

HOUSE OF REPRESENTATIVES
Thirteenth Northern Marianas Commonwealth Legislature
Second Day, Second Special Session
• May 1, 2002 •

House Journal

The House of Representatives of the Thirteenth Northern Marianas Commonwealth Legislature convened in its Second Day, Second Special Session, on Wednesday, May 01, 2002, at 10:43 a.m., in the House Chamber, Capitol Hill, Saipan, Commonwealth of the Northern Mariana Islands. In celebration of Older American's Month and in recognition and honor of the CNMI's elderly present in the House Gallery, the session begun in vernacular.

The Honorable Heinz S. Hofschneider, Speaker of the House, presided.

Speaker Hofschneider: *Ta fanogi todo ya' ta hasso i lina'lå'-ta yan todo atyo siha i madingo-hit.*
Floor Leader?

Floor Leader Attao: *Si Yu'us ma'ase, Mr. Speaker. Mr. Speaker, pot i på'go na mes ta silelebra i mes man amko', hu fafaisen kada membru para u guaha trankilidat yan maulek na hinemlo'. Gi tinaitai-miyu hahasso todudus i man amko' ni man prisente på'go na oga'an yan lokkue para etyo i dumingo-hit.*

A moment of silence was observed.

In accordance with Rule XIII, § 2(a), fifteen members were recorded present. Representatives Martin B. Ada, Francisco DLG. Aldan and Norman S. Palacios were excused.

Speaker Hofschneider: *Para i ti manprisente, manma-excuse på'go na oga'an.*

ADOPTION OF JOURNALS

None

PREFILED AND INTRODUCTION OF BILLS

H. B. NO. 13-127: A Bill for an Act to exempt all publicly elected officers from the CNMI Procurement Rules and Regulations relative to the procurement of professional services; and for other purposes.

Offered by: Rep. Pedro P. Castro and seven others
Referred to: Committee on Judiciary and Governmental Operations

H. B. NO. 13-128: A Bill for an Act to amend Section 5 of Public Law 12-46; and for other purposes.

Offered by: Rep. Pedro P. Castro
Referred to: Committee on Natural Resources

Rep. Castro: *Malago ha' yo' sumangani i membrus ni propositun este na amendasion. Guiya este i ma pruhibi i Forbidden Island yan Bird Island para peska interamente. Mr. Speaker, meggai gi manaotao-ta parehu ha' manhoben yan manamko' prumaktitika este i peskan talaya, uno gi kutura yan tradision na attin peska. I Public Law 12-46 mampos restrictive ya ti ha sedi este na klasen attin peska guine na lugat. Yanggen ta faisen maisa-hit, Mr. Speaker yan membrus, ya siguru yo' na ti baihu lache, taya residente, parehu ha' Luta, Tinian yan Saipan, bumebende kineni'-niha ginen este na attin peska i talaya. Atyo mina' hu fafaisen ya hu intrudusi este, Mr. Speaker. Meggai gi manaotao-ta umubliga ya fumaisen yo' para baihu abansa mo'na este ya ta na'guaha este na fleksibilidat guine na lugat, i Bird Island yan Forbidden Island ni esta munhayan ma fa' lai. I otro, Mr. Speaker, baihu withdraw i mapega esta gi kalindario para pa'go na bisnis i H. L. B. NO. 13-029. Enao ha', si Yu'us ma'ase.*

H. B. NO. 13-129: A Bill for an Act to enact a new Banking Code for the Commonwealth; and for other purposes.

Offered by: Rep. Oscar M. Babauta
Referred to: Committee on Commerce

H. B. NO. 13-130: A Bill for an Act to repeal and reenact 1 CMC §1601 through 1616; and for other purposes.

Offered by: Rep. Oscar M. Babauta
Referred to: Committee on Education

H. L. B. NO. 13-029: To exempt all publicly elected officers from the CNMI Procurement Rules and Regulations relative to the procurement of professional services; and for other purposes. [WITHDRAWN]

Offered by: Rep. Pedro P. Castro

INTRODUCTION OF RESOLUTIONS

Speaker Hofschneider: *Antes di ta fan sigi mo'na gi Resolution Calendar, malago yo' chumuli' este na oputunidat para baihu rekognisa i magas i Community and Cultural Affairs, i Sekretario as Siñot John L. Babauta, buenas dias yan dangkulu na Si Yu'us Ma'ase ni finaton-miyu magi. Lokkue inakompapaña ni i magas i Sentrun i Man Amko, si Joe Palacios, si Yu'us ma'ase, yan i oganiasion gi manamko' kinabetsasaye ni i mas bonita yan metgot na atungo-ta guine na amko-ta si, Tan Alandra, "welcome". Ta na'pakpaki kanai. (Applause) Lokkue pot espisiat este na dinanña' i San Papa na Guma' pa'go na ha'ane, malago yo' umentrudusi dos na resulasion. Uno i para u marekognisa ginen hami todos ni membrus hamyo ni man amko'-mame. Bonito na kumparasion an in atan na hame pa'go ni manhoben in konsisigi minaulek taotao-tano kuantan hamyo todos, yan i kutura ni man presente na famaguon yan i mammaila' na inerasion. Impotante na ta rekognisa hamyo nos pot man amko'-mame, lao i kontribision miyu gi lina'la'-ta ni taotao Marianas yan todo mina'sahlom-miyu ni para ta adilanta i tano''-ta. Muna'guaha este resulasion para en fan marekognisa ni che'cho miyu unos yan otros. Ginen enao, magof yo' para baihu intrudusi ofisiatmente ti ma nunumeru na resulasion para u marekognisa hamyo todos ni man*

amko' ni tai presio na fina'che'cho' yan kontribision miyu guine gi tano'-ta Commonwealth of the Northern Marianas. I otro, na' magof yan na' tristi na resulasion. Todos hamyo tumungo' na bente sinko años mã'pos ha baba pettaña este na kompaniha mafanana'an Far East Broadcasting Company. Guiya este etyo i radio station giya Susupe ni ma tutuhon siha. Guaha Makpi lokkue antenna-niha, etyo i dangkulu na bottu giya Makpe' I KSAI AM 936, ofisiatmente gi nigap ha uchom pottanña guine giya Marianas. Bente sinko años ni ha sietbe hit, ha infotma hit todos ni taotao-tano' yanggen ira, tatkomu taifun, osino linao, osino hafa ma susesedi gi halom tano'-ta Marianas. Etyogue matâ-ta yan talanga-ta alakuenta gi anai risponsibilidadat i gobetnamento para u abisa hit todo ni publiko hafa masusesedi diaru gi halom tano'-ta. Pot enao na impotante ta rekognisa yaki para u dingo-hit sa' ha uchom pettanña anai ha sietbe-hit bente sinko años este siñot yan siñoras i Far East Broadcasting. Presente lokkue guine na hunta i dos na siñot ni para u ma'aksepta i resulasion i San Papa na Guma', si Siñot Robert Stringer and David Crill, Station Manager. Si Robert Stringer guiya i direktot i Far East Broadcasting. Pot fabot, pot ha sietbe hit bente sinko años gi anai bula humalom manmannge' siha na asunto yan ha sietbe hit, ha abisa hit anai guaha ira, chinatsaka, yan lokkue ha konsesela hit ni man bonitun musiko siha ni manmadadandan gi menos bente sinko años ni ha baba pettanña guine giya Marianas. Pot enao, komu mantaotao hit guine giya Marianas, dangkulu kuntribision-niha. Maila ya ta na' pakpaki este dos na siñot ni manhita pa'go, si Robert Stringer yan si David Crill. (Applause) Briefly, with the introduction of the resolution, we wanted to give this recognition on behalf of the people of the Commonwealth for your dedication in becoming at times, the eyes and the ears of the community, and putting out public notices in times of such catastrophe as typhoons, earthquakes, and the likes. Also, in one way or the other, you have touch the lives of people by listening to music being played and consoling those that needs consoling and the messages that you have broadcasted over twenty-five years in the Commonwealth. In that recognition, we salute KSAI and the Far East Broadcasting Company for your existence in the last twenty-five years in becoming part of this community. On behalf of the people of the Commonwealth, thank you, for your consideration of Saipan and the Commonwealth. (Applause)

H. R. NO. 13-047: A House Resolution to recognize our elder, during *their Mes Man Amko' /Maramal Tufeey*/Older Americans Month, for their priceless contributions toward the development of the Commonwealth of the Northern Mariana Islands.

