



House Journal

SECOND REGULAR SESSION, 2002

Eleventh Day

December 13, 2002

The House of Representatives of the Thirteenth Northern Marianas Commonwealth Legislature convened in its **Eleventh Day, Second Regular Session**, on **Friday, December 13, 2002**, at **10:23 a.m.**, in the House Chamber, Capitol Hill, Saipan, Commonwealth of the Northern Mariana Islands.

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

A moment of silence was observed.

In accordance with Rule XIII, § 2(a), **sixteen** members were recorded present; Representatives **Herman T. Palacios and Daniel O. Quitugua** were excused.

ADOPTION OF JOURNALS

None

PREFILED AND INTRODUCTION OF BILLS

H. B. NO. 13-229: A Bill for an Act to amend 3 CMC Section 1305(b)(2) and 1306 of Public Law No. 9-53; and for other purposes.

Offered by: Rep. Stanley T. Torres
Referred to: Committee on Education

Rep. S. Torres: This is in regards to telling the President of the college to do what he's been told to do.

H. B. NO. 13-230: A Bill for an Act to provide a tax credit for contributions made to qualified special events determined by the Office of the Governor to be of immediate and prospective economic benefit to the Commonwealth of the Northern Mariana Islands; and for other purposes.

Offered by: Rep. Pedro P. Castro and one other
Referred to: Committee on Ways and Means

H. B. NO. 13-231: A Bill for an Act to amend 4 CMC Section 1405, be establishing a new section (c) which will establish a program of recycling for beverage containers; and for other purposes.

Offered by: Rep. Andrew S. Salas
Referred to: Committee on Natural Resources

H. B. NO. 13-232: A Bill for an Act to protect confidential information and communications made to a "CRIME STOPPERS" organization; and for other purposes.

Offered by: Rep. Stanley T. Torres

H. B. NO. 13-233: A Bill for an Act to establish a CNMI Resident Identification Card Program; and for other purposes.

Offered by: Rep. Andrew S. Salas
Referred to: Committee on Judiciary & Governmental Operations

H. B. NO. 13-234: A Bill for an Act to amend 1 CMC Section 7406(a)(3) to include the Alcoholic Beverage and Tobacco Control Division of the Department of Commerce, Enforcement Division, Department of Labor and Immigration, Investigations Division of the Office of the Public Auditor; to add a new subsection 7406(a)(4) to include the Governor, Lt. Governor, Legislators, and Mayors; and for other purposes.

Offered by: Rep. Andrew S. Salas
Referred to: Committee on Ways and Means

H. B. NO. 13-235: A Bill for an Act to amend 4 CMC 2103 (d) and 1 CMC § 2702 (a); and for other purposes.

Offered by: Rep. Heinz S. Hofschneider

Speaker Hofschneider: This is in response to the Marianas Visitors Authority, which we passed, merging the two operational divisions, MVA and Division of Parks and Recreations. And because of a glitch on the amendment made by the Senate, I have appointed a conference committee. However, the President has not reciprocated and therefore to cut down time and delay so that we may have this bill signed into law – and start the New Year with cost cutting measures in appropriate mergers of similar operational costs on the government streamlining it – this is the merger of the operational divisions of MVA and Parks and Recreations under DLNR.

H. B. NO. 13-236: A Bill for an Act to repeal and reenact Public Law 13-29; and for other purposes.

Offered by: Rep. Heinz S. Hofschneider

Speaker Hofschneider: This is a contentious nature of the House. Under the Constitution, the House is the only body, quite clearly, that is authorized to initiate legislation relating to appropriations. And because we're equally at fault for having that particular bill get away under our noses, it is fitting that I introduce a bill with some minor corrections to the public law by repealing it and reenacting in its entirety. That is, to repeal and reenact the Commonwealth Film, Video and Media Office, which was recently signed into law.

H. B. NO. 13-237: A Bill for an Act to authorize the Department of Finance to secure debt in an amount not to exceed \$19,000,000 to pay tax refunds and rebates currently owing to the taxpayers of the Commonwealth; and for other purposes.

