discussed further amendments to subsection (n), outlining the requirement for any procurement regulations promulgated by the Commission to comply with applicable minimum standards required for administration of Federal grant awards. During deliberation, the Conferees discussed the need for the Commission to have the ability to promulgate its own procurement regulations in order to provide itself the flexibility to alleviate constraints. The Conferees concurred with the amendments, beginning on page 5, lines 14-21, to read:

~~“(n) To promulgate such other orders, rules, and regulations and adopt such policies as are necessary and appropriate for the exercise of its regulatory and enforcement powers in accordance with this Chapter. Any procurement regulations promulgated by the Commission shall mirror the CNMI Department of Finance's Procurement Regulations and any applicable minimum standards required for the administration of Federal grant awards that may be awarded to the Commission or as otherwise provided by law.”~~

4. 4 CMC § 8411(o). On page 6, line 1, the Conferees agreed to delete subsection (o) in its entirety that read:

~~“(o) [*Expired September 30, 2010*].”~~

- F. RENUMBERED Section 6. Amendment. The Conferees accepted the proposed amendments in the Senate's version for 4 CMC § 8424(b), *Rule-making Authority: Procedures and Fees*, inserted existing statutory language for reference purposes, and edited the proposed amendments for clarity.
- G. RENUMBERED Section 7. Amendment. The Conferees accepted the proposed amendments in the Senate's version for 4 CMC § 8426(f), *Review of Rates; Operating Cost of Commission*, inserted subsections (a) through (e) to clarify that these statutory provisions remain unchanged, and added to the proposed amendments for clarity.
- H. RENUMBERED Section 8. Repealed and Reenacted.
1. The Conferees agreed to clarify language regarding the PUC Operational Fund on page 7, line 5, through page 9, line 2.
 2. 4 CMC § 8427(b). The Conferees agreed to the proposed amendments in the Senate's version.
 3. 4 CMC § 8427(c). The Conferees rejected several amendments in the Senate's version, which read (*italicized*):

(c) At the beginning Not later than 90 days before the beginning of the fiscal year on October 1st, an annual budget, in compliance ~~to~~ with this Chapter, will shall be submitted to the Governor, House Speaker, and the Senate President, for their edification and comments, which will be considered and acted upon by the Commission if needed for sound fiscal management by each of house of the legislature as provided in this chapter.

Furthermore, the Conferees discussed what timeframe should be allotted to the Commission to submit their proposed budget to the Governor. It was shared that normally the budget call is sent out months prior to the submission of the balanced budget to the Legislature. Therefore, the Conferees agreed to amend subsection (c) on page 7, lines 16 to 18 to read:

“(c) Not later than 30 days before the Governor’s submittal of the annual budget to the Legislature, the Commission shall submit to the Governor a proposed annual budget.”

4. 4 CMC § 8427(d). The Conferees agreed to the proposed amendments in the Senate's version.
5. 4 CMC § 8427(e). The Conferees agreed to delete language within subsection (e) that characterized the transfer of funds from DOF to the Commission as "payments." The Conferees also discussed the need for proper documentation of funds being transferred to PUC, concluding that the documentation should include specific information about the transfer of funds, such as notice of the completion of the transfer, identification of the specific business unit receiving the transferred funds, date of transfer, and a statement that the custodian of the transferred funds is the PUC. Therefore, the Conferees agreed to amend subsection (e) on page 8, lines 3 to 18 to read:

"(e) Any and all Commission funds currently held by the Department of Finance, including any amounts budgeted for the Commission in the Fiscal Year 2024 budget, shall be transferred to the Commission by direct deposit in the banking account established by the Commission at the bank of its choosing per the provisions set forth in this Section. Any future legislative funds appropriated to the Commission shall be transferred to the Commission via the Department of Finance. Upon the transfer of funds from the Department of Finance to the Commission, the Secretary of Finance shall issue an official letter to the Commission confirming the completion of the transfer. The official letter from the Secretary of Finance shall include the following: (1) confirmation that the funds have been transferred to the PUC, (2) identification of the specific business unit to which the funds have been transferred, (3) the date of the transfer, and (4) a statement that the custodian of the transferred funds is now the PUC. Upon issuance of the official letter, the custodian of the transferred funds shall be the PUC."