Offered by: Rep. Heinz S. Hofschneider and seventeen others

H. R. NO. 13-048: A House Resolution recognizing the Far East Broadcasting Company's local radio station, KSAI AM 936, for its many years of excellent service and numerous contributions to the CNMI community.

Offered by: Rep. Heinz S. Hofschneider and ten others

The Chair recognized Rep. Babauta.

Rep. Babauta: *Si Yu'us ma'ase, Mr. Speaker. Guaha uno na resulasion para baihu intrudusi pa'go na oga'an, trabiha ti ma nunumeru este. Guiya este na resulasion ni para baihu faisen i kuetpon i San Papa' na Guma' i membru-siha yan lokkue i empliao, para bai en endusa, Mr. Speaker, i inagang-mu ni representante siha komu etyo resuttan nigapña na hunta pot finansiat na manera. Ya hu fafaisen i membru ya ta supotta este na resulasion pa'go na oga'an pot enao i*

finaisen-mu giya hame yan i empliao. Si Yu'us ma'ase, Mr. Speaker. Lokkue, haye malago man sponsor nui este osino manfitma, ma abebetu ha' i pahina. Si Yu'us ma'ase.

H. R. NO. 13-049: A House Resolution to endorse Speaker Heinz S. Hofschneider's call to all elected representatives to support the fiscal austerity measures implemented by the Administration; and for other purposes.

Offered by: Rep. Oscar M. Babauta and one other

MESSAGES FROM THE GOVERNOR

None

RESOLUTION CALENDAR

The Chair recognized the Floor Leader.

Floor Leader Attao: *Si Yu'us ma'ase, Mr. Speaker. Antes de ta konsigi mo'na, siña ta patte huyong enao siha na resulasion ni ma intrudusi kosake siña ta adopta pã'go na oga'an.*

Speaker Hofschneider: *Ta fandiskansa tres minutus ya u makopia i resulasion para i membrus.*

The House recessed at 10:55 a.m.

RECESS

The House reconvened at 11:12 a.m.

Speaker Hofschneider: *Mangaige hit tatte gi miteng-ta espisiatmente. Gi prisente hu rekognisa i Floor Leader.*

Floor Leader Attao: *Si Yu'us ma'ase, Mr. Speaker. Mr. Speaker, magofyo' para baihu lakngos huyong gi Komiten i United States and Foreign Affairs, i H. R. NO. 13-041, kosake siña ta adopta lokkue pã'go na oga'an.*

Floor Leader Attao moved for the withdrawal of H. R. NO. 13-041 from the Committee on USFA and the motion was seconded.

Speaker Hofschneider: *Para ta na' chadik i asunto, taitai ha' fan i atikulu.*

Floor Leader Attao: *Si Yu'us ma'ase, Mr. Speaker. A House Resolution appealing on behalf of the farmers on Saipan, Tinian, Rota the Northern Islands an other US insular territories, to the United States Undersecretary of Farm and Foreign Agriculture Service of the United States Department of Agriculture to direct the USDA Risk Management Agency (RMA) to implement the Federal Crop Insurance Program in the Commonwealth of the Northern Mariana Islands (CNMI) and the rest of the US insular areas; and for other purposes.*

Speaker Hofschneider: *Si Yu'us ma'ase. Machochonik i mapasaña este resolution siha, ya ma sigundo i machonekña i mosion. Ta baba pã'go i dibati.*

Rep. Babauta: Ready, Mr. Speaker. *Taya para fino'-ta.*

Speaker Hofschneider: *Todo fumabot? Representative Quitugua?*

Rep. Quitugua: *Siñot Speaker, para baihu famaisen-ha ... guaha guine matugi' halom...*

Rep. William Torres: *Ma intrudusi enao gi substitute.*

Speaker Hofschneider: *Listo?*

Floor Leader Attao: *Listo.*

The motion to withdraw H. R. NO. 13-041 from the Committee on USFA was carried by voice vote.

Speaker Hofschneider: *I resulasion 13-041 makonsente para u mahallah huyong gi komiteh. Floor Leader?*

Floor Leader Attao: *Si Yu'us ma'ase, Mr. Speaker. Magof yo' ta'lo, Mr. Speaker, para baihu famatinas mosion para ta suspende i areklon Guma', areklo numero sieti, seksiona des, areklo numero nuebi, seksiona nuebi, des yan onsi anai para ta adopta este i sigente siha an resulasion, H. R. NO. 13-047, H. R. NO. 13-048, H. R. NO. 13-049 yan H. R. NO. 13-041.*

Floor Leader Attao moved to suspend House Rule VII, § 10 and Rule IX §§ 9, 10, and 11 for H. R. NO. 13-047, H. R. NO. 13-048, H. R. NO. 13-049 and H. R. NO. 13-041 and it was seconded. There being no discussion, the motion was carried by voice vote.

Speaker Hofschneider: *Ma pasa i dinisehan i gurupo. Floor Leader?*

Floor Leader: *Si Yu'us ma'ase, Mr. Speaker. I mosion pã'go para ta adopta i H. R. NO. 13-047, H. R. NO. 13-048, H. R. NO. 13-049 yan H. R. NO. 13-041.*

Floor Leader Attao moved for the adoption of the following resolutions and the motion was seconded.

H. R. NO. 13-047: A HOUSE RESOLUTION TO RECOGNIZE OUR ELDER, DURING THEIR *MES MAN AMKO'/MARAMAL TUFEFY/OLDER AMERICANS MONTH*, FOR THEIR PRICELESS CONTRIBUTIONS TOWARD THE DEVELOPMENT OF THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

H. R. NO. 13-048: A HOUSE RESOLUTION RECOGNIZING THE FAR EAST BROADCASTING COMPANY'S LOCAL RADIO STATION, KSAI AM 936, FOR ITS MANY YEARS OF EXCELLENT SERVICE AND NUMEROUS CONTRIBUTIONS TO THE CNMI COMMUNITY.

H. R. NO. 13-049: A HOUSE RESOLUTION TO ENDORSE SPEAKER HEINZ S. HOFSCHEIDER'S CALL TO ALL ELECTED REPRESENTATIVES TO SUPPORT THE FISCAL AUSTERITY MEASURES IMPLEMENTED BY THE ADMINISTRATION; AND FOR OTHER PURPOSES.