Offered by: Rep. Heinz S. Hofschneider

Speaker Hofschneider: Also, by way of the Governor's personal request -- and how fitting, this morning the Whispering Palms students came and did some Christmas songs for the members and staffs. So I feel like in the giving spirit. And by that, the Governor requested an urgent legislation to be considered today. As we all know, we have not paid all of the people that are expecting or owed refunds and rebates. This particular bill is setting precedence in the Commonwealth and I guess the most important question is, why are we doing it? Never mind the Constitution, the legality and everything – why are we doing it? When we go into deliberation, we will hear comments from the members as to the *why*. With that, I'd like to seek the indulgence of the members to place H. B. NO. 13-237 on today's calendar for deliberation and let the cards fall where they have to fall.

There was no objection.

H. B. NO. 13-238: A Bill for an Act to amend Public Law 12-23; and for other purposes.

Offered by: Rep. Norman S. Palacios

Rep. N. Palacios: I'd like this bill to be considered for today's calendar.

There was no objection.

Speaker Hofschneider: So noted.

H. B. NO. 13-239: A Bill for an Act requiring that all products sold, manufactured, or distributed within the Commonwealth that contain chemicals to be clearly marked with labels identifying the chemicals by chemical name in the English language; conferring powers and duties on the Division of Environmental Quality, providing penalties for violation of this Act; and for other purposes.

Offered by: Rep. Ramon A. Tebuteb
Referred to: Committee on Health and Welfare

H. L. B. NO. 13-038: A Local Bill for an Act to appropriate the sum of \$10,000.00 for the Board of Parolees Rehabilitation Beautification Project; and for other purposes. [First Appearance]

Offered by: Rep. Pedro P. Castro

PREFILED AND INTRODUCTION OF RESOLUTIONS

Speaker Hofschneider: Since the good Chairman on JGO, Representative Martin Ada, took half of the pages we are privilege to recognize him and introduce those resolutions.

Rep. Ada: Thank you, Mr. Speaker. To speed things up, with no objection from the members, this is the same substance of the resolution or just identical or for words so, may I do it my way? Thank you, Mr. Speaker.

Speaker Hofschneider: You can be Perry Como or -- go ahead.

Rep. Ada: Thank you, Mr. Speaker. H. R. NO. 13-097, H. R. NO. 13-098, H. R. NO. 13-099, H. R. NO. 13-100 and H. R. NO. 13-101 are resolutions for retirement of DPS officers.

H. R. NO. 13-097: A House Resolution to congratulate Police Major Claudio Norita on his retirement from the Department of Public Safety and to commend his efforts for the years he duly served as an enforcement officer.

Offered by: Rep. Martin B. Ada and seventeen others

H. R. NO. 13-098: A House Resolution to congratulate Police Major Ramon B. Camacho on his retirement from the Department of Public Safety and to commend his efforts for the years he duly served as an enforcement officer.

Offered by: Rep. Martin B. Ada and seventeen others

H. R. NO. 13-099: A House Resolution to congratulate Police Captain Manuel Mangarero on his retirement from the Department of Public Safety and to commend his efforts for the years he duly served as an enforcement officer.

Offered by: Rep. Martin B. Ada and seventeen others

H. R. NO. 13-100: A House Resolution to congratulate Police Captain Edward A. Cepeda on his retirement from the Department of Public Safety and to commend his efforts for the years he duly served as an enforcement officer.

Offered by: Rep. Martin B. Ada and seventeen others

H. R. NO. 13-101: A House Resolution to congratulate Police Captain Johannes S. Ngiraibuuch on his retirement from the Department of Public Safety and to commend his efforts for the years he duly served as an enforcement officer.

Offered by: Rep. Martin B. Ada and seventeen others

Speaker Hofschneider: On that line, I have one, a dear friend of the Commonwealth and he has decided to finally reduce his active role in the government and the community of the Commonwealth.

H. R. NO. 13-096: A House Resolution to honor Mr. Richard Weil upon his retirement after sixteen years of dedicated public service to the Commonwealth Government and to honor Mrs. Nancy S. Weil posthumously for her significant and lasting contributions to the Commonwealth community.

