

Calendar
1/12/2024

TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

January 12, 2024

Third Reg., 2024

H. B. 23- 96

A BILL FOR AN ACT

To repeal and reenact 4 CMC § 2307 and 4 CMC §2308 to designate the casino annual license fee to supplement the payment of the 25 percent of all the retirees' pensions and to identify recipients of the funds generated from the Casino Gross Revenue Tax; and for other purposes.

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

1 **Section 1. Findings and Purpose.** The Legislature finds that the settlement
2 agreement reached in Betty Johnson et al. v. Eloy S. Inos et al. and approved by the
3 Northern Marianas federal district court requires the Commonwealth to pay 75
4 percent of government retirees' benefits. The Legislature also finds that proponents
5 of the Saipan casino law intended to fund the remaining 25 percent of pension
6 benefits for government retirees in all of the senatorial districts. The Legislature
7 further finds that the funds from the Casino Gross Revenue Tax (CGRT) are
8 inconsistent and possibly even insufficient to cover the 25 percent portion of
9 pension benefits for all the Commonwealth's government retirees. Public Law 20-
10 10, which allotted \$2,000,000 of the casino license fee to each of the First and
11 Second Senatorial Districts and \$11,000,000 to the Third Senatorial District, must

1 be repealed to ensure that the source of funding for the 25 percent portion of the
2 retirees' pensions is secure.

3 The purpose of this Act is to repeal and reenact 4 CMC §§ 2307 and 2308
4 to restore funding from the casino license fee to pay the 25 percent portion of
5 pension benefits to all the retirees in the First, Second, and Third Senatorial
6 Districts and to identify the recipients of the funds generated from the Casino Gross
7 Revenues Tax.

8 **Section 2. Repealer and Reenactment.** 4 CMC § 2307(a) (b) and (c) is
9 hereby repealed and reenacted, and §2307(d) is redesignated accordingly as
10 §2307(b):

11 "§ 2307. Disposition of Revenues.

12 Notwithstanding any other law to the contrary, the moneys collected
13 for the application and exclusive license pursuant to 4 CMC § 2306 shall be
14 deposited into the Commonwealth Treasury to be kept separate and apart
15 from the general funds of the Commonwealth government which shall be
16 allocated to and available for expenditure as follows:

17 (a) The Annual License Fee for each year shall be available for
18 expenditure to cover or supplement the payment of 25 percent of class
19 members' full benefits and any bonus to be distributed equally to all
20 Settlement Class Members and CNMI Fund members receiving annuity.
21 The Secretary of Finance shall be the expenditure authority."

1 **Section 3. Repealer and Reenactment.** 4 CMC § 2308 hereby repealed
2 and reenacted to read as follows:

3 “§ 2308. Disposition of Gross Revenue Tax.

4 Notwithstanding any laws, rules, or regulations to the contrary the
5 Secretary of Finance shall establish a special Casino Gross Revenue Tax
6 (CGRT) Account separate from the general funds. The funds in the CGRT
7 Account shall not lapse and shall not be subject to fiscal year limitation. In
8 addition, the Secretary of Finance shall keep a record of the CGRT funds
9 allocated pursuant to this section. Notwithstanding 4 CMC §§ 1802 and
10 1804 or any other laws, gross revenue taxes generated from a license holder
11 under this chapter shall be deposited in the special CGRT Account, and shall
12 be appropriated by the Legislature to any of the following purposes, unless
13 otherwise specifically provided in this section:

14 (a) The first \$15,000,000 of the funds deposited into the CGRT
15 Account after the beginning of each calendar year shall be available for
16 appropriation as follows:

17 (1) \$2,000,000 shall be allocated to the First Senatorial
18 District to be appropriated by the First Senatorial District
19 Legislative Delegation.

1 (2) \$2,000,000 shall be allocated to the Second Senatorial
2 District to be appropriated by the Second Senatorial District
3 Legislative Delegation.

4 (3) \$11,000,000 shall be allocated to the Third Senatorial
5 District as follows:

6 (A) \$1,500,000 is continuously appropriated, not
7 subject to fiscal year limitation, for the Saipan Higher
8 Education Financial Assistance (SHEFA); and

9 (B) \$9,500,000 shall be appropriated by the Saipan
10 and Northern Islands Legislative Delegation.”

11 (b) After the amounts required pursuant to subsection (a) of this
12 section are satisfied, the balance of the casino gross revenue tax generated
13 shall be recorded, maintained, and accounted for to be reserved for
14 appropriation by the Legislature, provided however, that 10 percent of the
15 special CGRT Account balance shall be reserved for future emergencies,
16 and the Secretary of the Department of Finance shall create a special
17 account for these funds that shall be known as the “Emergency Account.”
18 Funds deposited in the Emergency Account shall only be appropriated when
19 a state of emergency or major disaster has been declared for the
20 Commonwealth of the Northern Mariana Islands. The remaining balance of

1 the special CGRT account shall be available for appropriation by the
2 Legislature for the following purposes:

3 (1) For the Fuel Adjustment Charge (FAC), formerly called
4 the Levelized Energy Adjustment Clause (LEAC), Rate Subsidy
5 Account. The Secretary of Finance shall establish a FAC Rate
6 Subsidy Account, and the funds deposited in this account shall be
7 used to subsidize the FAC Rate that would otherwise be passed on
8 to utility customers;

9 (2) For the Commonwealth Healthcare Corporation,
10 provided however that some funds are allocated to the Community
11 Guidance Center for the treatment of substance abuse and gambling
12 addictions;

13 (3) For the Medical Referral Program;

14 (4) For the payment of land compensation for the taking of
15 private lands;

16 (5) For the Public School System;

17 (6) For the Northern Marianas College; and

18 (7) For the Northern Marianas Technical Institute.”

19 **Section 4. Severability.** If any provisions of this Act or the application of
20 any such provision to any person or circumstance should be held invalid by a court
21 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 5. 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 6. Effective Date.** This Act shall take effect upon its approval by
11 the Governor, or its becoming law without such approval.

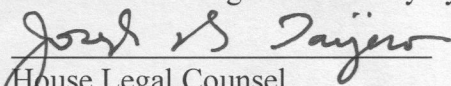
Prefiled:

Date:

Introduced by: 

Rep. Blas Jonathan "BJ" T. Attao

Reviewed for Legal Sufficiency by:


House Legal Counsel

