

TWENTY-SECOND NORTHERN MARIANAS COMMONWEALTH
LEGISLATURE
IN THE HOUSE OF REPRESENTATIVES

Regular Session, 2022

H. J. R. 22-13

A HOUSE JOINT RESOLUTION

To authorize the Marianas Public Land Trust (MPLT) to receive and administer \$15 million dollars as a sub-recipient of the Coronavirus State and Local Fiscal Recovery Fund from the American Rescue Plan Act and for other purposes.

1 **WHEREAS**, the American Rescue Plant Act (“ARPA”) became law
2 on March 11, 2021 as U.S. Public Law 117-2, provides \$350 billion dollars to
3 help states, counties, cities and tribal governments cover increased expenditures,
4 replenish lost revenue and mitigate economic harm from the COVID-19
5 pandemic. ARPA created the Coronavirus State and Local Fiscal Recovery Fund
6 (“CSLRF”) to assist the states with relatively flexible funding to assist states and
7 territories in the identified areas including tourism and transportation for the
8 purposes of economic recovery; and

9 **WHEREAS**, in the Commonwealth, the Office of the Governor through the
10 Department of Finance is charged with the administration of the ARPA CSLRF
11 funds for the required purposes which are distributed in the form of grants or sub-
12 grants to eligible entities and non-governmental organizations to fund programs
13 where most urgently needed in our Commonwealth; and

1 **WHEREAS**, the U.S. Department of Treasury has promulgated its Interim
2 Rule outlining the specifics on the use of the ARPA funds which establish the
3 boundaries or guardrails required by statute and which include qualifying
4 expenses. Those boundaries include the use of funds to respond to or address the
5 Coronavirus Disease (COVID-19) as a public health emergency or its negative
6 impacts including assistance, to impacted industries such as tourism, travel and
7 hospitality; and

8 **WHEREAS**, today our Commonwealth finds itself in even more
9 challenging economic times with the COVID-19 pandemic which has devastated
10 our tourism-based economy with the cessation of air travel; reduction of business
11 activity in our islands; reduced travel intra-island; and impact on transportation;
12 and

13 **WHEREAS**, following discussions with the Office of the Governor and
14 Secretary of Finance the MPLT Trustees are inclined to participate with economic
15 recovery as a sub-grant recipient of \$15 million in ARPA funds to address the
16 negative impact of COVID-19. *See attached*, October 5, 2021 Letter from
17 Governor Ralph Dlg. Torres re: \$15 Million Dollar ARPA Sub-Grant to MPLT.
18 The purpose of the sub-grant is for MPLT to use its experience with investment
19 review to administer and manage further grant out ARPA funds consistent with
20 the CNMI and U.S. Department of Treasury requirements and guidelines under
21 parallel prudent investment or lending standards; and

1 **WHEREAS**, as with prior loans or investments, the Trustees are
2 counseled that authorizing legislation is appropriate for the ARPA-MPLT Sub-
3 Grant of \$15 Million Dollars for MPLT to administer for the Commonwealth
4 Government through the Secretary of Finance/Office of the Governor; and

5 **WHEREAS**, the Trustees have determined that MPLT can assist and be a
6 sub-recipient of the ARPA program without affecting their primary duties and
7 responsibilities in carrying out their fiduciary duties as trustees in their investment
8 decisions; and

9 **WHEREAS**, The Office of the Governor through the Secretary of Finance
10 and the Marianas Public Land Trust, through its Trustees, are hereby authorized to
11 implement through a sub-grant to MPLT with a Memorandum of Agreement for
12 the administration and monitoring of grant funds in the amount of \$15,000,000.00
13 from the CNMI's share of the ARPA CSLFRF. These funds shall be used to
14 respond and address the negative economic impact of COVID-19 in the CNMI
15 through grant agreements in the areas of business recovery, tourism recovery,
16 transportation recovery and hospitality industry recovery and other eligible uses;
17 and

18 **WHEREAS**, all funds disbursed pursuant to this authorization shall
19 comply with the terms and conditions of a written and contractual Memorandum
20 of Agreement between MPLT and the Office of the Governor through the
21 Secretary of Finance as well as compliance with budget, financial statements and

1 reporting requirements as required by the United States Department of Treasury;
2 and

3 **WHEREAS**, this authorizing Resolution shall expire on December 31,
4 2026 which is four years after the effective date of this Resolution, or upon
5 certification by the Secretary of Finance that grant funds have been fully disbursed
6 and grant conditions have been completed, whichever occurs last; and

7 **NOW, THEREFORE, BE IT RESOLVED**, by the House of
8 Representatives of the Twenty-Second Northern Marianas Commonwealth
9 Legislature, the Senate concurring, the authorization of the Marianas Public Land
10 Trust (MPLT) to receive and administer \$15 million dollars as a sub-recipient of
11 the Coronavirus State and Local Fiscal Recovery Fund from the American Rescue
12 Plan Act; and


13 **BE IT FURTHER RESOLVED**, that the Speaker of the House of
14 Representatives and the President of the Senate shall certify and the
15 House Clerk and the Senate Legislative Secretary shall attest to the
16 adoption of this joint resolution and thereafter the House Clerk shall
17 transmit a copy to the Marianas Public Land Trust; The Honorable Ralph
18 DLG. Torres, Governor, Commonwealth of the Northern Mariana
19 Islands; the Honorable Gregorio "Kilili" C. Sablan, U.S. Delegate to the
20 United States Congress, 117th United States Congress; the Honorable
21 David M. Apatang, Mayor, the Municipality of Saipan; the Honorable
22 Edwin P. Aldan, Mayor, the Municipality of Tinian and Aguiguan;

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- 1 the Honorable Efraim Atalig, Mayor, the Municipality of Rota; the Honorable
2 Vicente C. Santos, Mayor, the Municipality of the Northern Islands.