6. 4 CMC § 8427(f). The Conferees agreed to insert subsection (f) detailing the Department of Finance's authority to fully or partially suspend subsections (a) through (e) of 4 CMC § 8427 and require that the Commission adhere to the Department of Finance's regulations regarding the control and expenditure of public funds.

During deliberation, the Conferees discussed that this language was inserted to ensure legal sufficiency with NMI Const. Art. X § 8. After lengthy

discussion, the Conferees agreed to insert language beginning on page 8, line 19 through page 9, line 2, to read:

“(f) Notwithstanding the foregoing, the Department of Finance is authorized, pursuant to NMI Const. Art. X § 8, to fully or partially suspend subsections (a) through (e) of this Section and require the Commission adhere to the Department of Finance’s regulations regarding the control and expenditure of public funds.”

- I. NEW Section 9. Amendment. Beginning on page 9, lines 5-9, the Conferees agreed to insert a new section amending 4 CMC § 8478(b)(3) to bring it into conformity with the adopted provisions pertaining to the PUC Operational Fund, as reflected in Section 8 of the final version of the proposed legislation adopted by the House and Senate Conferees. The new section reads:

“§ 8478. Cellular Prepaid and MiFi Credits: 90-Day Expiration Date.

(3) All funds recovered for penalties from violations of this section shall be paid into the ~~Public Utilities Commission Revolving Fund~~ Public Utilities Commission Operational Fund.”

- J. NEW Section 10. Amendment. Beginning on page 9, line 16, through page 10, line 4, the Conferees agreed to insert a new section into the bill that amends 1 CMC § 8131(a). This amendment aligns 1 CMC § 8131(a) with the adopted provisions pertaining to the Operation of the Commission, as reflected under Section 4 of the final version of the proposed legislation adopted by the House and Senate Conferees. The amendment adds a new subsection (15) that exempts all employees of the PUC from the civil service system, except for PUC’s administrative and clerical workers. The amendment reads as follows:

“§ 8131. Civil Service System: Applicability; Exemptions

(a) Except as provided in this section the Civil Service System shall apply to all employees of and positions in the departments and agencies of the executive branch and in the administrative staffs of the legislative and judicial branches now existing or hereafter established. Unless this part is otherwise specifically made applicable to them, the following persons or positions are exempt from the civil service system:

(1 to 14) (unchanged).

(15) All employees of the Public Utilities Commission, except for its administrative and clerical workers.”

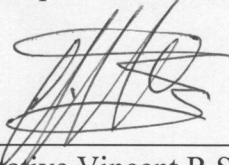
K. Succeeding sections were renumbered accordingly.

The Members of the Conference Committee are in accord with all the amendments made. Therefore, the Conference Committee recommends that the House and Senate pass House Bill No. 23-97, SD1 in the form of House Bill No. 23-97, SD1, Conference Committee Substitute 1 upon the adoption and the acceptance of this Conference Committee Report.

The Conference Committee shall dissolve upon the official adoption of House Bill No. 23-97, SD1, CCS1 by both the House of Representatives and the Senate.

Respectfully submitted,

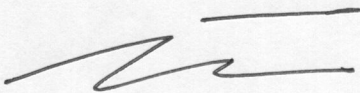
House of Representatives Conferees:



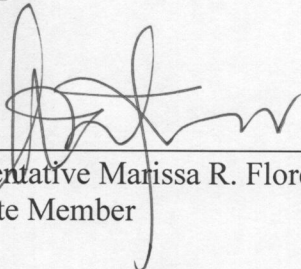
Representative Vincent R.S. Aldan
Chairperson



Representative Diego V.F. Camacho
Member

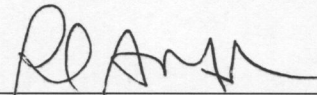


Representative Manny G.T. Castro
Member

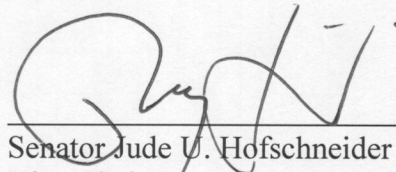


Representative Marissa R. Flores
Alternate Member

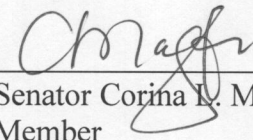
Senate Conferees:



Senator Paul A. Manglona
Chairperson



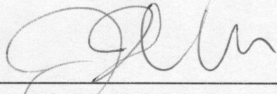
Senator Jude U. Hofschneider
Vice Chairperson



