

HOUSE OF REPRESENTATIVES
TWELFTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
SECOND REGULAR SESSION, 2000

FIRST DAY

August 08, 2000

The House of Representatives of the Twelfth Northern Marianas Commonwealth Legislature convened in its First Day, Second Regular Session, on Tuesday, August 08, 2000, at 10:34 a.m., in the House Chamber, Capitol Hill, Saipan, Commonwealth of the Northern Mariana Islands.

The Honorable Benigno R. Fitial, Speaker of the House presided.

Rep. Jones: Mr. Speaker, I respectfully request that we include Representative Brigid Ichihara in our prayers in celebration of her birthday, today. Thank you.

A moment of silence was observed.

In accordance with Rule XIII, § 2(a), all eighteen members were present.

Speaker Fitial: A quorum is duly constituted for the First Day of our Second Regular Session.

ADOPTION OF JOURNALS

The Chair recognized the Floor Leader.

Floor Leader Babauta: Mr. Speaker, so move for the adoption of the six journals that appears on today's Calendar.

First Day, Seventh Special Session (6/12/00)
Third Day, Eighth Special Session (7/18/00)
First Day, Ninth Special Session (7/20/00)
First Day, Tenth Special Session (7/21/00)
First Day, Eleventh Special Session (7/26/00)
Second Day, Eleventh Special Session (7/27/00)

The motion to adopt the six journals appearing on the day's Calendar was seconded and carried by voice vote.

Speaker Fitial: The motion carries.

INTRODUCTION OF BILLS

H. B. NO. 12-234: A Bill for an Act to amend Section 7204 1 CMC by adding a new subsection (e) to require each department and government agencies to make payment on its utility obligation by providing an yearly amount on its fiscal year budget allocation; and for other purposes.

Offered by: Rep. Antonio M. Camacho
Referred to: Committee on Ways and Means

H. B. NO. 12-235: A Bill for an Act to appropriate all Liquidated Damages paid or accrued by a Contractor in relation to the construction of the new Kagman Elementary School; and for other purposes.

Offered by: Rep. Thomas B. Pangelinan and five others
Referred to: Committee on Ways and Means

H. B. NO. 12-236: A Bill for an Act to amend 3 CMC, Division 4, Chapter 3, Article 1, § 4306(q)(6); and for other purposes.

Offered by: Rep. Brigida DLG. Ichihara
Referred to: Committee on Education

H. B. NO. 12-237: A Bill for an Act to amend Section 1 and Section 3 of Public Law 11-100 to reappropriate \$500,000 appropriated for Tatachog Library; and for other purposes.

Offered by: Rep. Brigida DLG. Ichihara
Referred to: Committee on Ways and Means

H. L. B. NO. 12-13: A Local Bill for an Act for the Second Senatorial District to prohibit hunting, trapping, harassing, and disturbing and interfering with the Micronesian Starling; a punish for Aploris/Opaca “Sali” within the Second Senatorial District; and for other purposes.

Offered by: Rep. Norman S. Palacios
Referred to: Committee on Judiciary and Governmental Operations

H. L. B. NO. 12-14: A Local Bill for an Act for the Second Senatorial District to create a marine reserve on Tinian which shall extend from the north point of the municipal break water to the Puntan Diablo; and for other purposes.

Offered by: Rep. Norman S. Palacios
Referred to: Committee on Judiciary and Governmental Operations

H. L. B. NO. 12-15: A Local Bill for an Act for the Third Senatorial District to place within the Mayor's discretion whom shall be designated to act in his absence; and for other purposes.

Offered by: Rep. Jesus T. Attao
Referred to: Committee on Judiciary and Governmental Operations

INTRODUCTION OF RESOLUTIONS

H. C. R. NO. 12-2: A House Concurrent Resolution to approve revenues and resources of the Commonwealth of the Northern Mariana Islands, as identified by the Governor in compliance with Article III, Section 9(a) of the Constitution, as amended, and 1 CMC, Division 7, for Fiscal Year 2001 beginning October 1, 2000 and ending on September 30, 2001.

Offered by: Rep. Antonio M. Camacho
Referred to: Committee on Ways and Means

H. R. NO. 12-69: A House Resolution commending Lawrence Torres Duenas for saving the lives of two children who were sleeping when their house caught on fire and for extinguishing the fire at his neighbor's house in Denni.

Offered by: Rep. Thomas B. Pangelinan

H. R. NO. 12-70: A House Resolution commending the Chamorro Bilingual Teacher of the Year and the Carolinian Bilingual Teacher of the Year and establishing an annual monetary award in recognition of their accomplishments.

Offered by: Rep. Thomas B. Pangelinan

Rep. Pangelinan: If I may, Mr. Speaker, recommend the suspension of all Rules so that they be included on today's Resolution Calendar.

There was no objection raised.

Speaker Fitial: So ordered.

H. R. NO. 12-71: A House Resolution to recognize and commend the exemplary accomplishment of Ms. Roca Quitugua as the first Northern Marianas descent to be certified as a Fiji Registered Midwife.

Offered by: Rep. Dino M. Jones

Rep. Jones: I respectfully request that we include it on today's Resolution Calendar.

