



COPY

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

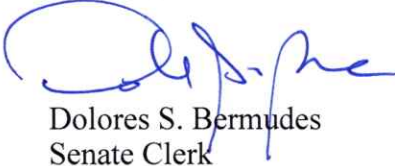
August 09, 2024

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. 23-97, SD1 entitled, "To amend certain provisions of the Commonwealth Public Utilities Commission Act of 2006; and for other purposes." The Senate passed H.B. No. 23-97, SD1 by the unanimous vote a quorum being present, in its 1st Day, Fourth Regular Session on August 08, 2024.

Sincerely,


Dolores S. Bermudes
Senate Clerk

Transmitted to **HOUSE**:

Received by:  Date: 8/13/2024 Time: 9:32 a

TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 9, 2024

Third Regular Session, 2024

H. B. 23-97, SD1

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 independent control of its finances, expedited
8 procurement of its needs, unencumbered hiring of its employees to successfully
9 operate in a timely and efficient manner, ~~and added compensation to cover the extra~~
10 ~~demands of the Commissioners, all subject to annually reporting to the Governor's~~

1 office, the legislature, and the Office of the Public Auditor the Commission's due
2 diligence in its overall operations.

3 The purposes of the following amendments will change the manner of the
4 PUC's funding administration, the processes of its procurement needs, and the
5 hiring of its staff and employees, and an adjustment to the compensation of the
6 commissioners to guarantee proper payment of their extra time and expenses to
7 regulate the important utility entities, and to also entice highly-qualified candidates
8 to accept all the responsibilities of the PUC's many challenges to protect and
9 preserve the fair and reasonable costs of the CNMI public utilities.

10 **Section 2. Repeal and Re-enactment.** 4 CMC § 8404 of the
11 Commonwealth Code is hereby repealed and reenacted to read as follows:

12 **“§ 8404. Compensation of the Commissioners.**

13 The Commissioners shall be compensated at a monthly rate of
14 800.00 dollars per commissioner, except the Chairperson shall receive
15 1000.00 dollars monthly, provided all scheduled monthly meetings are
16 attended or excused by the Chairperson or his/her designate. Travel costs
17 and expenses shall be provided, if applicable, for the purpose of attending
18 official Commission meetings within the Commonwealth. Rules and rates
19 for official travel outside the Commonwealth ~~will be established and~~
20 ~~authorized by the Commission as~~ be the same as the rates established by the
21 executive branch. Thirty days after travel outside the Commonwealth, a

1 report must be submitted to the Governor’s office summarizing the costs
2 and the purpose and accomplishments of the travel.”

3 **Section 3. Amendment.** 4 CMC § 8406 of the Commonwealth Code is
4 hereby amended to read as follows:

5 **“§ 8406. Operation of the Commission.**

6 (a) The Commission may employ agents, employees, hearing
7 examiners, legal counsel, or contract for services, specialists, experts, or
8 professionals as individuals or as organizations to advise and assist the
9 Commission and its employees. The Commission may appoint an executive
10 director who shall serve at the pleasure of the Commission. The executive
11 director shall be compensated pursuant to the provisions of 1 CMC § 8246.
12 The Commonwealth Civil Service Act [1 CMC § 8101 et seq.] shall apply
13 to all administrative or clerical employees of the Commission. All other
14 employees shall be exempt from the application of the Commonwealth Civil
15 Service Act.

16 (b) (unchanged)

17 (c) (unchanged)”

18 **Section 4. Amendment.** 4 CMC § 8411(k), (l) and (n) of the
19 Commonwealth Code are amended to read as follows:

1 **“§ 8411. General Powers and Duties.**

2 The Commission shall have regulatory oversight provision over
3 each regulated entity as set forth in this Chapter and shall perform the duties
4 and exercise the powers imposed or conferred upon ~~it~~ it by this Chapter.
5 The Commission in the discharge of any of its duties or the exercise of any
6 of its powers, except a final determination affecting an entity, may act
7 through one or more of its Commissioners designated by the Commission
8 for this purpose. In addition to the powers and duties elsewhere conferred
9 and imposed, the Commission shall:

10 (a) through (j). (unchanged).

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

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

20 (m) (unchanged).

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

6 (o) (unchanged).”

7 **Section 5. Amendment.** 4 CMC § 8424(b) of the Commonwealth Code is
8 hereby amended to read as follows:

9 **“§ 8424. Rule-making Authority: Procedures and Fees.**

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

14 **Section 6. Amendment.** 4 CMC § 8426(f) of the Commonwealth Code is
15 hereby amended to read as follows:

16 **“§ 8426. Review of Rates; Operation Cost of Commission.**

17 (f) The Commission shall deposit all fees, charges, expenses, and
18 late penalties collected under this section in its Public Utilities Commission
19 Revolving Operational Fund as established in the amended provisions of
20 Section 8427 in this Chapter.”

1 **Section 7. Repealer and Re-enactment.** 4 CMC § 8427 of the
2 Commonwealth Code is hereby repealed and reenacted to read as follows:

3 **“§ 8427. Public Utilities Commission Operational Fund.**

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

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

12 (b) The expenditure authority is the Commission’s Chairperson, or
13 ~~his/her designate~~ designee, with majority approval of the other
14 Commissioners.

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

1 (d) An annual audit at the end of the fiscal year shall be performed
2 by the Office of the Public Auditor, which will be made available to all
3 government leaders and the public. The Commission shall include in its
4 budget the one percent contribution to the Office of the Public Auditor.

5 (e) Any and all Commission funds currently held by the Department
6 of Finance, including any amounts budgeted for the Commission in the
7 Fiscal Year 2024 budget, shall be transferred to the Commission by
8 payment directly to the Commission or by direct deposit in the banking
9 account established by the Commission at the Bank of its choosing per the
10 provisions set forth in this section. Any future legislative funds appropriated
11 to the Commission shall be transferred to the Commission via the
12 Department of Finance in payment directly to the Commission.”

13 **Section 8. 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 9. 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 23-97, SD1

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 10. Effective Date.** This Act shall take effect upon its approval by
5 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
/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.
House Legal Counsel