H. R. NO. 13-041: A HOUSE RESOLUTION APPEALING ON BEHALF OF THE FARMERS ON SAIPAN, TINIAN, ROTA THE NORTHERN ISLANDS AN OTHER US INSULAR TERRITORIES, TO THE UNITED STATES UNDERSECRETARY OF FARM AND FOREIGN AGRICULTURE SERVICE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE TO DIRECT THE USDA RISK MANAGEMENT AGENCY (RMA) TO IMPLEMENT THE FEDERAL CROP INSURANCE PROGRAM IN THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS (CNMI) AND THE REST OF THE US INSULAR AREAS; AND FOR OTHER PURPOSES.

Speaker Hofschneider: Ta baba i pisu para dibati pot este siha na resulasion. Hu rekognisa si Representantin Daniel Quitugua ginen Luta.

Rep. Quitugua: Mr. Speaker, *baihu faisen i membru para ta bota este uno kada uno ya munga na ta botan trosu halom este*, Mr. Speaker.

Rep. Babauta: *Taya problema*, Mr. Speaker.

Speaker Hofschneider: *Taya problema?*

Rep. Babauta: *Ti hu chanda enao.*

Speaker Hofschneider: *Uno, uno. Guaha mas dibati ni ginagagao-ña si Representantin Quitugua?*

Rep. Babauta: *Taya.*

Speaker Hofschneider: *Representantin Castro?*

Rep. Castro: Mr. Speaker, *guine gi H. R. NO. 13-049, pot siakasu na guaha gi representante ti inafekta nui este disisias pot sientu na niribâhân allotment, mamamaisen yo' kao ti nisisario na para ta implimenta manu madiseha ginen i leadership, Mr. Speaker. Kao dinanche este?*

Speaker Hofschneider: *Fine 'nina pot para ta na' klaru yan lokkue para ta infotma i man prisente pâ'go na bisita i man amok-ta, gi alacha na mes i Gobetno-ta as Juan Babauta yan i iyota Segundo Gobetno-ta as Diego Benavente, obligao gi Constitution na ondingkuandu u i'ina i fengkas ni manahalom gi pottan munedan Marianas tatkomu ma fanana'an General Fund, ya' yanggen i ma eksaminan i pottan muneda, tatkomu etyo siha i apas taks ni marikokohi kada tres mesis ya tumunok i nirikohen i gobetnamento para usu-ña, debi di u diklara magi gi lehislatura na tumunok i nirikohen salape gi gobetnamento. Ya enao mina na obligao i Gobietno para u utut tododo i ramas gobetnamento giya Marianas para hu konfotma yan i nirikohen salape gi pot mes basis osino kada tres mes basis. Ginen enao lokkue i ramas lehislatura ti safu ni tumunok-ña i pottan muneda, ya ginen enao na obligao i lehislatura na hu utut lokkue i gastaña. Lao enao ma rekomenda ginen i gobetno na disisais pot sientu tumunokña pues ma ribâhâ i lehislatura disisais pot sientu. Este na resulasion, ha indidika na ma indotsa i Speaker of the House, tatkomu guahu, anai gi Lunes na ha'ane, hu abisa todo membrus yan empliao guine gi San Papa' na Guma' na taya otro manera ni para ta eskapa este i tumonok i salape giya Marianas tatkomu i gaston San*

Papa' na Guma'. Obligao yo' na baihu infotma i empliao-hu yan i manga'chong-hu siha na manatunok disisais pot sientu i kantida ni manana'e magi i Lehislatura tatkomu i San Papa' na Guma' para gastoña. Ginen enao, guaha manpinacha osino man tinteka empliao na manafanunok i oran niha guine gi San Papa' na Guma'. Ti todo i membru mantineteka lao i todos i mantineka nui este na manatunokña disisais pot sientu i gaston kongressu, obligao na un utut i gastomu dos manera. Uno, siña ha' un utut gastomu ya ti un fangasta mas ki hafa mana'e hao ni gobetno. I otro, yanggen ti ginanna ni un utut i gastomu, obligao na un utut i suetdon i empliao-mu yan i gastomu gi ofisina. Enao mina gi Lunes hu abisa todo na obligao yo' na baihu nutisia hamyo na i ofisinan i Speaker yan i San Papa' na Guma' aktibidad-niha alas siete i media ma baba, ma huchom gi alas dos i media gi talu'ane pot rason na ti nahung salape i San Papa' na Guma' para hu sietbe obligasion-ña ni ma intrega osino mamandatu gi Constitution. Enao mina na antes di un pacha i suetdon-taotao na' tunok i ora kosaki i suetdo gagaige ha' lao menus i ora. Esta ti ochu oras magaganna na sais oras ha'. Pues dispensa yanggen mantineteka hamyo ni membru yan i empliao-miyu lao obligao hit na an manmana'e hit un pesu ti ta gasta un pesu i piku. An ilekña un pesu ha', un pesu ha'. Pues debidi in ina indibiduatmente ofisinan miyu yan gaston miyu ya initut papa ya u balansia pot losotimos guine na sakkan gi Septiembre dia trenta inichom este na sakkan prinsipat. Ginen enao komu klaru ya ineppe kuestion-mu Siñot Castro. Guaha mas? Representantin Oscar Babauta?

Rep. Babauta: Si Yu'us ma'ase, Siñot Hofschneider. Maulek sa' ta dekka' huyong dididi pot este na resulasion i tresi kuarentai nuebi. Gof magof yo' lokkue para baihu supotta i ginagao-mu, Mr. Speaker, yan i inagang-mu pot este na asunton problema, probleman finansiat gi membrun San Papa' na Guma' prinsipatmente i ofisinan-niha. Uno ha' este didok problemaña i siempre latmegai taotao-ta uchu mas Saipan, mantineteka nui este gi asunton oran ofisina. Hu tungo' na esta i ofisina-mu, Mr. Speaker, lokkue na un utut i ora-mu ya mahuhuchom ofisina-mu gi alas dos i media gi talu'ane. Debidi u makomprende na gi katkuet manera dipende gi kada membrun kongressu pa'go guine u dikta mo'na ora-ña, kao u baba gue' gi alas ochu ya u uchu gue' gi alas dossi, pat u baba gue' gi ala una ya u uchu gue' gi alas sinko. Estigi' problemata pa'go i para ta na'i mensahi huyong i publikon Marianas prinsipatmente Saipan pot i ora. Ya debidi ta fandanña' ya ta na'parehu kosake u ma tungo' ni taotao na yanggen guaha prisisun-niha guine gi ofisinan kongressu-siha na etyigi' na ora ni mamachom yan etyo gue' na ora mabababa. Sin mas, Mr. Speaker, hu fafaisen i manga'chong ya tasupotta este na resulasion pot asunton enao i inagang-mu ni para ta na' sanu mo'na dididi i finansiat i San Papa' na Guma' kosake u libre ta'lo salape ya u nahung para i empliao-ta ni munana'e animu chumo'gue che'cho siha para hita ni manma'ilih. Enao ha', si Yu'us ma'ase.