There was no objection raised.

Speaker Fitial: So ordered. Any more resolutions?

Rep. Palacios: Mr. Speaker, can we go back to the Introduction of Bills, I have another one?

There was no objection raised.

INTRODUCTION OF BILLS

H. L. B. NO. 12-12: A Local Bill for an Act to establish a Wildlife Conservation area on the Island of Tinian from the Suicide Cliff region of Tinian to the Rion Point area; and for other purposes.

Offered by: Rep. Norman S. Palacios

Referred to: Committee on Judiciary and Governmental Operations

INTRODUCTION OF RESOLUTIONS

Speaker Fitial: Further Introduction of Resolutions? If none, Standing Committee Report.

REPORTS OF STANDING COMMITTEES

The Chair recognized the Floor Leader.

Floor Leader Babauta: Mr. Speaker, with the indulgence of the members, I move to recall from the Committee on Health and Welfare Standing Committee Report No. 12-119, relative Senate Bill No. 12-36 so that we may place it on today's Calendar.

The motion to recall from the Committee on Health and Welfare Standing Committee Report No. 12-119 was seconded and carried by voice vote.

Speaker Fitial: The motion carries. Adoption motion, Floor Leader.

Floor Leader Babauta: Thank you, Mr. Speaker. Mr. Speaker, I move for the adoption of Standing Committee Report Nos. 12-119, 12-128, 12-129, 12-130, 12-131, 12-132, 12-133, and 12-134.

S. C. R. NO. 12-119: Reporting on Senate Bill No. 12-36, entitled, “To require insurances coverage for individuals with diabetes in the Commonwealth; and for other purposes.” *Your Committee on Health and Welfare recommends passage in the form of HB 12-36, HD1.*

S. C. R. NO. 12-128: Reporting on House Bill No. 12-141, entitled, “To provide for the administration and compensation of Municipal Councils, and its members, on the islands of Saipan and Northern Islands, Rota, and Tinian, and to amend certain provisions of 1 CMC Division 1, Chapter 4, and for other purposes.” *Your Committee on Judiciary and Governmental Operations recommends passage in the form of HB 12-141, CD2.*

S. C. R. NO. 12-129: Reporting on House Bill No. 12-189, entitled, “To amend 7 CMC 3305, and for other purposes.” *Your Committee on Judiciary and Governmental Operations recommends that the House pass the bill.*

S. C. R. NO. 12-130: Reporting on House Bill No. 12-220, entitled, “To amend Title 2 section 5326 of the Commonwealth Code, to modify quarantine requirements; and for other purposes.” *Your Committee on Judiciary and Governmental Operations recommends that the House pass the bill.*

S. C. R. NO. 12-131: Reporting on House Bill No. 12-178, entitled, “To require the Commonwealth Utilities Corporation (CUC) to establish and collect charges for beneficial use of publicly owned limited water resources withdrawn by private water well drillers and operator; to establish a Water Research and Development Fund; and for other purposes.” *Your Committee on Public Utilities, Transportations and Communications recommends that the House file the bill.*

S. C. R. NO. 12-132: Reporting on House Bill No. 12-64, entitled, “To amend 6 CMC § 2208, to create a new subsection (f), to make members of the Commonwealth Ports Authority Police enforcement officers for purposes of the Commonwealth Weapons Control Act; and to amend 1 CMC § 8282 by creating a new subsection (m), to qualify employees of the Commonwealth Ports Authority Police for death benefits; and for other purposes.” *Your Committee on Judiciary and Governmental Operations recommends passage in the form of HB 12-64, CD1.*

S. C. R. NO. 12-133: Reporting on House Bill No. 12-152, entitled, “To enact a new banking code for the Commonwealth by repealing and reenacting 4 CMC Division 6 sections 671-750; and for other purposes.” *Your Committee Commerce and Tourism recommends passage in the form of HB 12-152, CD1.*

S. C. R. NO. 12-134: Reporting on House Bill No. 12-159, entitled, “To allow the Pacific Island Development Bank to operate as a non-profit bank for the purpose of providing additional resources to expand and strengthen economic activities in the Commonwealth of the Northern Mariana Islands (CNMI) and to increase the financial capacity of the CNMI; and for other purposes.” *Your Committee on Commerce and Tourism recommends that the House pass the bill.*

S. C. R. NO. 12-135: Reporting on House Bill No. 12-199, entitled, “To promote tourism in the Commonwealth by offering a limited number of hospitality oriented business tax abatement and/or rebate opportunities in exchange for the development of desirable facilities or activities; and for other purposes.” *Your Committee on Commerce and Tourism recommends passage in the form of HB 12-199, CDI.*

The motion to adopt Standing Committee Report Nos. 12-119, 12-128, 12-129, 12-130, 12-131, 12-132, 12-133, and 12-134 was seconded and carried by voice vote.

Speaker Fitial: The motion carries. Resolution Calendar.

RESOLUTION CALENDAR

The Chair recognized the Floor Leader.

Floor Leader Babauta: Short recess, Mr. Speaker.

Speaker Fitial: Short recess.

The House recessed at 10:50 a.m.

RECESS

The House reconvened at 10:55 a.m.