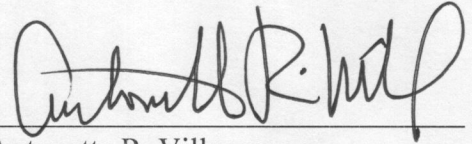
Senator Corina L. Magofna
Member

Senator Celina R. Babauta
Alternate Member

Reviewed by Legal Counsels:



Joseph Hallahan
House Legal Counsel



Antonette R. Villagomez
Senate Legal Counsel

TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 9, 2024

Third Regular Session, 2024

H. B. 23-97, SD1, CCS1

A BILL FOR AN ACT

To amend certain provisions of the Commonwealth Public Utilities Commission Act of 2006; and for other purposes.

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

1 **Section 1. Findings and Purpose.** The Commonwealth Legislature
2 established the Public Utilities Commission (PUC) in 2006 as a regulatory agency,
3 in accordance with Article III, Section 15 of the Commonwealth Constitution. The
4 PUC is an independent agency within the executive branch of the Commonwealth
5 government and not a part of any principal department. As an independent agency
6 that oversees and regulates the tremendously important public utilities of the
7 CNMI, the PUC must have greater control of its finances, expedited procurement
8 of its needs, and unencumbered hiring of its employees to successfully operate in
9 a timely and efficient manner. Additionally, the Legislature finds that, due to the
10 many challenges faced by PUC today, the compensation of the commissioners

1 should be adjusted to entice highly-qualified candidates to accept appointments to
2 serve on the Commission.

3 Thus, the amendments herein change the manner of PUC's funding
4 administration, the process of its procurement needs, the civil service status of its
5 staff and employees, and the compensation of its commissioners.

6 **Section 2. Amendment.** 4 CMC § 8403(a) is hereby amended to read as
7 follows:

8 **“§ 8403. Public Utilities Commission: Establishment and**
9 **Commissioners.**

10 (a) There is established in the Commonwealth government the
11 Public Utilities Commission, a regulatory agency, in accordance with
12 Article III, Section 15 of the Commonwealth Constitution. The
13 Commission shall be an independent agency within the Executive Branch
14 of the Commonwealth government and not part of any principal
15 department. The Commission shall be composed of five members to be
16 called Commissioners. The Governor, with the confirmation of both the
17 Senate and the House of Representatives of the Commonwealth
18 Legislature, shall appoint all five members. The members shall be of good
19 ethical standing in their field of expertise and demonstrate experience in
20 business regulations, in a business regulated by the Commission, or in
21 accounting, law, or engineering. The Governor shall seek to appoint

1 members with managerial or engineering experience in one of the fields of
2 power engineering, water-treatment, wastewater management,
3 telecommunications, cable television services, and accounting. At least
4 one Commissioner shall reside on Tinian, one Commissioner shall reside
5 on Rota, and at least three Commissioners shall reside on Saipan. The
6 Secretary of Finance shall serve as an ex-officio non-voting member of the
7 Commission and shall provide financial oversight as necessary.”

8 **Section 3. Repealed and Reenacted.** 4 CMC § 8404 is hereby repealed
9 and reenacted to read as follows:

10 **“§ 8404. Compensation of the Commissioners.**

11 The Commissioners shall be compensated at a monthly rate of
12 \$800.00 per commissioner, except the Chairperson shall receive \$1,000.00
13 monthly, provided all scheduled monthly meetings are attended or excused
14 by the Chairperson or his designee. Travel costs and expenses shall be
15 provided, if applicable, for the purpose of attending official Commission
16 meetings within the Commonwealth. Rules and rates for official travel
17 outside the Commonwealth shall be the same as the rates established by
18 the executive branch. Thirty days after travel outside the Commonwealth,
19 a report must be submitted to the Governor’s office summarizing the costs
20 and the purpose and accomplishments of the travel.”

1 **Section 4. Amendment.** 4 CMC § 8406(a) is hereby amended to read as
2 follows:

3 **“§ 8406. Operation of Commission.**

4 (a) The Commission may employ agents, employees, hearing
5 examiners, legal counsel, or contract for services, specialists, experts, or
6 professionals as individuals or as organizations to advise and assist the
7 Commission and its employees. The Commission may appoint an
8 executive director who shall serve at the pleasure of the Commission and
9 may be dismissed with or without cause by the majority vote of the
10 Commission. The executive director shall be compensated pursuant to the
11 provisions of 1 CMC § 8246. The Commonwealth Civil Service Act [1
12 CMC § 8101 et seq.] shall apply to all administrative or clerical employees
13 of the Commission. All other employees shall be exempt from the
14 application of the Commonwealth Civil Service Act.