Speaker Hofschneider: Antes di baihu rekognisa si Representantin Herman Palacios, pot mas klaru, esta hu indika na alas siete i media esta alas dos i media i San Papa' Na Guma' i ofisinan i Speaker pot rason ni esta hu sangan na ti kinibre i mana'e-ña i lehislatura na salape. Hafa hit ta cho'gue. Sabidos puti korason-ña i Gobietno-ta, malago na para u na' kabales lao ha pacha hit i eran-eskases. Pues ta fanasungon, ya ta fanmacho'chu manu siña kosaki ta na'pusible kumuntinua i sitbision publiko ni ginagagao nui CNMI Constitution. Sen mas, hu rekognisa si Congressman Herman Palacios.

Rep. Herman Palacios: Mr. Speaker, si Yu'us ma'ase ni un na'e yo' este na tiempo para baihu kuentos. Taya prublema-hu ni para baihu tatiye i finaisen-mu ni para ta tatiye i probleman i ekonomia. Etyo prublema-hu i para ta ñukot guine pa'go i taotao-ta gi kongressu yan i publiko ya i gobietno sigi ha' di ha hatsa hulu' i suetdon i taotao-na gi lagu. Enao prublema-hu, Mr.

Speaker. Enao ha' hu sangane hao na i disipulu debi di u matatiye i hafa i ginagagao ni gobietno. Guiya fine'nina komu maulek na hemplo, debi di u tatiye ya etyo ni tafanåtati. Si Yu'us ma'ase, Mr. Speaker.

Vice Speaker Tenorio: *Mr. Speaker, hu supopotta este i resulasion ni ta fafana' pã'go. Hu rispeta i disision-mu ni un fafaisen hame na para ta ayuda i ekonomihan Marianas ya ta patte parehu i tinaya'ta guine. Lao hu tungo ha na un sedi kada unu na kongressu ni mana'e patte-ña na u usa i salape ni taimanu na manera ni hana'siña. Kumeke-ilekhu na an ti nisisario na un na'para dos oras i taotao-mu, pues na fanmacho'chu ochu oras. Enao gaige lokkue gi contact. Todo man mana'e parehu na salape, pues yanggen ti nahung hao, pues siempre un espiha impeñu ni un patten a'dumididi para munga na u fanmamadesi. Ta komprende ha' este ya ti makpo' ha guine. Nisisario na tafan un korason ya ta chek guato i gobietno. Sa' yanggen ta lili'e na guaha siha manmasusedi na ti bonito na hemplo, taimanu ha' ha sangan si Congressman Palacios, siguru guaha rason na ha chocho'gue lao humahlom yo' na an man unkorason hit komu leaders Marianas, hu fafaisen na i komiteh ni siña ha ina este u fan ali'e kosake guaha pas ya munga na para i newspaper ni para u huhuyong. Esta guaha siha manmangomplelen na hafa na mangegera hamyo ya manma'ilih hamyo para in protehi i interes i taotao Marianas. Guaha siha problema guine gi Marianas ni ta fafana' mo'na ya mansiriosu este siha na problema. Hu supopotta sientto pot sientto i ginagaogaoña i Speaker. Hu gagagao lokkue fabot na para ta fan ali'e ni leadership ya ta satba este siha na problema. Enao ha, ya baihu move to end debate.*

Speaker Hofschneider: *Malago yo' ta pacha i H. R. NO. 13-047 yan H. R. NO. 13-048. Ta tutuhon gi kuarentai siete pot i man amko'. Guaha unu na onru malago yo' sumangan – na ai mohon ya taiguine manmabendisi-ta nui Saina ya ta gacha' lokkue este na idat i uno gi saina-ta tatkomu si Tan Maria Sablan Chargualaf. Mafañago si Tan Maria gi Febreru katotsi mit nuebe sientos siete. Alakuenta esta nubentai sinko años. Guiya mas amko idat-ña gi membrus ya ginen enao na' banidosu ya onru para ta tungo' na guaha uno gi saina-ta ha gacha nubentai sinko años. Ola'mohon ya ta ñangon si Tan Maria ya ta faisen hafa sikretu-ña na taiguie na inanaku ani-ña ya ta petsigi i pasu-ña yan modu-ña komu uno na hemplo para hita todos ni manatatte. Ginen enao, malago yo' yan i membrus sumaluda si Tan Maria Sablan Chargualaf. Pot fabot ta na'pakpaki kannai. (Applause). Taya mas dibati?*

Floor Leader Attao: *Mr. Speaker, si Congressman Bill Torres para u intrudusi i substitute para uno na resulasion.*

Rep. William Torres: *Mr. Speaker, i komiteh-mu ni mananimu, malago yo' umentrodusi H. R. NO. 13-041, Committee Substitute 1.*

Representative William Torres offered an amendment to H. R. NO. 13-041, in the form of a substitute, seconded by Floor Leader Attao.

There was no discussion, and the substitute offered by Rep. William Torres to H. R. NO. 13-041 was carried by voice vote.

There being no further discussion on the resolutions, the motion to adopt H. R. NO. 13-047, H. R. NO. 13-048, H. R. NO. 13-049, and H. R. NO. 13-041, House Substitute 1 was carried by voice vote.

The Chair recognized Rep. Stanley Torres.

Rep. Stanley Torres: Mr. Speaker, *malago' yo' muna'fanmanungo' i man amko-ta na guaha lokkue guine na kuetpon Guma' esta matto gi chiña ni siña sumaonao giya hamyo, i man amko. Guahu etyo na reipresentante. Hafa nisisidat miyu pot inareklon man amko, na tutungo yo' ya guahu baihu reipresenta hamyo. Si Yu'us Ma'ase.*

Speaker Hofschneider: *Guiya mas hoben gi man amko yan guiya mas amko gi man hoben na guma'. Pues ta fan diskansa un ratu ya ta prisenta i resulasion. Fine'nina i resulasion para i Far East Broadcasting pues i para i Man Amko.*

Floor Leader Attao moved to resolved into the Committee of the Whole in order for the House to officially present H. R. NO. 13-047 and 13-048, was seconded and carried by voice vote.

The House resolved into the Committee of the Whole at 11:39 a.m.

COMMITTEE OF THE WHOLE

The House returned to plenary session at 11:53 a.m.

Speaker Hofschneider: We will recess for lunch. *Para i membrus, ta fandiskansa ya ta kompañia i man amko-ta man amotsan-talu'ane ya an munhayan hu gagagao i membrus na ta bira hit tatte ya ta na'funhayan i miteng-ta na ha'ane. Pot taya prubilasion pot lamasa hafañe'los yan man amko-mame chule' ha' i na'yan-mu ya un halom guine ya un amotsan maulek. Pues recess ya ta fanamotsan-talu'ane.*

The House recessed at 11:54 a.m.

RECESS

The House reconvened at 1:55 p.m.

Speaker Hofschneider: We are back in session. We will now go back to Item 6 of our Agenda, I recognize the Floor Leader.

SENATE COMMUNICATIONS

Floor Leader Attao: Mr. Speaker, I move for the acceptance of Senate Communications 13-34 through 13-33.

The motion was seconded.