Speaker Fitial: The House shall reconvene. We have three Resolutions on today's Calendar for consideration. Floor Leader?

Floor Leader Babauta: Thank you. I move for the suspension of Rule VII, Section 9 so that we may place and adopt the following House Resolutions: 12-69, 12-70 and 12-71.

The motion was seconded.

Speaker Fitial: Discussion?

Rep. Hofschneider: I was raising my hand prior to that motion, Mr. Speaker, just to briefly go back to Item 10, Communication from Departments and Agencies. I would like to make a note, if I may?

Speaker Fitial: Proceed.

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

Rep. Hofschneider: Mr. Speaker, I believe every individual office received a report from the Attorney General regarding the PCB matter. And in certain citations in that report it panes a very serious liability on both agencies, in particular the EPA, Army Corps of Engineers and citations from our local branch, which is the DEQ.

Speaker Fitial: Representative Hofschneider, I have referred that particular communication to the committee. So I have asked the committee to come up with their findings and recommendations and whatsoever.

Rep. Hofschneider: I just wanted to find out if the committee is contemplating in the next step in the House?

Speaker Fitial: Representative Jones?

Rep. Jones: Thank you, Mr. Speaker. We are meeting with the AG's Office because it's still have preliminary report and we need to get more information from them at this time. Thank you.

Speaker Fitial: That is what the AG indicated, it is just a preliminary report. I met with the AG yesterday also and I have asked the committee to look into it.

Rep. Hofschneider: Thank you.

Speaker Fitial: We are back to the motion.

RESOLUTION CALENDAR

Speaker Fitial: We have a suspension motion to allow the three Resolutions to be considered on today's Order of Business.

The motion to suspend Rule VII, Section 9 for the placement and adoption of House Resolution Nos. 12-69, 12-70 and 12-71 was seconded and carried by voice vote.

Speaker Fitial: The motion carries. Adoption motion, Floor Leader.

Floor Leader Babauta: Mr. Speaker, I move for the adoption of the following House Resolutions: 12-69, 12-70 and 12-71.

H. R. NO. 12-69: A HOUSE RESOLUTION COMMENDING LAWRENCE TORRES DUENAS FOR SAVING THE LIVES OF TWO CHILDREN WHO WERE SLEEPING WHEN THEIR HOUSE CAUGHT ON FIRE AND FOR EXTINGUISHING THE FIRE AT HIS NEIGHBOR'S HOUSE IN DENNI.

H. R. NO. 12-70: A HOUSE RESOLUTION COMMENDING THE CHAMORRO BILINGUAL TEACHER OF THE YEAR AND THE CAROLINIAN BILINGUAL TEACHER OF THE YEAR AND ESTABLISHING AN ANNUAL MONETARY AWARD IN RECOGNITION OF THEIR ACCOMPLISHMENTS.

H. R. NO. 12-71: A HOUSE RESOLUTION TO RECOGNIZE AND COMMEND THE EXEMPLARY ACCOMPLISHMENT OF MS. ROCA QUITUGUA AS THE FIRST NORTHERN MARIANAS DESCENT TO BE CERTIFIED AS A FIJI REGISTERED MIDWIFE.

The motion to adopt House Resolution Nos. 12-69, 12-70 and 12-71 was seconded and carried by voice vote.

Speaker Fitial: The three House Resolutions are duly adopted. Bill Calendar.

BILL CALENDAR

The Chair recognized the Floor Leader.

Floor Leader Babauta: Thank you, Mr. Speaker. Mr. Speaker, earlier my motion was to recall Senate Bill No. 12-36, House Draft 1, as it appears on Standing Committee Report No. 12-119; therefore, I move for the suspension for the passage on First and Final Reading, Rule IX, Sections 9 and 10.

The motion was seconded and carried by voice vote.

Speaker Fitial: The motion carries. Floor Leader?

Floor Leader Babauta: Mr. Speaker, I now move for the passage on First and Final Reading Senate Bill No. 12-36, House Draft 1, as it appears under Standing Committee Report No. 12-119.

The motion was seconded.

S. B. NO. 12-36, HD1: A BILL FOR AN ACT TO REQUIRE INSURANCE COVERAGE FOR INDIVIDUALS WITH DIABETES IN THE COMMONWEALTH; AND FOR OTHER PURPOSES.

Speaker Fitial: Discussion? Representative Hofschneider?

Rep. Hofschneider: The good Chairperson provided a copy of the legal opinion from the counsel at CHC regarding that particular legislation, and the reason why I raised this, Mr. Speaker, was three years ago a similar intended bill was introduced specifically amending the benefit package to a pregnancy, for instance, for employees. When an employer provides a health insurance or some coverage, that particular legislation intended to amend and leave it at the discretion of the employer to provide coverage for pregnancy cost. Now, this legislation is intending to provide an additional benefit to individuals with diabetes related illness or cause, such as insulin and what not. The basic similarity is when the state is trying to amend the benefit package, which preempt ERISA. Now, the counsel has stated that there are three test criteria, and in her opinion, it does not violate ERISA. For that, since I am not a lawyer by no means, I believe that both counsels must have review the legal opinion and look at the test criteria and if it is so meeting the test then I believe that it is proper for this body to consider SCR No. 12-119 and expand the benefit items in every insurance being provided or offered to the employees. Thank you.