15 (b) (unchanged).

16 (c) (unchanged).”

17 **Section 5. Amendment.** 4 CMC §§ 8411(k), (l), (n), and (o) are hereby
18 amended to read as follows:

19 **“§ 8411. General Powers and Duties.**

20 The Commission shall have regulatory oversight supervision over
21 each regulated entity as set forth in this Chapter and shall perform the

1 duties and exercise the powers imposed or conferred upon it by this
2 Chapter. The Commission in the discharge of any of its duties or the
3 exercise of any of its powers, except a final determination affecting an
4 entity, may act through one or more of its Commissioners designated by
5 the Commission for this purpose. In addition to the powers and duties
6 elsewhere conferred and imposed, the Commission shall:

7 (a through j) (unchanged).

8 (k) Prepare and submit a proposed budget to the ~~legislature for its~~
9 ~~approval~~ Governor at least 30 days prior to the Governor's submittal of the
10 proposed annual balanced budget to the Legislature.

11 (l) Adopt its own recognized accounting system ~~in coordination~~
12 ~~with the Department of Finance.~~

13 (m) (unchanged).

14 (n) ~~To~~ Promulgate such other orders, rules, and regulations and
15 adopt such policies as are necessary and appropriate for the exercise of its
16 regulatory and enforcement powers in accordance with this Chapter. Any
17 procurement regulations promulgated by the Commission shall mirror the
18 CNMI Department of Finance's Procurement Regulations and any
19 applicable minimum standards required for the administration of Federal
20 grant awards that may be awarded to the Commission or as otherwise
21 provided by law.

1 (o) [Expired September 30, 2010].”

2 **Section 6. Amendment.** 4 CMC § 8424(b) of the Commonwealth Code is
3 hereby amended to read as follows:

4 **“§ 8424. Rule-making Authority: Procedures and Fees.**

5 In the hearings before it, the Commission may establish its own
6 procedures for the conduct of hearings and the admission of evidence. The
7 Commission shall not be bound by the strict rules of the common law
8 relating to the admission or rejection of evidence, but may exercise its own
9 discretion in these matters with a view to doing substantial justice.

10 (a) (unchanged).

11 (b) All such fees and costs charged and collected in accordance
12 with this section shall be paid into ~~the Public Utilities,~~
13 ~~Telecommunications and Services Commission Revolving Fund~~ the Public
14 Utilities Commission Operational Fund as established under Section 8427
15 in this Chapter.”

16 **Section 7. Amendment.** 4 CMC § 8426(f) is hereby amended to read as
17 follows:

18 **“§ 8426. Review of Rates; Operating Cost of Commission.**

19 (a to e) (unchanged).

20 (f) The Commission shall deposit all fees, charges, expenses, and
21 late penalties collected under this section in ~~the Public Utilities~~

1 ~~Commission Revolving Fund~~ the Public Utilities Commission Operational
2 Fund as established under Section 8427 in this Chapter.”

3 **Section 8. Repealed and Reenacted.** 4 CMC § 8427 is hereby repealed
4 and reenacted to read as follows:

5 **“§ 8427. Public Utilities Commission Operational Fund.**

6 A Public Utilities Commission Operational Fund shall be
7 established for the use of the Commission consisting of all financial
8 amounts as may be placed therein pursuant to the provisions of this Chapter
9 and the following:

10 (a) All Commission funds shall be placed with a CNMI federally-
11 approved and FDIC-insured local bank on Saipan, as solely determined by
12 the Commission, for the sole use of the Commission in the total exercise
13 of the duties and powers as imposed by the provisions of this Chapter.

14 (b) The expenditure authority is the Commission’s Chairperson, or
15 designee, with majority approval of the other Commissioners.

16 (c) Not later than 30 days before the Governor’s submittal of the
17 annual budget to the Legislature, the Commission shall submit to the
18 Governor a proposed annual budget.