Sen. Comm. 13-24: Return of H. B. NO. 13-079, HD4, re Hiring of Nonresident Workers by MVA, which the Senate passed on April 26, 2002. [Will go to Governor]

Sen. Comm. 13-25: Transmittal of S. J. R. NO. 13-2, entitled, "A Senate Joint Resolution to support the application with the United States Department of Transportation for Statement of

Authorization to operate passenger charter flights between Guangzhou and Saipan and Tinian on behalf of China Southern Airlines,” which the Senate adopted on April 26, 2002. [For action]

Sen. Comm. 13-26: Transmittal of S. B. NO. 13-10, entitled, “A Bill for an Act to require insurance coverage for individuals with diabetes in the Commonwealth; and for other purposes,” which the Senate passed on April 26, 2002. [For action]

Sen. Comm. 13-27: Transmittal of S. B. NO. 13-11, entitled, “A Bill for an Act to create a National Guard for the Commonwealth of the Northern Mariana Islands,” which the Senate passed on April 26, 2002. [For action]

Sen. Comm. 13-28: Transmittal of S. B. NO. 13-40, entitled, “A Bill for an Act to officially declare the CNMI’s ‘Open Door’ foreign investment policy; to clarify standards for immigration and residency privileges in connection with foreign investment; to repeal Chapter 9 (Regulation of Foreign Investment) of Division 5 of Title 4 of the Commonwealth Code; to add a new Chapter 5 (Foreign Investor Certificates) to 3 CMC, Div. 4 (Immigration) of the Commonwealth Code; and for other purposes,” which the Senate passed on April 26, 2002. [For action]

Sen. Comm. 13-29: Transmittal of S. B. NO. 13-41, SD1, entitled, “A Bill for an Act to establish a Commonwealth Film, Video and Media Office (herein referred to as the ‘Northern Mariana Islands Film Office’); and for other purposes,” which the Senate passed on April 26, 2002. [For action]

Sen. Comm. 13-30: Transmittal of S. B. NO. 13-43, entitled, “A Bill for an Act to designate as public purposes the exchange of private land for public land that will be used to create public ingress and egress for private lands that have no public access to public roadways; and for other purposes,” which the Senate passed on April 26, 2002. [For action]

Sen. Comm. 13-31: Transmittal of S. B. NO. 13-44, SD1, entitled, “A Bill for an Act to amend Public Law 12-40 to allow the First and Second Senatorial District to use the interest derived from CDA bonds for CIP road improvement and other related CIP projects such as the establishment of improved infrastructure in the First Senatorial District,” which the Senate passed on April 26, 2002. [For action]

Sen. Comm. 13-32: Transmittal of S. B. NO. 13-51, SD1, entitled, “A Bill for an Act to provide for the issuance of certificates as certified public accountants to regulate the practice of accountancy in the public interest; to establish a Board of Accountancy and prescribe its powers and duties; and for other purposes,” which the Senate passed on April 26, 2002. [For action]

Sen. Comm. 13-33: Transmittal of S. B. NO. 13-52, entitled, “A Bill for an Act to amend 1 CMC § 7301(d) to improve the administration of capital improvement projects, provide for speedier completion of projects, and ensure quality work by contractors; and for other purposes,” which the Senate passed on April 26, 2002. [For action]

The Chair recognized Rep. Babauta.

Rep. Babauta: Mr. Speaker, I humbly request this body or committee to be assigned to expediently look into S. B. NO. 13-51, SD1, reference Senate Communication No. 13-32. A lot of people want to see this measure go through in terms of providing a place for non-US citizens to take US certified practices. Thank you.

The motion to accept Senate Communications 13-24 through 13-33 was carried by voice vote.

HOUSE COMMUNICATIONS

The Chair recognized the Floor Leader.

Floor Leader Attao: Mr. Speaker, we were discussing about meeting with the banking institutions during recess. I, therefore, move for an executive meeting.

Speaker Hofschneider: There is a motion to sanction the House to go into executive meeting with respective banking institutions on island to discuss privileged information. It has been seconded. I recognize Representative Torres under discussion.

Rep. Stanley Torres: Mr. Speaker, can the Attorney General be included?

Speaker Hofschneider: They are included.

Floor Leader Attao: Mr. Speaker, I would like to request that the meeting be held on Friday, May 3, 2002, at 11:00 a.m. for both non-FDIC banking institutions and those that the CNMI Government has deposits with.

Speaker Hofschneider: Can we move it up to ten o'clock?

Floor Leader Attao: So be it, Mr. Speaker.

Rep. Cabrera: Point of clarification.

Speaker Hofschneider: Recognized.

Rep. Cabrera: Does that include other institutions, like Pacific Financial Corporation?

Speaker Hofschneider: Any institution that the CNMI Government has deposits with.

Rep. Quitugua: When is this, Mr. Speaker?

Speaker Hofschneider: Friday at ten o'clock.

Vice Speaker Tenorio: Can you include the Saipan Credit Union, Mr. Speaker?

Speaker Hofschneider: This is only for private entities that the CNMI Government has deposits with. Credit Union is separate. I recognize Representative Stanley Torres.

Rep. Stanley Torres: For the information of the members, the Saipan Credit Union money was removed from the Bank of Saipan before the incident. So they are free, they won't lose any money.

Vice Speaker Tenorio: Where are they banking now?

Rep. Stanley Torres: Bank of Guam.

There being no further discussion, the motion for the House to go into executive meeting with financial institutions on Friday, May 23, 2002 at 10:00 a.m. was carried by voice vote.

Speaker Hofschneider: Representative Babauta.

Rep. Babauta: Shall we let the record show that this is a two-third affirmative vote in terms of executive meeting?

Speaker Hofschneider: It has been adopted unanimously.

Rep. Babauta: Thank you.

Rep. Herman Palacios: What is the vote that we are to garner and what are we trying to arrive at in this meeting?

Speaker Hofschneider: Basically two-thirds. To answer your second question: one, is to make certain that the government does not provide for an impetus and irrational behavior of depositors and other banking institutions that are not affected by similar situations like the Bank of Saipan. Second, is to find out the securities with government deposits. It is important to find out what instruments are used or being used to secure CNMI Government deposits. An example would be the normal instrument of security for deposits will be T-bills. Because of the looseness of the existing banking laws, securities can be equivalent to bank notes. Loans, for instance, are being used to equate the securities of deposits, so \$8,000,000 of deposits is being secured at \$8,000,000 of loans. That is a very risky proposition for CNMI Government deposits. You can't use loan portfolios to secure cash deposits.

COMMUNICATIONS FROM THE JUDICIAL BRANCH

None

COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE

None

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

None

OTHER COMMUNICATIONS

None

REPORTS OF STANDING COMMITTEES

The Chair recognized the Floor Leader.

Floor Leader Attao moved for the suspension of Rule VII, Section 10 for the adoption of Standing Committee Reports 13-019, 13-020, and 13-021; it was seconded and carried by voice vote.

Floor Leader Attao moved for the adoption of S. C. R. NO. 13-019, S. C. R. NO. 13-020, and S. C. R. NO. 13-021, and it was seconded.

S. C. R. NO. 13-019: Reporting on House Bill No. 13-061, entitled, “To establish a Family Attendant Sick Leave Program; and for other purposes.” Your Committee on Health and Welfare recommends that the House file the bill.

S. C. R. NO. 13-020: Reporting on House Bill No. 13-015, entitled, “To establish a Goodwill Ambassador Status Program for foreign nationals who provide unsolicited and continuous contributions to the CNMI; and for other purposes.” Your Committee on Health and Welfare recommends that the House file the bill.

S. C. R. NO. 13-021: Reporting on House Bill No. 13-001, entitled, “To authorize the Marianas Public Lands Authority in conjunction with the Commonwealth Development Authority to incur public debt in an amount of up to Forty Million Dollars (\$40,000,000) for the settlement of land compensation claims against the Commonwealth; and for other purposes.” Your Committee on Ways and Means recommends passage of the bill in the form of H. B. NO. 13-001 in its substitute form.