Speaker Fitial: Further deliberations?

Several members voiced, "ready".

Speaker Fitial: Roll call.

The Clerk called the roll on the motion to pass Senate Bill No. 12-36, House Draft 1, on First and Final Reading as follows:

Rep. Martin B. Ada	yes
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Diego T. Benavente	yes
Rep. Rosiky F. Camacho	yes
Rep. Antonio M. Camacho	yes
Rep. Florencio T. Deleon Guerrero	yes
Rep. Heinz S. Hofschneider	yes
Rep. Brigida DLG. Ichihara	yes
Rep. Dino M. Jones	yes
Rep. Alejo M. Mendiola, Jr.	yes
Rep. Norman S. Palacios	yes
Rep. Thomas B. Pangelinan	yes

Rep. Maria "Malua" T. Peter	yes
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Speaker Benigno R. Fitial	yes

Speaker Fitial: Senate Bill No. 12-36, House Draft 1, passes the House on First and Final Reading. Floor Leader?

Floor Leader: Thank you, Mr. Speaker. I now move for the passage on First and Final Reading House Bill No. 12-141, Committee Draft 2, as it appears under Standing Committee Report No. 12-128.

The motion was seconded.

H. B. NO. 12-141, CD2: A BILL FOR AN ACT TO PROVIDE FOR THE ADMINISTRATION AND COMPENSATION OF MUNICIPAL COUNCILS, AND THEIR MEMBERS ON THE ISLANDS OF SAIPAN AND NORTHERN ISLANDS, ROTA, AND TINIAN, AND TO AMEND CERTAIN PROVISIONS OF 1 CMC, DIVISION 1, CHAPTER 4, AND FOR OTHER PURPOSES.

There was no discussion raised.

The Clerk called the roll on the motion to pass House Bill No. 12-141, Committee Draft 2, on First and Final Reading as follows:

Rep. Martin B. Ada	yes
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Diego T. Benavente	yes
Rep. Rosiky F. Camacho	yes
Rep. Antonio M. Camacho	yes
Rep. Florencio T. Deleon Guerrero	yes
Rep. Heinz S. Hofschneider	yes
Rep. Brigida DLG. Ichihara	yes
Rep. Dino M. Jones	yes
Rep. Alejo M. Mendiola, Jr.	yes
Rep. Norman S. Palacios	yes
Rep. Thomas B. Pangelinan	yes
Rep. Maria "Malua" T. Peter	yes
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Speaker Benigno R. Fitial	yes

Speaker Fitial: House Bill No. 12-141, Committee Draft 2, passes the House on First and Final Reading. Floor Leader?

Floor Leader Babauta: Thank you, Mr. Speaker. Mr. Speaker, I now move for the passage on First and Final Reading House Bill No. 12-189, as it appears under Standing Committee Report No. 12-129.

H. B. NO. 12-189: A BILL FOR AN ACT TO AMEND 7 CMC 3305; AND FOR OTHER PURPOSES.

There was no discussion raised.

The Clerk called the roll on the motion to pass House Bill No. 12-189 on First and Final Reading as follows:

Rep. Martin B. Ada	yes
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Diego T. Benavente	yes
Rep. Rosiky F. Camacho	yes
Rep. Antonio M. Camacho	yes
Rep. Florencio T. Deleon Guerrero	yes
Rep. Heinz S. Hofschneider	yes
Rep. Brigida DLG. Ichihara	yes
Rep. Dino M. Jones	yes
Rep. Alejo M. Mendiola, Jr.	yes
Rep. Norman S. Palacios	yes
Rep. Thomas B. Pangelinan	yes
Rep. Maria "Malua" T. Peter	yes
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Speaker Benigno R. Fitial	yes

Speaker Fitial: House Bill No. 12-189 passes the House on First and Final Reading. Floor Leader?

Floor Leader Babauta: Thank you, Mr. Speaker. Mr. Speaker, I now move for the passage on First and Final Reading House Bill No. 12-220 as it appears under Standing Committee Report No. 12-130.

The motion was seconded.

H. B. NO. 12-220: A BILL FOR AN ACT TO AMEND TITLE 2 SECTION 5326 OF THE COMMONWEALTH CODE, TO MODIFY QUARANTINE REQUIREMENTS; AND FOR OTHER PURPOSES.

Speaker Fitial: Discussion? Representative Hofschneider?

Rep. Hofschneider: Mr. Speaker, on page 2, line 8 to line 11, can I hear maybe the author or the committee that this came out from -- name one instance where home quarantine is warranted?

Speaker Fitial: Chairman Jones?

Rep. Jones: What was the question again?

Rep. Hofschneider: Can you give us one example of home quarantine being warranted as opposed to when a live animal is brought in and found by the CNMI veterinarian to be not fit? Give me an instance where home quarantine is warranted?

Rep. Jones: Let me defer that to the counsel.

Rep. Hofschneider: Short recess.

Speaker Fitial: No objection. Short recess.

The House recessed at 11:08 a.m.

RECESS

The House reconvened at 11:20 a.m.

