

**TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH**

**LEGISLATURE**

**IN THE HOUSE OF REPRESENTATIVES**

**SEPTEMBER 7, 2023**

**Second Regular Session, 2023**

**H. B. 23-72, SD2**

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**A BILL FOR AN ACT**

To establish a Department of Labor Revolving Fund and authorize the collection of fees through the Administrative Hearing Office for services to other agencies.

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

1           **Section 1. Findings and Purpose.** The legislature recognizes that the  
2 CNMI Department of Labor (DOL) has been reorganized and renamed several  
3 times since it was originally created in 1978. In 1994, during the first  
4 reorganization, funds collected as part of DOL agency duties were converted into  
5 the general fund. The current-day Department of Labor was organized in 2003.  
6 There is a need to update the DOL, including the creation of a revolving account to  
7 supplement the CNMI Department of Labor's operational needs.

8           The DOL Administrative Hearing Office (AHO), which provides due  
9 process hearings for cases within the Department's jurisdiction, was established in  
10 the 2003 reorganization. Since then, there has been an increase in requests from  
11 other CNMI agencies for assistance in administrative hearings. The AHO has been  
12 established for 20 years and has the experience and skill to provide administrative



COPY

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

May 13, 2024

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 with amendments House Bill No. 23-72, SD2 entitled, "To establish a Department of Labor Revolving Fund and authorize the collection of fees through the Administrative Hearing Office for services to other agencies." The Senate passed H.B. No. 23-72, SD2 by the unanimous vote a quorum being present, in its 1<sup>st</sup> Day, Second Special Session on May 13, 2024.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dolores S. Bermudes".

Dolores S. Bermudes  
Senate Clerk

Transmitted to HOUSE:

Received by:  Date: 5/13/2024 Time: 3:38p

1 hearing services to other agencies. With the creation of a revolving fund, DOL  
2 would be able to collect fees from providing such services, along with fees collected  
3 through established DOL regulations.

4 In the CNMI, the published regulations of over 25 agencies, offices, and  
5 public entities call for the need for a hearing officer or other due process hearing.  
6 Despite these regulations, most agencies do not have a hearing officer to preside  
7 over due process hearings. Most agencies do not have the resources to replicate  
8 their own Administrative Hearing Office.

9 The CNMI Legislature finds that the imposition of fees for hearing services  
10 is necessary to support the Department of Labor operations. The CNMI Legislature  
11 further recognizes that using the DOL ~~AOH~~ AHO to provide services for other  
12 agencies would be more efficient and cost-effective than replicating it for  
13 themselves.

14 The Commonwealth Code sets out the general process for conducting  
15 administrative hearings. ~~1 CMC Division 9, Chapter 1. Administrative Procedures~~  
16 ~~Act. 1 CMC § 9101 et seq.~~ However, the CNMI Department of Labor  
17 Administrative Hearing Office was established to provide administrative hearings  
18 for cases within the Department's jurisdiction. ~~4 CMC §§ 4511(a) & (h) & 4528~~ 3  
19 CMC §§ 4511 (a) & (h) and 3 CMC § 4528.

20 This bill authorizes the DOL to establish a revolving fund account and,  
21 through an amendment to regulations, provide administrative hearing services for

1 a fee for such agencies that are authorized to resolve administrative cases. Those  
2 fees ~~and other fees~~ collected by DOL may be used to fund personnel and operations  
3 expenses of DOL AHO.

4 **Section 2. Amendment.** 1 CMC §9115 of the Commonwealth Code is  
5 hereby amended to read as follows:

6 **“§ 9115. Administrative Procedure: Implementation.**

7 (a) Each agency is granted the authority to comply with the  
8 requirements of this chapter through the issuance of rules.

9 (b) Notwithstanding any other law, the Administrative Hearing  
10 Office, as defined in 3 CMC § 4511(a), may assign a hearing officer to  
11 provide services for any CNMI government agency that has complied with  
12 subsection (a). Such services may include administrative adjudication,  
13 mediation or any other administrative hearing support.

14 (1) DOL must adopt regulations to authorize and establish a process  
15 for requesting and receiving hearing officer services and include a uniform  
16 fee schedule for payment of those services. Until regulations have been  
17 adopted, but not more than 180 days from the effective date of this Act,  
18 DOL may rely upon memorandums of understanding with agencies to  
19 provide hearing officer services and receive payments for such services.

20 (2) Fees collected from an agency by DOL for providing hearing  
21 officer services, ~~along with any other fees collected by DOL pursuant to~~

1       ~~DOL regulations,~~ shall be deposited on behalf of DOL into a revolving  
2       account, established by the Department of Finance and known as the DOL  
3       Revolving Fund.

4               (3) The DOL Revolving Fund shall be non-lapsing and may be used  
5       for the exclusive purpose of funding the personnel and operational needs of  
6       DOL. The Secretary of Labor shall be the expenditure authority for this  
7       Fund. Fund monies shall be available for expenditure without further  
8       appropriation and without fiscal year limitations.”

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

14       **Section 4. Savings Clause.** This Act and any repealer contained herein shall  
15      not be construed as affecting any existing right acquired under contract or acquired  
16      under statutes contained in this Act shall not affect any proceeding instituted under  
17      or pursuant to prior law. The enactment of the Act shall not have the effect of  
18      terminating, or in any way modifying, any liability, civil or criminal, which shall  
19      already be in existence on the date this Act becomes effective.

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

**HOUSE BILL 23-72, SD2**

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Prefiled: 9/6/2023

Date: \_\_\_\_\_

Introduced by: /s/ Rep. Edwin K. Propst  
/s/ Rep. Roman C. Benavente  
/s/ Rep. Angelo A. Camacho  
/s/ Rep. Diego V. F. Camacho  
/s/ Rep. Joel C. Camacho  
/s/ Rep. Manny G. T. Castro  
/s/ Rep. Marissa R. Flores  
/s/ Rep. Julie M. A. Ogo  
/s/ Rep. Edmund S. Villagomez  
/s/ Rep. Ralph N. Yumul

Reviewed for Legal Sufficiency by:

/s/ John M. Bradley  
House Legal Counsel