Speaker Hofschneider: Any discussion?

Floor Leader Attao: Mr. Speaker, I would like the Chairman of Ways and Means to read the purpose, findings and the cost benefit analysis of S. C. R. NO. 13-021, so that it be reflected in the Journal.

The Chair recognized Representative Stanley Torres, Chairman, House Standing Committee on Ways and Means who read out the following report.

The Honorable Speaker Heinz S. Hofschneider
 Speaker of the House of Representatives
 Thirteenth Northern Marianas
 Commonwealth Legislature
 Capitol Hill
 Saipan, MP 96950

Dear Mr. Speaker:

Your Committee on Ways and Means to which House Bill No. 13-001 was referred, met on April 26, 2002, at 9:00 a.m. The meeting was attended by Chairman Stanley T. Torres, Vice-Chairman Jesus T. Attao, Rep. Francisco DLG. Aldan, Rep. Norman S. Palacios, Rep. Arnold I. Palacios, and Rep. Andrew S. Salas. After a thorough review and discussion your Committee decided to meet again on April 29, 2002 at 9:00 a.m. The meeting was attended by Chairman Stanley T. Torres, Vice-Chairman Jesus T. Attao, Rep. Francisco DLG. Aldan, Rep. Joseph P. Deleon Guerrero, Rep. Arnold I. Palacios, Rep. Andrew S. Salas, and Rep. Benjamin B. Seman. Legal Counsel Lillian A. Tenorio and Francine G. Sablan were also present at both meetings. Upon further review, your Committee agreed to the form of CS1, re-entitled:

“To authorize the Marianas Public Lands Authority in conjunction with the Commonwealth Development Authority to incur public debt in an amount of up to Forty Million Dollars (\$40,000,000) for the settlement of land compensation claims against the Commonwealth and for other purposes”

begs leave to report as follows:

I. RECOMMENDATION:

Your Committee supports House Bill No. 13-001, in the form of CS1, and recommends passage.

II. ANALYSIS:

A. Purpose:

The purpose of House Bill No. 13-001, CS1, is to authorize the Marianas Public Lands Authority (MPLA), in conjunction with the Commonwealth Development Authority, to incur public debt in an amount up to Forty Million Dollars (\$40,000,000.00). The proceeds will be used to settle and to discharge outstanding land compensation claims against the Commonwealth. The funding for payment of the principal and interest will be collected from the remaining balance of the liquid fuel tax imposed under 4 CMC § 1403(a) and the entire amount of the aviation tax collected under 4 CMC § 1403(b) will be earmarked for this Act as well.

B. Committee Findings:

Your Committee finds that the Commonwealth owes citizens approximately Forty Million Dollars (\$40,000,000.00) for land taken by eminent domain or other legal process for public use. The Committee also finds that many landowners have not been compensated since approximately 1993. Your Committee further finds the rate of repayment to settle these land claims to be unacceptable and that compensation is long overdue. Article XIII § 1 of the CNMI Constitution states that the government is required to pay “just compensation” for private property taken for a public purpose. Therefore, it is in the best interests of the Commonwealth to rectify this situation by compensating these citizens.

In addition, the Department of Public Works (DPW) has been hindered in their ability to complete essential road, sewer, water and power projects because they have been unable to acquire right-of-way certification. This is due to two factors: 1) Funds are unavailable to purchase the land, and 2) Landowners will not agree to a Memorandum of Understanding (MOU) for right-of-way acquisitions. Citizens have simply lost faith in the government’s abilities to meet its obligations.

In recommending passage, the Committee makes the following amendments to the bill:

- I. Provides the public debt authorization to MPLA in conjunction with the Commonwealth Development Authority.
- II. Deletes “Section 4. Amendment of Public Law 12-33.”
- III. Authorizes an interest rate with repayment terms for the public debt.
- IV. Deletes “Section 6. Sale of Private Real Property to the Commonwealth Government.”
- V. Establishes a special fund by adding a section, “Land Compensation Fund,” and grants expenditure authority over the Fund to the Commissioner of MPLA.
- VI. Amends subsection (e) of 4 CMC § 1803.
- VII. Prioritizes compensation based on the following:

- a) Right-of-Way Acquisitions
- b) Pondering Basins
- c) Wetlands

C. Legislative History:

House Bill 13-001 was introduced on February 5, 2002.

I. Cost Benefit:

The CNMI Constitution authorizes the Commonwealth to exercise the power of eminent domain as provided by law to acquire private property necessary for the accomplishment of a public purpose. However, private property may not be taken without just compensation. This Act would prevent potential litigation by providing just compensation to citizens.

In the past, landowners were given the choice of deciding whether they would prefer to be compensated through an exchange of land. However, most of the landowners preferred to be compensated monetarily. This has resulted in the government's accrual of these obligations. MPLA has estimated that the actual cost to reimburse citizens is approximately Seventy Million Dollars (\$70,000,000.00). DPW has certified their estimation to be approximately between \$30-40 Million Dollars. The Forty Million Dollar amount is therefore based on DPW's certification. An important issue to be aware of in regards to future land acquisition transactions is that MPLA is increasingly unable to compensate landowners with an exchange of land due to dwindling public land resources. Consequently, this will require future transactions to be payable with cash.

The incurrence of the Forty Million Dollar debt is necessary for the Commonwealth to meet its constitutional obligations to its citizens. The funding for payment of the principal and interest will be collected from the remaining balance of the liquid fuel tax imposed under 4 CMC § 1403(a) (Two Million Dollars from this account is currently deposited into the Public School System Building Fund) and the entire amount of the aviation tax collected under 4 CMC § 1403(b) will be earmarked for this Act as well. The impact of this Act will be to redirect funds from the general fund account to the Land Compensation Fund.

By paying the affected landowners, we essentially are infusing Forty Million Dollars into the local economy. We anticipate an increase in landowners' disposable income that will assist in stimulating the local economy. It is further anticipated that increased levels of disposable income will induce a "multiplier effect" on our local economy. The multiplier effect is a basic economic concept, which refers to changes in the level of activity that brings further changes in the level of other activities throughout the economy. For example, an "injection" of Forty Million Dollars will lead to an increase in our national income more than the original "injection" because money is continuously re-spent.

The critical issue is regaining the public trust. For the past ten years, the government has systematically acquired land for public purposes through the issuance of MOU's. This was necessary in order to complete infrastructure improvements throughout the Commonwealth. However, the government has failed to honor these agreements and has still not compensated its citizens. Citizens now distrust government officials and some have refused to allow ongoing projects to proceed without compensation. It is unfortunate that this issue has been allowed to fester for so long, and so it is now incumbent upon the government to regain the public's trust and fulfill its obligations to its people.

E. Amendment:

The major amendment to the existing statute, 4 CMC Section 1803(e) is as follows:

(e) Fuel tax distribution.

(i) Notwithstanding any law to the contrary, beginning October 1, 1998, and annually thereafter, the Department of Finance shall deposit \$2,000,000 collected from the liquid fuel tax imposed under 4 CMC § 1403(a) into the Public School System Building fund established in 1 CMC § 2281. Such funds shall be continually appropriated to the Public School System for the sole purpose of paying the principal and interest on any financing entered into the Public School System pursuant to House Joint Resolution 10-36. The funds shall be nonlapsing except that upon certification by the Secretary of Finance that all principal and interest on all financing has been paid in full and discharged, any funds remaining in the Public School System Building Fund shall lapse to the general fund.