Speaker Fitial: The House shall reconvene. We have a motion and that is to pass House Bill No. 12-220 on First and Final Reading.

Several members voiced, "ready".

Speaker Fitial: Ready? Roll call.

The Clerk called the roll on the motion to pass House Bill No. 12-220 on First and Final Reading as follows:

Rep. Martin B. Ada	yes
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes

Rep. Diego T. Benavente	yes
Rep. Rosiky F. Camacho	yes
Rep. Antonio M. Camacho	yes
Rep. Florencio T. Deleon Guerrero	yes
Rep. Heinz S. Hofschneider	no
Rep. Brigida DLG. Ichihara	yes
Rep. Dino M. Jones	yes
Rep. Alejo M. Mendiola, Jr.	yes
Rep. Norman S. Palacios	yes
Rep. Thomas B. Pangelinan	yes
Rep. Maria "Malua" T. Peter	yes
Rep. Stanley T. Torres	no
Rep. William S. Torres	yes
Speaker Benigno R. Fitial	yes

Speaker Fitial: House Bill No. 12-220 passes the on First and Final Reading. Floor Leader?

Floor Leader Babauta: Thank you, Mr. Speaker. I now move for the passage of House Bill No. 12-64, Committee Draft 1, as it appears under Standing Committee Report No. 12-132.

The motion was seconded.

H. B. NO. 12-64, CD1: A BILL FOR AN ACT TO AMEND 6 CMC § 2208, TO CREATE A NEW SUBSECTION (f), TO MAKE MEMBERS OF THE COMMONWEALTH PORTS AUTHORITY POLICE ENFORCEMENT OFFICERS FOR PURPOSES OF THE COMMONWEALTH WEAPONS CONTROL ACT; AND TO AMEND 1 CMC § 8282 BY CREATING A NEW SUBSECTION (m), TO QUALIFY EMPLOYEES OF THE COMMONWEALTH PORTS AUTHORITY POLICE FOR DEATH BENEFITS; AND FOR OTHER PURPOSES.

There was no discussion raised.

The Clerk called the roll on the motion to pass House Bill No. 12-64, Committee Draft 1, on First and Final Reading as follows:

Rep. Martin B. Ada	yes
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes

Rep. Benavente: Mr. Speaker, before I cast my vote, can I pose a question -- if there is no objection from the members.

There was no objection raised.

Speaker Fitial: Proceed.

Rep. Benavente: With regards to the title and the provision of the Bill where we authorize the Commonwealth Ports Authority police all the powers that regular police officers have maybe proper since I am aware that those officers actually go through the Police Academy requirements. But it further provides the same authority to the adult probation officer of the Superior Court and also to the Parole Office and all parole officers. My concern is, have we provided these individuals that protection that is necessary to carry out such duties as that of a police officer, and are we now allowing or maybe jeopardizing the lives of these individuals? If any one can answer the question of whether or not these individuals actually have taken the same police academy that all these other law enforcer's have then I guess my question is answered. But otherwise, we should be concern about the safety of these individuals.

Floor Leader Babauta: Mr. Speaker?

Speaker Fitial: Floor Leader?

Floor Leader Babauta: Mr. Speaker, recently, I think it was July or June, the second year that these various enforcement offices have gone through academies. This is an annual thing where it mandates now Customs, Immigration and for that matter, even Fish and Wildlife Conservation Officers are annually being run through the academy. So, aside from the regular police cycle, there is also that law enforcement annual academy that is conducted in the Commonwealth. So various agencies or enforcement officers from Tinian, Rota and Saipan normally it take that course. I think it runs for ninety days or three months. But the recent graduated was in July.

Rep. Benavente: So it is not really the Police Academy; there are actually special training for --

Floor Leader Babauta: Special training for special units within each respective field.

Rep. Benavente: And I will still be concern whether that is sufficient enough to allow... Again, if you read the bottom of those subsections, it says, "shall have all the powers that a regular police officers have" and in order for these individuals to carry out such powers they have to be fully trained. If this body feels that those special trainings they have annually is sufficient then I guess it can provide through such authority?

Floor Leader Babauta: Mr. Speaker?

Speaker Fitial: Go ahead.

Floor Leader Babauta: The enabling provisions that have installed these offices have mandates and for some instance have incorporated officers like Fish and Wildlife

Conservation Division as an enforcement officers in the previous statute presently in the books and so as other law enforcer's not like Parole Officers. So to answer that, "yes".

Rep. Benavente: Thank you. I vote "yes".

Speaker Fitial: Okay. Roll call.

Rep. Diego T. Benavente	yes
Rep. Rosiky F. Camacho	yes
Rep. Antonio M. Camacho	yes
Rep. Florencio T. Deleon Guerrero	yes
Rep. Heinz S. Hofschneider	yes
Rep. Brigida DLG. Ichihara	yes
Rep. Dino M. Jones	yes
Rep. Alejo M. Mendiola, Jr.	yes
Rep. Norman S. Palacios	yes
Rep. Thomas B. Pangelinan	yes
Rep. Maria "Malua" T. Peter	yes
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Speaker Benigno R. Fitial	yes

Speaker Fitial: House Bill No. 12-64, Committee Draft 1, passes the House on First and Final Reading. Anymore Bills on the Calendar?

