

WM-11/13/2023

TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH
LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

November 13, 2023

Second

Regular Session, 2023

H. B. 23-87

A BILL FOR AN ACT

To amend 3 CMC §2824 to authorize the Commonwealth Healthcare Corporation to establish a charitable foundation.

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

1 **Section 1. Findings and Purpose.** The Legislature finds that as part of the
2 Commonwealth Healthcare Corporation's (CHCC) strategic plan, CHCC intends
3 to increase access to capital for investment in local health care capacity by
4 establishing an affiliated foundation. By establishing an affiliated foundation,
5 CHCC can, not only elevate its mission, but also significantly extend its reach and
6 impact. This dedicated foundation would serve as a powerful vehicle for channeling
7 investment into pivotal areas such as new program development, technological
8 upgrades, facility improvements, and the expansion of essential services.

9 Moreover, having a separate, focused entity for fundraising activities frees
10 CHCC to maintain its unwavering commitment to delivering accessible and
11 affordable healthcare services. This strategic separation allows the foundation to
12 solicit and manage funding for targeted projects and initiatives that are in line with

1 CHCC's mission, while also capturing funding opportunities that support non-
2 government entities. It can serve as an incubator for innovative pilot programs and
3 vital research projects that might not immediately generate revenue but are
4 intrinsically aligned with the CHCC's long-term goals.

5 The Legislature further finds that creating a separate but affiliated non-
6 profit foundation for the public hospital not only enhances the accountability of the
7 CHCC, but also helps to strategically channel funds in a manner that fosters
8 sustainable growth for the organization. This structure ensures that CHCC is
9 focused on delivering healthcare services that are closely aligned with the
10 overarching healthcare goals of the CNMI community. Moreover, by serving as a
11 responsible guardian of donor and grantor contributions, the foundation ensures
12 that all funds are allocated in a manner that adheres to both tax-exempt regulations
13 and fiduciary duties, safeguarding the sustainable expansion of CHCC.

14 Financially, the foundation offers a means of diversifying revenue streams,
15 encompassing grants, endowments, and charitable donations. Its anticipated tax-
16 exempt status makes it an enticing option for prospective donors looking for tax
17 advantages. Moreover, the foundation's capacity to manage long-term endowments
18 could offer a stable financial cushion, ensuring CHCC's sustainability.

19 The Legislature finds that beyond the financial implications, the foundation
20 amplifies CHCC's visibility and engagement within the CNMI community. It
21 creates structured pathways for the community, patients, and other key stakeholders

1 to contribute to the CHCC's mission through various means such as donations,
2 volunteer work, and even board participation. This elevated profile could attract
3 partnerships with local, regional, and international businesses and philanthropic
4 organizations willing to invest in strengthening local healthcare infrastructure.

5 Overall, the establishment of a dedicated foundation enables CHCC to
6 deepen its community ties, fortify its financial resilience, and most importantly,
7 broaden the scope of healthcare services it can provide. Accordingly, the purpose
8 of this legislation is to amend 3 CMC § 2824 to authorize CHCC to establish a
9 charitable foundation for the primary benefit of the corporation.

10 **Section 2. Amendment.** 3 CMC §2824 is hereby amended by adding a new
11 subsection (s) to read as follows and to renumber remaining subsections
12 accordingly:

13 **“§ 2824. Corporate Powers.**

14 “(s) Receive, hold and expend appropriations, moneys collected for
15 services rendered, grants, donations, or any other funds designated for the use and
16 benefit of the Corporation and to establish one or more charitable foundations,
17 independent of the Corporation, for the primary benefit of the Corporation; and”

18 **Section 3. Severability.** If any provisions of this Act or the application of
19 any such provision to any person or circumstance should be held invalid by a court
20 of competent jurisdiction, the remainder of this Act or the application of its

1 provisions to persons or circumstances other than those to which it is held invalid
2 shall not be affected thereby.

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

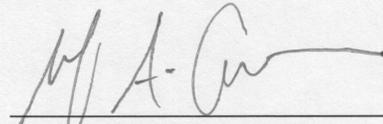
10 **Section 5. Effective Date.** This Act shall take effect upon its approval by
11 the Governor, or its becoming law without such approval.

Intro 11/13/2023

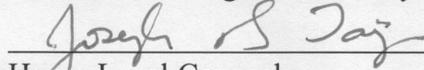
~~Prefiled:~~ _____

Date: _____

Introduced by: _____


Rep. Malcom J. Omar

Introduction Purposes Only
Reviewed for ~~Legal Sufficiency~~ by:


House Legal Counsel