(ii) After the amount in subparagraph (i) has been transferred, and notwithstanding any law to the contrary, beginning October 1, 2002 and annually thereafter, the Department of Finance shall deposit the balance amount of the liquid fuel tax collected under 4 CMC § 1403(a) and the entire amount of the aviation tax collected under 4 CMC § 1403(b) into the Land Compensation Act. Such funds shall be continually appropriated to the Marianas Public Lands Authority for the sole purpose of paying the principal and interest on any financing authorized by this Act. Provided, that, in the event the amount in the Land Compensation Fund is insufficient to cover any requisite payment, the Governor is hereby authorized, notwithstanding any contrary law, to pay the remaining

balance from the general fund. The funds in the Land Compensation Fund shall be nonlapsing, except, upon certification by the Secretary of Finance that all principal and interest on all financing has been paid in full and discharged, any funds remaining in the Land Compensation Fund shall lapse to the general fund.

III. CONCLUSION:

The Committee adopted this report on April 29, 2002, 10:00 a.m.

The Committee is in accord with the intent and purpose of H.B. 13-001, CS1, and recommends its passage.

Respectfully submitted,

Signed by:

Rep. Stanley T. Torres, Chairman
 Rep. Jesus T. Attao, Vice-Chairman
 Rep. Frank DLG. Aldan, Member
 Rep. Joseph P. Deleon Guerrero, Member
 Rep. Arnold I. Palacios, Member
 Rep. Daniel O. Quitugua, Member
 Rep. Andrew S. Salas, Member
 Rep. Benjamin B. Seman, Member

The Chair recognized the Vice Speaker.

Vice Speaker Tenorio: Mr. Speaker, I have several questions since I am not a member of the Committee on Ways and Means and I'm not privy to some information the Committee has. Mr. Speaker, the report finds that some of these lands were taken by eminent domain by the government. I am not aware of any land taking by the process of eminent domain. If I am wrong, I wish to be corrected. But if I am right, I wish to know how much land has the government taken through eminent domain?

Speaker Hofschneider: That is in reference to the CNMI Constitution. It merely states the authority that the CNMI Government has the power to acquire through eminent domain, but it does not report to state that eminent domain has been used in any acquisition.

Vice Speaker Tenorio: I'm just reading the report that says, \$40,000,000 Million for land taking by eminent domain.

Speaker Hofschneider: We will take a short recess to allow the counsels to respond.

The House recessed at 2:13 p.m.

RECESS

The House reconvened at 2:19 p.m.

Speaker Hofschneider: We are back in session and we are still discussing the committee reports. I recognize Representative Arnold Palacios.

Rep. Arnold Palacios: Mr. Speaker, when the committee was looking at the *just compensation* and the basis of appraisals for properties, we looked at whether the appraisal value of the land was appraised to date or at the time of the land taking. Some of these were appraised in 1991 where the

landowner had signed over an agreement with the Department of Public Works, Department of Public Lands, or the former MPLC. Some are subsequently dated 1993, 1994 and 1995. So it was the Committee's point to make sure that it was at the time of the taking. The legal counsel also emphasized that that is how it should be done. [Emphasis added]

Rep. William Torres: Mr. Speaker, you have declared me to be not important, so now I have to take this up under discussion. That is very important and the committee report does not reflect that. That is critical. A lot of people that I encounter ask when they are going to be compensated and whether they are going to be compensated on today's appraisal value or at the time that the government used the property. Although they did not formally deed the property to the government, the government nonetheless encroached on their property. There are many cases in that situation. This is going to be a very contentious issue. We are going to have problems with some people who formally refused to deed their land to the government, although the government had encroached the land since that time. I'm not sure whether we are going to reflect that in the report or not, but there's going to be a problem on this issue.

Speaker Hofschneider: For the benefit of the members, under Title 2, Section 4712, one reference that would probably satisfy your comment is that in no event will the just compensation offer be less than the government's approved appraisal of the fair market value of such property at the time the government makes an offer to purchase the property. In essence, that means that Office of Public Lands goes out and has it appraised, that is a standard procedure. You are also required to submit a private appraisal of the property. When the two appraisals come in, that is when you negotiate on a fair or just compensation, but at no time can the just compensation be a *just compensation* if it is lower than the government. The government cannot subject you to agree to less than the government's appraisal value. In the Commonwealth, there are only a handful of appraisers who are quite typical in terms of your standards. So, the government may be off by a few points and the private party appraisal will be a few points higher than the government's. That's where the two minds will meet and the just compensation will be determined, but at no time can the government subject you to agree or force you to accept just compensation below the fair market value of the appraisal. If the time of taking was in 1991 when the economy was robust, appraisals were very high. The fact remains that those have been certified by both, DPW for acquisition and Office of Public Lands for appraisal. If you have those documents meet the certification level for compensation, in no time can we go back unless the two parties are in agreement to renegotiate. [Emphasis added]

Rep. William Torres: But in a case where an owner refuses to formally deed land to the government, but the government nonetheless went ahead and encroached, in essence, took the property. What would be the basis and value of that property if it has not been appraised since it was not certified at the time of encroachment?

Speaker Hofschneider: In any transaction, time is of the essence. Back in 1989, 1990, 1991, beachfront properties were going for over \$1,200 per square meter. The same property today, in a weak economy, may be going for \$300 per square meter. So time is of the essence in the period of taking, whether the acquisition or the taking occurred during the robust period, which obviously inflated the real estate prices. And the government cannot subject you once the certification for acquisition has been accomplished unless the two parties are willing to go back and talk about a new price.

Rep. William Torres: So encroachment is enough?

Speaker Hofschneider: In that case, the last resort will be the court because the government, under the Act, cannot go below the just compensation of the government appraisal value. So if your appraisal is higher and you obviously disagree and don't want to sign over a title to that property when it was taken, then the court is reserved for your right.

The Chair recognized the Vice Speaker.

Vice Speaker Tenorio: Mr. Speaker, under Cost Benefit on page 3 of the report, it says that part of this \$40 Million will come from the fuel tax under 4 CMC Section 1403. That's about \$2 Million that is currently deposited for the Public School System (PSS). I wonder if the Committee took time to invite the PSS to find out how this would impact their budget, or does this impact the budget of the PSS at all? I pose that question to the committee.

Floor Leader Attao: To answer the Vice Speaker, no. The \$2 Million earmarked for PSS under P.L. 11-14 is okay. All we are addressing is the remaining balance of the aviation and the non-aviation fuel tax. The \$2 Million is not affected. What we are trying to use is the remaining balance of one, the exemption for CUC under P.L. 10-36, and two, P.L. 11-14. Those are earmarked for this particular bill.

Speaker Hofschneider: Vice Speaker, the answer to your question is that the \$2 Million set aside for PSS is reserved.

Vice Speaker Tenorio: Mr. Speaker, we do anticipate that \$40 Million will not be enough to compensate all the land taking transactions and I say that because Marianas Public Lands Authority's (MPLA) estimation was \$70 Million and DPW came out with \$40 Million. That is almost 50% in their estimation in what we owe. I am curious why the gap is so big.

Speaker Hofschneider: There is a difference between completed certifications and pending certifications. If you take all those potential acquisitions, then it amounts close to \$70 million. A lot of these have to go through the certification process. Certification requires that probate of the property be done. There are quite a few on the list that need probate proceedings.

