

Twenty Second Northern Marianas Commonwealth Legislature

IN THE HOUSE OF REPRESENTATIVES

, 2021

H. B. 22- 45

A BILL FOR AN ACT

To authorize the Commonwealth of the Northern Mariana Islands Department of Finance in consultation with Department of Public Works to enter into a loan agreement for a sum up to \$16,800,000.00 for the construction and improvement of roads in the Commonwealth of the Northern Mariana Islands.

**BE IT ENACTED BY THE TWENTY SECOND NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:**

1 **Section 1. Findings.** The Legislature finds that the Commonwealth of
2 the Northern Marianas Islands Department of Public Works ("DPW") is in need
3 of funds to support the construction and improvement of roads in the
4 Commonwealth. DPW has identified a loan program through the USDA Rural
5 Development program that will lend DPW sixteen million eight hundred thousand
6 US Dollars (\$16,800,000.00) necessary to complete ongoing projects. The
7 Legislature finds that DPW has further identified its own revenue sources and will
8 not need additional legislative appropriations above the allocations it receives
9 from the US Department of Transportation (Federal Highway Funds).

10 The Legislature finds that the Department of Finance (DOF) in
11 consultation with DPW seeks to enter into the loan structured as a Grant
12 Anticipation Revenue Vehicle (GARVEE) note, as authorized under Chapter 1,
13 Title 23 of the United States Code, as amended, and as such, the loan will be

1 payable from revenue remitted to the Commonwealth pursuant to Chapter 1, Title
2 23 of the United States Code.

3 The Legislature finds that the necessity of constructing and improving
4 Route 36 is manifest in addition to Beach Road Saipan and roads on Rota and
5 Tinian. The Legislature finds that these potential funds will reopen access to a
6 large portion of the island of Saipan that has been closed for decades. It will
7 create an alternative route to the northern part of the island of Saipan, thus
8 improving emergency access. Improving Route 36 will also enhance economic
9 activity by opening more of the island of Saipan to tourism, farming and
10 homesteading.

11 Furthermore, the Legislature finds that it is imperative that the stretch of
12 road from American Memorial Park to Pak Pak Beach fronting the western part of
13 Saipan is in dire need of an upgrade as its current state is unsafe for both residents
14 and visitors alike. Additionally, the Legislature finds that DPW is currently
15 working on roads on the islands of Rota and Tinian and are in need of additional
16 funding to complete ongoing projects that have already been identified as a
17 priority for both Rota and Tinian.

18 The Legislature additionally finds that it is imperative that Departments
19 and Agencies be creative and proactive in finding additional funds that can
20 service the needs of our Commonwealth. Therefore, the Legislature finds that the
21 contemplated loan is in the public interest and should be approved.

1 **Section 2. Authorization.**

2 (a) Notwithstanding any laws, rules or regulations to the contrary, the
3 Department of Finance (DOF) in consultation with the Department of Public
4 Works (DPW) is hereby authorized to enter into a loan agreement or agreements
5 through the USDA Rural Development program for a sum up to sixteen million
6 eight hundred thousand US Dollars (\$16,800,000.00). The Department of Finance
7 in consultation with the Department of Public Works shall enter into the loan
8 structured as a Grant Anticipation Revenue Vehicle (GARVEE) note, as
9 authorized under Chapter 1, Title 23 of the United States Code, as amended, and
10 as such, the loan can and shall be payable from revenue remitted to the
11 Commonwealth pursuant to Chapter 1, Title 23 of the United States Code.
12 Through this Act, the CNMI government pledges that a portion of the amount
13 allotted to the CNMI from the United States Department of Transportation as
14 security for the payment of the USDA Rural Development program loan.

15 (b) The Governor or his designee may enter into one or more memoranda
16 of understanding on behalf of the Commonwealth government with the Federal
17 Highway Administration, which would, among other things, identify the projects
18 to be financed with proceeds of the loan and set forth the procedures for
19 calculation, request and payment of revenue pursuant to Chapter 1, Title 23, of the
20 United States Code.

21 (c) The proceeds of the loan or loans authorized in paragraph (a) are only
22 for Route 36 construction and improvement project, for the Route 33

1 reconstruction and improvement project (running from the American Memorial
2 Park intersection to the south of Pakpak Beach), the Naftan Road project and
3 designated road projects on Rota and Tinian. The Secretary of the Department of
4 Finance (DOF) in consultation with The Secretary of Public Works (DPW) is
5 authorized to expend funds received under the loan authorized under paragraph
6 (a) but only for the purposes stated in this paragraph.

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


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

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

Prefiled: 3/12/2021

Introduced By: Rep. Blas Jonathan "BJ" T. Attao

Reviewed for Legal Sufficiency by:


House Legal Counsel

Rep. Dia Jonathan Ds P. Atas

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