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

Speaker Hofschneider: Clerk, please note that Representative Quitugua is present. Any other resolutions? Representative Stanley Torres.

Rep. S. Torres: Mr. Speaker and members, I don't have the resolution in front of me but I'd like to ask the permission of the House that our two legal counsels would draft a resolution commending the service of the late Special Agent of the FBI, Richard Wallace, who died of cancer on December 10. I appreciate the consent of the members.

There was no objection.

Speaker Hofschneider: Thank you. So noted. Any other resolutions? Representative Cabrera.

H. J. R. NO. 13-019: A House Joint Resolution to request the CNMI Office of the Attorney General to work in collaboration with the Division of Environmental Quality (DEQ) and the Commonwealth Utilities Corporation (CUC) in planning and developing a plan of action to investigate cost incurred to the Commonwealth as a result of phenylchlorinated biphenyls (PCB), Dioxin, Vinyl Chloride, Benzene, Ethylbenzene, Dichloroethylene, Mercury, Nitrites, other heavy metals and chemicals of concern. In addition, the aforementioned office and agencies are to work together to secure all the necessary measures to further investigate and identify the presence and levels of such hazardous chemicals within our soil and groundwater wells. And finally, to secure all necessary measures to recover these costs from the appropriate party(ies).

Offered by: Rep. Gloria DLC. Cabrera and eleven others

H. J. R. NO. 13-020: A House Joint Resolution supporting President George W. Bush, President of the United States of America and the people of the United States in the fight against terrorists on the home front and throughout the world.

Offered by: Rep. Manuel A. Tenorio and seventeen others

H. J. R. NO. 13-021: A House Joint Resolution extending appreciation and commending Mr. Matthew (Matt) D. Kaye for high quality reporting and media coverage of issues affecting the Commonwealth of the Northern Mariana Islands.

Offered by: Rep. Manuel A. Tenorio and seventeen others

Vice Speaker Tenorio: If there's no objection, Mr. Speaker, I would like to ask that these resolutions be co-sponsored by the Committee of the Whole.

Floor Leader Attao: No objection.

Speaker Hofschneider: With the exception of that one resolution going to the President. As a rule, we need to have that cleared by the counsels.

Vice Speaker Tenorio: No objection, Mr. Speaker. Thank you.

Speaker Hofschneider: Thank you. Any more? Representative Quitugua.

H. J. R. NO. 13-022: A House Joint Resolution requesting the Commonwealth Utilities Corporation and the Commonwealth Development Authority to assist their Rota customers and borrowers in their recovery from Super Typhoon Pongsona by deferring their payments on CUC and CDA accounts until March 31, 2003.

Offered by: Rep. Daniel O. Quitugua and eight others

Speaker Hofschneider: So that we do not hold back essential government employees any longer than necessary, with the indulgence of the members, we go down to Resolution Calendar.

There being no objection; the House went down to Resolution Calendar.

RESOLUTION CALENDAR

Floor Leader Attao: Two minutes recess.

The Chair declared a short recess at 10:37 a.m.

RECESS

The House reconvened at 10:41 a.m.

Speaker Hofschneider: We're back to our session and recognize the Floor Leader.

Floor Leader moved for the suspension of Rule VII, Section 10, Rule IX, Sections 9, 10 and 11 for the adoption of the resolutions H. R. NO. 13-096, H. R. NO. 13-097, H. R. NO. 13-098, H. R. NO. 13-099, H. R. NO. 13-100 and H. R. NO. 13-101, H. J. R. NO. 13-019, H. J. R. NO. 13-020, H. J. R. NO. 13-021 and H. J. R. NO. 13-022; was seconded, and carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the adoption of the following resolutions: H. R. NO. 13-096, H. R. NO. 13-097, H. R. NO. 13-098, H. R. NO. 13-099, H. R. NO. 13-100 and H. R. NO. 13-101.

The motion was seconded.