Floor Leader Babauta: Yes, Mr. Speaker.

Speaker Fitial: Floor Leader?

Floor Leader Babauta: Mr. Speaker, I move for the passage on First and Final Reading House Bill No. 12-152, Committee Draft 1, under Standing Committee Report No. 12-133.

The motion was seconded.

H. B. NO. 12-152, CD1: A BILL FOR AN ACT TO ENACT A NEW BANKING CODE FOR THE COMMONWEALTH BY REPEALING AND REENACTING 4 CMC DIVISION 6 SECTIONS 671-750; AND FOR OTHER PURPOSES.

Speaker Fitial: Discussion? Representative Hofschneider?

Rep. Hofschneider: Thank you, Mr. Speaker. On page 15, line 1, is it the initial fee as opposed to be an annual or renewal fee? Can somebody point to the renewal? I mean the initial fee here on line 1 is \$10,000 to be licensed. Where is the renewal? Page 17? Can we have a short recess, Mr. Speaker, so that the House can clarify that?

Speaker Fitial: Short recess.

The House recessed at 11:30 a.m.

RECESS

The House reconvened at 11:32 a.m.

Speaker Fitial: The House shall reconvene. Further deliberation on House Bill No. 12-152, Committee Draft 1? Roll call.

The Clerk called the roll on the motion to pass House Bill No. 12-152, Committee Draft 1, on First and Final Reading as follows:

Rep. Martin B. Ada	yes
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Diego T. Benavente	yes
Rep. Rosiky F. Camacho	yes
Rep. Antonio M. Camacho	yes
Rep. Florencio T. Deleon Guerrero	yes
Rep. Heinz S. Hofschneider	yes
Rep. Brigida DLG. Ichihara	yes
Rep. Dino M. Jones	yes
Rep. Alejo M. Mendiola, Jr.	yes
Rep. Norman S. Palacios	yes
Rep. Thomas B. Pangelinan	yes
Rep. Maria "Malua" T. Peter	yes
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Speaker Benigno R. Fitial	yes

Speaker Fitial: House Bill No. 12-152, Committee Draft 1, passes the House on First and Final Reading. Floor Leader?

Floor Leader Babauta: Thank you. I now move for the passage of House Bill No. 12-159, Committee Draft 1, on First and Final Reading under Standing Committee Report No. 12-134.

The motion was seconded.

H. B. NO. 12-159, CD1: A BILL FOR AN ACT TO ALLOW THE PACIFIC ISLAND DEVELOPMENT BANK TO OPERATE AS A NON-PROFIT BANK FOR THE PURPOSE OF PROVIDING ADDITIONAL RESOURCES TO EXPAND AND STRENGTHEN ECONOMIC ACTIVITIES IN THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS (CNMI) AND TO INCREASE THE FINANCIAL CAPACITY OF THE CNMI; AND FOR OTHER PURPOSES.

There was no discussion raised.

The Clerk called the roll on the motion to pass House Bill No. 12-159, Committee Draft 1, on First and Final Reading as follows:

Rep. Martin B. Ada	yes
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Diego T. Benavente	yes
Rep. Rosiky F. Camacho	yes
Rep. Antonio M. Camacho	yes
Rep. Florencio T. Deleon Guerrero	yes
Rep. Heinz S. Hofschneider	yes
Rep. Brigida DLG. Ichihara	yes
Rep. Dino M. Jones	yes
Rep. Alejo M. Mendiola, Jr.	yes
Rep. Norman S. Palacios	yes
Rep. Thomas B. Pangelinan	yes
Rep. Maria "Malua" T. Peter	yes
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Speaker Benigno R. Fitial	yes

Speaker Fitial: House Bill No. 12-159, Committee Draft 1, passes the House on First and Final Reading. Floor Leader?

Floor Leader Babauta: Mr. Speaker, with the indulgence of the members and if there is no objection from the floor, may I ask that we return to Item No. 12 on the Order of Business under Standing Committee Report so that we may include one committee report that arrived from the ferry very late.

There was no objection raised.

REPORTS OF STANDING COMMITTEES

Floor Leader Babauta: Please include Standing Committee Report No. 12-135 reference to House Bill No. 12-199. With that, Mr. Speaker, I move for the adoption of Standing Committee Report No. 12-135.

The motion was seconded.

S. C. R. NO. 12-135: Reporting on House Bill No. 12-199, entitled, "To promote tourism in the Commonwealth by offering a limited number of hospitality oriented businesses tax abatement and/or rebate opportunities in exchange for the development of desirable hospitality oriented facilities or activities. *Your Committee on Commerce and Tourism recommends passage in the form of HB 12-199, CD1.*

Speaker Fitial: Discussion? Representative Hofschneider?

Rep. Hofschneider: Thank you, Mr. Speaker. This bill looks very familiar.

Speaker Fitial: Which bill?

Rep. Hofschneider: This is the thing about democracy, Mr. Speaker, we have the same objective and if one is willing to pick it up and move on that is okay with me, no problem there. I would like to share some thoughts because I've worked on this particular legislation for a number of years, three or four years. And the reason for the delay is that, we look at what makes this particular approach worthwhile in the Commonwealth as opposed to other jurisdictions, like Guam, American Samoa, Virgin Islands, Hawaii. One of the differences is on page 5 --

Floor Leader Babauta: The report or the bill?