Vice Speaker Tenorio: Do I take it that all the compensation that will be covered under this obligation have been certified and are in existence? Is this what we are looking at?

Speaker Hofschneider: Those that have legal binding and liability on the government amounts to about \$40 Million.

Vice Speaker Tenorio: Mr. Speaker, I'm still trying to figure out the \$30 Million difference. I'm thinking that it is perhaps the time of assessment and now it is going down.

Speaker Hofschneider: We have to put our faith and trust in DPW and the AG's Office to look at the documents before expending a penny for this public debt. If that is the case, I think the number is irrelevant in our consideration, because it could be \$100 Million, it could be \$20 Million. The point is, there is a process under the law for land exchange to occur, and stipulations can amount to \$70 Million, but the fact may be different.

Vice Speaker Tenorio: Thank you, Speaker.

There being no further discussion, the motion to adopt S. C. R. NO. 13-19, S. C. R. NO. 13-020, and S. C. R. NO. 13-021 was carried by voice vote.

Speaker Hofschneider: Standing Committee Reports 13-019, 13-020 and 13-021 are hereby adopted.

BILL CALENDAR

Floor Leader Attao moved for the suspension of Rule IX, Sections 9, 10 and 11 for the passage of H. B. NO. 13-001, HS1, was seconded by several others and carried by voice vote.

The Chair recognized the Floor Leader.

Floor Leader Attao moved for the passage of H. B. NO. 13-001, HS1, on First and Final Reading.

Seconded by the Rep. Babauta.

H. B. NO. 13-001, HS1: A BILL FOR AN ACT TO AUTHORIZE THE MARIANAS PUBLIC LANDS AUTHORITY IN CONJUNCTION WITH THE COMMONWEALTH DEVELOPMENT AUTHORITY TO INCUR PUBLIC DEBT IN AN AMOUNT OF UP TO FORTY MILLION DOLLARS (\$40,000,000) FOR THE SETTLEMENT OF LAND COMPENSATION CLAIMS AGAINST THE COMMONWEALTH AND FOR OTHER PURPOSES.

Rep. Babauta was recognized.

Rep. Babauta: Mr. Speaker, for clarification on the legality of two sections here, I would like to request for a legal response. Number one, on page 3, line 10, I was discussing this with the Floor Leader during recess and I brought the issue up of an appendix of a particular law that defines the criteria for compensation. That is a law that we enacted in the Tenth Legislature that set the criteria based on alphabetical implementation of the certified landowners to be compensated. I don't know whether that listing has any impact on line 10, subsection (d). Would that carry into this provision, Mr. Speaker?

Speaker Hofschneider: The lawmaking rule would be the latest takes precedence. I know your concern that it may in fact conflict with the existing law that alphabetized compensation.

Rep. Babauta: I hope for the record that this is clear – that aside from the previously attached appendix, this \$40 Million bond is supposedly to mean to incorporate whatever the updated listing is and are certified. Number two, on page 4, section 6, line 21, the words “on or after January 1, 1994”. Is this alluding to land takings certified prior to 1994? No? Mr. Speaker, I was looking at the list and there are several landowners who have pending compensation cases with MPLA and have been certified. I don't know whether this body would proceed with removing those landowner's claims before 1994.

Floor Leader Attao: Mr. Speaker, that listing was booked January 1, 1994. There is no listing prior to 1994. It was booked in 1994 when the landowners were paid in cash. The listing that we have is the same as the previous listing that was passed in the previous law, so this is consistent.

Rep. Babauta: Mr. Speaker, can we allow the legal counsel to briefly appease my concern on the floor, for the record.

Speaker Hofschneider: Short recess.

The House recessed at 2:39 p.m.

RECESS

The House reconvened at 2:43 p.m.

Speaker Hofschneider: We are back in session and I recognize the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, if there is no objection, I would like to offer an oral amendment. On page 4, line 8, after “Compensation” insert “Fund” instead of “Act”; and on line 21, replace “1994” with “1990”.

No one objected to the oral amendment.

The motion to amend H. B. NO. 13-001, HS1 offered by the Floor Leader was seconded and carried by voice vote.

Speaker Hofschneider: The floor amendment is adopted. Representative Herman Palacios, recognized.

Rep. Herman Palacios: Mr. Speaker, I have a document here dated in 1992 also awaiting payment. Will this be included?

Speaker Hofschneider: Yes.

Rep. Herman Palacios: Thank you.

Speaker Hofschneider: For the record, we have to discuss the impact on the repayment mechanism so that we will not be accused of operating on the assumption of ignorance. The fuel tax is currently being used in the General Fund. The fuel tax today is partially used to pay for the PSS bond. The escrow established is restricted up to \$2 Million and the rest of the fuel tax collection is used for the operations of the government. The rationale of this legislation is clearly stated in the cost benefit section. In order for us to make money, we have to spend money. We need to infuse new dollars into the economy and the way to do it is to take our meager resources and leverage it with an amount that would have an impact in infusing new dollars and relying on the multiplier effect of every new dollar infused into the economy. It is a safe assumption that because 100% of the land compensation individuals who are awaiting for this \$40 Million reside in the Commonwealth and therefore consumption by increasing the disposable income of individuals and

families, is a safeguard towards recovering those taxes and other multipliers activity in the economy. So it is without ignorance that the House is taking the position that the impact will be negligible by attempting to bring in forty million new dollars into the economy and the safeguard that the disposable income empowered to these individuals to be satisfied in land claims would, in essence, be the contributing elements in the economy.

There being no further discussion, the roll was called the motion to pass H. B. NO. 13-001, HS1, HD1.

Rep. Martin B. Ada	excused
Rep. Francisco LG. Aldan	excused
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Gloria DLC. Cabrera	yes
Rep. Pedro P. Castro	excused
Rep. Joseph P. Deleon Guerrero	yes
Rep. Arnold I. Palacios	yes
Rep. Herman T. Palacios	yes
Rep. Norman S. Palacios	yes
Rep. Daniel O. Quitugua	yes
Rep. Andrew S. Salas	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	conflict of interest
(My principle and our democratic form of government does not allow me ... in other words, conflict of interest.)	
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Speaker Heinz S. Hofschneider	yes

Speaker Hofschneider: As required by the CNMI Constitution, Article X on Public Indebtedness, the requirement of twelve affirmative votes of the members is met. Therefore, H. B. NO. 13-001, HS1, HD1 passes the House. Floor Leader?

Floor Leader Attao moved that the House recess, subject to the Call of the Chair; was seconded and carried by voice vote.

The House recessed at 2:55 p.m., subject to the Call of the Chair.

Respectfully submitted,

Evelyn C. Fleming, House Clerk
House of Representatives

APPEARANCE OF LOCAL BILLS

H. L. B. NO. 13-026: To designate that the Kagman Community (Kagman I, Kagman II, Kagman III) is a residential community only in accordance with the Village Homesteading Act of 1979 and the village homestead rules and regulations; and for other purposes. [2nd Appearance]

H. L. B. NO. 13-027: To repeal Rota Local Law No. 13-1 in its entirety. [2nd Appearance]

H. L. B. NO. 13-028: To appropriate \$142,000.00 from the local license fees for pachinko slot machines and poker machines in the First Senatorial District; and for other purposes. [2nd Appearance]