H. R. NO. 13-096: A HOUSE RESOLUTION TO HONOR MR. RICHARD WEIL UPON HIS RETIREMENT AFTER SIXTEEN YEARS OF DEDICATED PUBLIC SERVICE TO THE COMMONWEALTH GOVERNMENT AND TO HONOR MRS. NANCY S. WEIL POSTHUMOUSLY FOR HER SIGNIFICANT AND LASTING CONTRIBUTIONS TO THE COMMONWEALTH COMMUNITY.

H. R. NO. 13-097: A HOUSE RESOLUTION TO CONGRATULATE POLICE MAJOR CLAUDIO NORITA ON HIS RETIREMENT FROM THE DEPARTMENT OF PUBLIC SAFETY AND TO COMMEND HIS EFFORTS FOR THE YEARS HE DULY SERVED AS AN ENFORCEMENT OFFICER.

H. R. NO. 13-098: A HOUSE RESOLUTION TO CONGRATULATE POLICE MAJOR RAMON B. CAMACHO ON HIS RETIREMENT FROM THE DEPARTMENT OF PUBLIC SAFETY AND TO COMMEND HIS EFFORTS FOR THE YEARS HE DULY SERVED AS AN ENFORCEMENT OFFICER.

H. R. NO. 13-099: A HOUSE RESOLUTION TO CONGRATULATE POLICE CAPTAIN MANUEL MANGARERO ON HIS RETIREMENT FROM THE DEPARTMENT OF PUBLIC SAFETY AND TO COMMEND HIS EFFORTS FOR THE YEARS HE DULY SERVED AS AN ENFORCEMENT OFFICER.

H. R. NO. 13-100: A HOUSE RESOLUTION TO CONGRATULATE POLICE CAPTAIN EDWARD A. CEPEDA ON HIS RETIREMENT FROM THE DEPARTMENT OF PUBLIC SAFETY AND TO COMMEND HIS EFFORTS FOR THE YEARS HE DULY SERVED AS AN ENFORCEMENT OFFICER.

H. R. NO. 13-101: A HOUSE RESOLUTION TO CONGRATULATE POLICE CAPTAIN JOHANNES S. NGIRAIBUCH ON HIS RETIREMENT FROM THE DEPARTMENT OF PUBLIC SAFETY AND TO COMMEND HIS EFFORTS FOR THE YEARS HE DULY SERVED AS AN ENFORCEMENT OFFICER.

Speaker Hofschneider: Adoption motion has been seconded for the adoption of H. R. NO. 13-096, H. R. NO. 13-097, H. R. NO. 13-098, H. R. NO. 13-099, H. R. NO. 13-100 and H. R. NO. 13-101. Discussion on any of the resolutions?

Several members voiced, "ready."

There was no discussion, and the motion to adopt H. R. NO. 13-096, H. R. NO. 13-097, H. R. NO. 13-098, H. R. NO. 13-099, H. R. NO. 13-100 and H. R. NO. 13-101 was carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, I move for the adoption of H. J. R. NO. 13-019, H. J. R. NO. 13-020, H. J. R. NO. 13-021 and H. J. R. NO. 13-022.

The motion was seconded.

H. J. R. NO. 13-019: A HOUSE JOINT RESOLUTION TO REQUEST THE CNMI OFFICE OF THE ATTORNEY GENERAL TO WORK IN COLLABORATION WITH THE DIVISION OF ENVIRONMENTAL QUALITY (DEQ) AND THE COMMONWEALTH UTILITIES CORPORATION (CUC) IN PLANNING AND DEVELOPING A PLAN OF ACTION TO INVESTIGATE COST INCURRED TO THE COMMONWEALTH AS A RESULT OF PHENYLCHLORINATED BIPHENYLS (PCB), DIOXIN, VINYL CHLORIDE, BENZENE, ETHYLBENZENE, DICHLOROETHYLENE,

MERCURY, NITRITES, OTHER HEAVY METALS AND CHEMICALS OF CONCERN. IN ADDITION, THE AFOREMENTIONED OFFICE AND AGENCIES ARE TO WORK TOGETHER TO SECURE ALL THE NECESSARY MEASURES TO FURTHER INVESTIGATE AND IDENTIFY THE PRESENCE AND LEVELS OF SUCH HAZARDOUS CHEMICALS WITHIN OUR SOIL AND GROUNDWATER WELLS. AND FINALLY, TO SECURE ALL NECESSARY MEASURES TO RECOVER THESE COSTS FROM THE APPROPRIATE PARTY(IES).