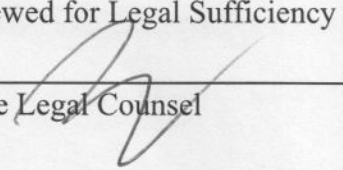
Prefiled: 1/5/2022

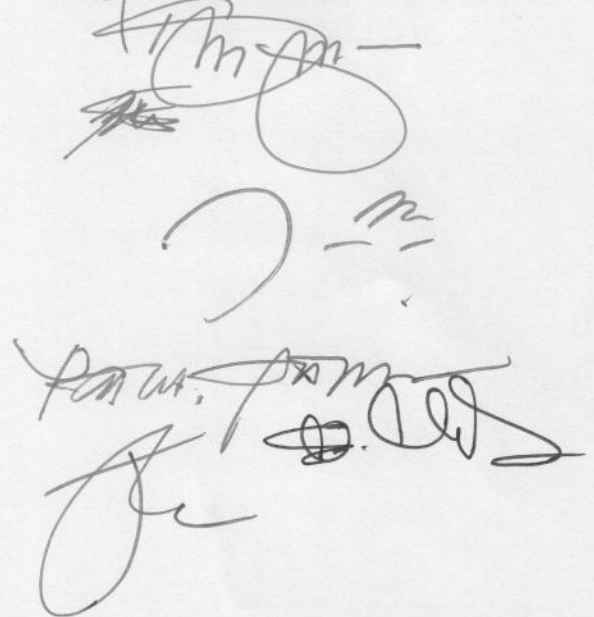
Date: 1/4/22

Introduced by:


Rep. Joseph Lee Pan T. Guerrero

Reviewed for Legal Sufficiency by:


House Legal Counsel





RALPH DLG. TORRES
Governor

ARNOLD I. PALACIOS
Lieutenant Governor

COMMONWEALTH of the NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

October 5, 2021

GOV21-210

Mr. Martin B. Ada
Chairman
Marianas Public Land Trust
PO Box 501089, Saipan MP 96950
Telephone: 1-670-322-4401
Facsimile: 1-670-322-4450

Received for MPLT
Date: 10/7/2021
By: [Signature]
@: MPLT 1:45 PM

Subject: \$15 Million American Rescue Plan Act Award to Marianas Public Land Trust for Transportation Innovation Investment Initiative.

Dear Chairman Ada,

I am writing in response to a letter received dated September 21, 2021 following up on the Marianas Public Land Trust (MPLT) request for investment funds. Upon further consideration, the Commonwealth of the Northern Mariana Islands (CNMI) Office of the Governor in collaboration with the Department of Finance has identified \$15 Million from the American Rescue Plan Act (ARPA) to establish a partnership with MPLT toward the implementation of a Transportation Innovation Investment Initiative.

Funding for this Initiative is derived from allocations provided by ARPA Section 602(a): To respond to the public health emergency with respect to the Coronavirus Disease 2019 (Covid-19) or its negative economic impacts, including assistance to households, small business, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality.

MPLT's role in investing the returns of the Commonwealth's public lands is ideally suited to support the economic needs of residents throughout our islands. We are grateful for your willingness to maximize the returns of federal resources provided to the Commonwealth. To strengthen collaboration of these funds we propose an arrangement with MPLT that would target investments to maximize both the return of investment to MPLT and to support the economic benefit to individuals of Northern Marianas Descent.

The Transportation Innovation Investment Initiative that is made possible through this allocation would support, through grants and direct investment, increases to freight and cargo transport between Saipan, Tinian and Rota, revitalize small businesses, and aid in the recovery and resiliency of our tourism sector. With greater returns and stability in the tourism market and broader economy, hotels and commercial property located on public lands would generate greater returns for the Commonwealth and add increased investment resources to MPLT through the terms of the individual lease agreements and CNMI regulations.

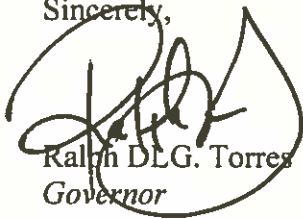
This funding allotted to the Initiative is for grants and/or investments subject to MPLT terms and agreements, that support the needs of small businesses, increase inter-island shipping access, and invest into supporting the CNMI's economic resiliency.

In total, through this collaboration, and through the expertise and commitment of MPLT to maximize benefits of the Commonwealth's resources, we believe this Initiative will provide lasting returns for the people of the CNMI and those we respectively represent.

Following the conveyance of these funds, I encourage MPLT to work closely with the Department of Finance ARPA Section to ensure compliance and keep up-to-date with regulatory requirements and updates related to the use of these funds.

If you have any questions regarding this letter, please do not hesitate to contact us at 1-670-237-2200 or email at ralph.torres@gov.mp.

Sincerely,



Ralph DLG. Torres
Governor

Cc: Department of Finance, Office of the Secretary