Rep. Hofschneider: On the bill.

Floor Leader Babauta: If there is no objection --

Rep. Hofschneider: Okay. Mr. Speaker, I rest until we go down to the Bill.

Speaker Fitial: Further discussion on the adoption of the Committee Report?

Several members voiced, "ready".

The motion to adopt Standing Committee Report No. 12-135 was seconded and carried by voice vote.

Speaker Fitial: The motion carries. Floor Leader?

Floor Leader Babauta: Mr. Speaker, if there is no objection again, we move back to Item 16 under Bill Calendar.

There was no objection raised.

BILL CALENDAR

Floor Leader Babauta: With that, Mr. Speaker, I move for the suspension of Rule IX, Sections 9 and 10 so that we may place and pass on First and Final Reading House Bill No. 12-199, Committee Draft 1, under Standing Committee Report No. 12-135.

The motion was seconded and carried by voice vote.

Speaker Fitial: The motion carries. Passage motion, Floor Leader.

Floor Leader Babauta: Mr. Speaker, so move for the passage on First and Final Reading House Bill No. 12-199, Committee Draft 1, under Standing Committee Report No. 12-135.

The motion was seconded.

H. B. NO. 12-199, CD1: TO PROMOTE ECONOMIC DEVELOPMENT IN THE COMMONWEALTH BY OFFERING A LIMITED NUMBER OF HOSPITALITY AND TECHNOLOGY ORIENTED BUSINESSES TAX ABATEMENT AND/OR REBATE OPPORTUNITIES IN EXCHANGE FOR THE DEVELOPMENT OF DESIRABLE HOSPITALITY ORIENTED FACILITIES OR ACTIVITIES.

Speaker Fitial: Discussion? Representative Hofschneider?

Rep. Hofschneider: Let us go straight to page 5, under line 4, tax abatement, I have a concern, Mr. Speaker, and I request the indulgence of the members to just listen for a while. Twenty-five years consecutive abatement ...

Floor Leader Babauta: Privilege, two minutes.

Speaker Fitial: Proceed.

Rep. Hofschneider: ... is, I think, being over generous. In most jurisdictions, this particular privilege to instill economic development in their respective area is normally limited to no more than ten years. And the reason for that is in most cases the general rule that the initial investment is recoverable or being able to recoup their initial investment within seven to ten years. Twenty-five years is, I think going overboard a bit, particularly if you look at the listing of activities to be eligible. On page 3, if you try and coincide that particular twenty-

five year consecutive abatement for a certain health spa for instance, is that logically prudent for us to consider a health spa for twenty-five years on tax abatement privilege or an income tax? I can see the logic when an investment of over \$5,000,000 after all we are looking at a resifting the quality of our industries, particularly in the tourism industry. So the person or companies coming in with \$10,000,000 or more, even with that, ten years is sufficient to give them that privilege. And with that, I would like to request or ask for a suspension motion to allow an oral floor amendment to be considered and amend the twenty-five consecutive years to ten years. Mr. Speaker, I think we are overly generous with the twenty-five year privilege.

Speaker Fitial: The investor is asking for this incentive tax rate. If we are not going to give him what he is asking for then the reality is we are not going to have this investment. And this twenty-five years tax waiver is only on the income that the individual investor will earn. For example, the individual units on the hotel will be individually owned by investors from the United States, mostly retired people. When they purchase these units they will turn around and sell it over or lease it over to the hotel operator. These individual units are all suites that will be situated on the floating hotel and these suites we are looking at a minimum of \$200,000 cost each. So, the income will be whatever percentage the individual investor and the operator agree to. If it is 10% of the gross revenue from each unit, that would be the income that they are asking to be waived for twenty-five years. So we are only talking about a small amount here that will be waived. So, let us just take an hypothetical case -- an individual unit for example earns like \$10,000. So if they agree the 10% of that will be given to the individual owner or investor, we are talking about \$1,000. So the income tax on that \$1,000 that would be the amount that they are asking to be waived. So, that is the consideration at this point in time. And if we are going to change this period then we are facing with a decision that may not be favorable.

Rep. Hofschneider: On the income tax maybe that is a valid argument, but on the tax abatement for instance on the same page on line 4, how would that play a role?

Speaker Fitial: This is exactly the point.

Rep. Hofschneider: On the income tax, Mr. Speaker, it is specifically citing condominium for individual units being sold. The problem is on line 4 on the abatement, this is the operations or activities. So, if you look at the list on page 3, we are giving them twenty-five years, tennis academy, theaters, health spa, if they are qualify and then giving a qualifying certificate that means that they are entitled to twenty-five consecutive years abatement?

Speaker Fitial: On the taxes that will be assessed on those activities. Short recess.

The House recessed at 11:45 a.m.

RECESS

The House reconvened at 11:46 a.m.

Speaker Fitial: The House shall reconvene. Proceed.

Rep. Hofschneider: Ready.

Speaker Fitial: Ready? Roll call.