19 (d) An annual audit at the end of the fiscal year shall be performed
20 by the Office of the Public Auditor, which will be made available to all

1 government leaders and the public. The Commission shall include in its
2 budget the one percent contribution to the Office of the Public Auditor.

3 (e) Any and all Commission funds currently held by the
4 Department of Finance, including any amounts budgeted for the
5 Commission in the Fiscal Year 2024 budget, shall be transferred to the
6 Commission by direct deposit in the banking account established by the
7 Commission at the bank of its choosing per the provisions set forth in this
8 Section. Any future legislative funds appropriated to the Commission shall
9 be transferred to the Commission via the Department of Finance. Upon the
10 transfer of funds from the Department of Finance to the Commission, the
11 Secretary of Finance shall issue an official letter to the Commission
12 confirming the completion of the transfer. The official letter from the
13 Secretary of Finance shall include the following: (1) confirmation that the
14 funds have been transferred to the PUC, (2) identification of the specific
15 business unit to which the funds have been transferred, (3) the date of the
16 transfer, and (4) a statement that the custodian of the transferred funds is
17 now the PUC. Upon issuance of the official letter, the custodian of the
18 transferred funds shall be the PUC.

19 (f) Notwithstanding the foregoing, the Department of Finance is
20 authorized, pursuant to NMI Const. Art. X § 8, to fully or partially suspend
21 subsections (a) through (e) of this Section and require the Commission

1 adhere to the Department of Finance’s regulations regarding the control
2 and expenditure of public funds.”

3 **Section 9. Amendment.** 4 CMC § 8478(b)(3) is hereby amended to read
4 as follows:

5 **“§ 8478. Cellular Prepaid and MiFi Credits: 90-Day Expiration**
6 **Date.**

7 (3) All funds recovered for penalties from violations of this section
8 shall be paid into the ~~Public Utilities Commission Revolving Fund~~ Public
9 Utilities Commission Operational Fund.”

10 **Section 10. Amendment.** Section 3 of this Act amends 4 CMC § 8406(a)
11 to no longer extend civil service protection to administrative employees of the
12 Commission. The below amendment reconciles Section 3 of this Act with 1 CMC
13 § 8131(a), which explicitly governs exemptions to the civil service system. Thus,
14 1 CMC § 8131(a) is hereby amended to add a new sub-subsection (15) to read as
15 follows:

16 **“§ 8131. Civil Service System: Applicability; Exemptions**

17 (a) Except as provided in this section the Civil Service System shall
18 apply to all employees of and positions in the departments and agencies of
19 the executive branch and in the administrative staffs of the legislative and
20 judicial branches now existing or hereafter established. Unless this part is
21 otherwise specifically made applicable to them, the following persons or

1 positions are exempt from the civil service system:

2 (1 to 14) (unchanged).

3 (15) All employees of the Public Utilities Commission, except
4 for its administrative and clerical workers.”

5 **Section 11. Severability.** If any provisions of this Act or the application
6 of any such provision to any person or circumstance should be held invalid by a
7 court of competent jurisdiction, the remainder of this Act or the application of its
8 provisions to persons or circumstances other than those to which it is held invalid
9 shall not be affected thereby.

10 **Section 12. Savings Clause.** This Act and any repealer contained herein
11 shall not be construed as affecting any existing right acquired under contract or
12 acquired under statutes repealed or under any rule, regulation, or order adopted
13 under the statutes. Repealers contained in this Act shall not affect any proceeding
14 instituted under or pursuant to prior law. The enactment of the Act shall not have
15 the effect of terminating, or in any way modifying, any liability, civil or criminal,
16 which shall already be in existence on the date this Act becomes effective.

17 **Section 13. Effective Date.** This Act shall take effect upon its approval by
18 the Governor, or it becoming law without such approval.

Prefiled: 2/7/2024

Date: 2/6/2024

Introduced by: /s/Rep. Vincent R.S. Aldan
/s/Rep. Blas Jonathan “BJ” T. Attao

HOUSE BILL 23-97, SD1, CCS1

/s/Rep. Angelo A. Camacho

/s/Rep. Diego V. F. Camacho

/s/Rep. Manny G. T. Castro

/s/Rep. Edwin K. Propst

/s/Rep. John Paul P. Sablan

/s/Rep. Ralph N. Yumul

Reviewed for Legal Sufficiency by:

/s/ Joseph L.G. Taijeron, Jr.

Legal Counsel