The Clerk called the roll on the motion to pass House Bill No. 12-199, Committee Draft 1, on First and Final Reading as follows:

Rep. Martin B. Ada	yes
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Diego T. Benavente	yes
Rep. Rosiky F. Camacho	yes
Rep. Antonio M. Camacho	yes
Rep. Florencio T. Deleon Guerrero	yes
Rep. Heinz S. Hofschneider	yes
Rep. Brigida DLG. Ichihara	yes
Rep. Dino M. Jones	yes
Rep. Alejo M. Mendiola, Jr.	yes
Rep. Norman S. Palacios	yes
Rep. Thomas B. Pangelinan	yes
Rep. Maria "Malua" T. Peter	yes
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Speaker Benigno R. Fitial	yes

Speaker Fitial: House Bill No. 12-199, Committee Draft 1, passes the House on First and Final Reading.

Rep. Hofschneider: Mr. Speaker, privilege.

Speaker Fitial: Representative Hofschneider?

Rep. Hofschneider: Mr. Speaker, in the last eight months, this is honestly one of the bill that will destroy the economy. I honestly believe this is the Bill. Thank you.

Speaker Fitial: Well, the investors said, as soon as this bill becomes law, they are already prepared to move in, start clearing the marina, the water front and ready to expand the pier there and construct the breakwater. That would make precinct III -- At this time, I would like to take the opportunity to introduce a friend of the Commonwealth, Ms. Julian Casein, she is a law student at the University of the Detroit Law School, and she is law clerking at the Law

Offices of Bob O'Conner. She is also related to Bob O'Conner, first cousin. She will be here for the summer and she will be going back to finish up here law school and hopefully she will come back to work for the Sea Hotel Company. (Applause) Thank you, Julian. We had the Tinian Top Students a while ago, I believe they went out for lunch. But they were here to also observe the First Day of our Second Regular Session.

(End of tape side A and some statements are not recorded.)

MISCELLANEOUS BUSINESS

Speaker Fitial: I think that is a very good question and I will ask the Governor today. Representative Jones, do you have any Miscellaneous?

Chairman Jones: Mr. Speaker, I would like the House to officially recognize today and yesterday, today being the birthday of the Chairperson of the Education Committee and yesterday was the birthday of our Vice Speaker. Congratulations. (Applause)

Speaker Fitial: Representative Hofschneider?

Rep. Hofschneider: Mr. Speaker, from the bottom of my heart, may I request, Mr. Speaker, that -- I believe we have a session to be conducted in Rota this week? May I request, Mr. Speaker, that we postpone that until next week?

Speaker Fitial: Okay. I'll ask the leadership to consider that request.

Rep. Hofschneider: Sincerely, Mr. Speaker.

Speaker Fitial: I'll be under the bottom of your heart.

Rep. Hofschneider: From the bottom of my heart.

Speaker Fitial: The reason why we plan to call a session in Rota this week, Thursday and Friday is because Ways and Means Committee has scheduled budget hearings for both days in Rota, Thursday and Friday. But the leadership can entertain your request and I am sure a decision can be easily reach in due time.

Chairman Jones: Mr. Speaker, may I respectfully and kindly ask for what reason that he is requesting for such?

Rep. Hofschneider: I have an annual obligation, it is a Novena.

Chairman A. Camacho: If the Committee on Ways and Means go to Rota, I don't know whether we are going to have session here because we are committed to conduct the hearings in Rota for Thursday and Friday.

Rep. Hofschneider: That is why I am requesting for next week.

Speaker Fitial: He is requesting if we can just postpone sessions for Thursday and Friday.

Chairman A. Camacho: If we are to take it under advisement, we have to ask the Superior Court also, Mr. Speaker, on the facility there. Because we are authorized for these two days.

Speaker Fitial: We are having a leadership meeting tomorrow at nine, our session will convene at ten so we will have a decision by then. Further Miscellaneous? Announcements.

ANNOUNCEMENTS

The Chair recognized Rep. Peter.

Chairperson Peter: Mr. Speaker, the Health and Welfare Committee meeting is at 1:30, since the Committee's Vice Chairperson's birthday and I think there is food at her place. It is at 1:30, Mr. Speaker, for Health and Welfare Committee.

Speaker Fitial: Representative Rosiky Camacho?

Chairman Rosiky Camacho: Mr. Speaker, the Public Utilities, Transportation and Communications Committee is having a meeting on Monday at 8:30 on the 14th of this month. This is in reference to the traffic safety and efficiency of flow. The other one on Monday at 1:30. The Committee will be meeting with the Board of CUC to discuss the situation of the 80 megawatt and everybody is invited and we will be in the Speaker's Conference Room. Thank you, Mr. Speaker.

Speaker Fitial: Further Announcements?

Floor Leader Babauta: Yes.

Speaker Fitial: Floor Leader?

Floor Leader Babauta: Move to recess until tomorrow morning at ten.

The motion was seconded and carried by voice vote.

Speaker Fitial: The motion carries. The House stands recess until 10:00 a.m. tomorrow.

The House recessed at 11:55 a.m.

Respectfully submitted,

Joan P. Kaipat, Journal Clerk
House of Representatives