H. J. R. NO. 13-020: A HOUSE JOINT RESOLUTION SUPPORTING PRESIDENT GEORGE W. BUSH, PRESIDENT OF THE UNITED STATES OF AMERICA AND THE PEOPLE OF THE UNITED STATES IN THE FIGHT AGAINST TERRORISTS ON THE HOME FRONT AND THROUGHOUT THE WORLD.

H. J. R. NO. 13-021: A HOUSE JOINT RESOLUTION EXTENDING APPRECIATION AND COMMENDING MR. MATTHEW (MATT) D. KAYE FOR HIGH QUALITY REPORTING AND MEDIA COVERAGE OF ISSUES AFFECTING THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

H. J. R. NO. 13-022: A HOUSE JOINT RESOLUTION REQUESTING THE COMMONWEALTH UTILITIES CORPORATION AND THE COMMONWEALTH DEVELOPMENT AUTHORITY TO ASSIST THEIR ROTA CUSTOMERS AND BORROWERS IN THEIR RECOVERY FROM SUPER TYPHOON PONGSONA BY DEFERRING THEIR PAYMENTS ON CUC AND CDA ACCOUNTS UNTIL MARCH 31, 2003.

Speaker Hofschneider: Motion for the adoption of H. J. R. NO. 13-019, H. J. R. NO. 13-020, H. J. R. NO. 13-021 and H. J. R. NO. 13-022 has been seconded. Discussion on any of the House Joint Resolutions?

Several members voiced, "ready."

There was no discussion, and the motion to adopt H. J. R. NO. 13-019, H. J. R. NO. 13-020, H. J. R. NO. 13-021 and H. J. R. NO. 13-022 was carried by voice vote.

Speaker Hofschneider: Motion carried. We shall take a moment and present the resolutions. Short recess.

The House recessed at 10:44 a.m.

RECESS

The House reconvened at 11:04 a.m.

Speaker Hofschneider: We're back to our session and with no objection, I would like to proceed with the Bill Calendar.

There being no objection; the House went down to Bill Calendar.

BILL CALENDAR

Speaker Hofschneider: Item 16, Bill Calendar for placement on today's calendar. Floor Leader.

Floor Leader Attao: *Un momento, Mr. Speaker.*

Rep. S. Torres: Mr. Speaker, can we go to House Communications for a short period?

Speaker Hofschneider: We'll go back to House Communications once we place the bills on the Calendar. Floor Leader?

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, I move to place the following House Bills on today's calendar. H. B. NO. 13-235, H. B. NO. 13-236, H. B. NO. 13-237, H. B. NO. 13-238 and H. B. NO. 13-239.

The motion was seconded by Rep. Babauta.

Speaker Hofschneider: Could you rephrase that and exclude H. B. NO. 13-239? We need the committee to look at it.

Floor Leader Attao: Thank you, Mr. Speaker. Subsidiary motion to delete H. B. NO. 13-239, so move.

The motion was seconded.

Speaker Hofschneider: Main motion is for the placement of the following House Bills: H. B. NO. 13-235, H. B. NO. 13-236, H. B. NO. 13-237, H. B. NO. 13-238 and H. B. NO. 13-239 with a subsidiary motion to exclude H. B. NO. 13-239 has been seconded. Discussion on the subsidiary motion?

There was no discussion, and the motion was carried by voice vote.

Speaker Hofschneider: Motion carried. Ready for the question on the placement of the following bills: H. B. NO. 13-235, H. B. NO. 13-236, H. B. NO. 13-237, H. B. NO. 13-238? Discussion?

Several members voiced, "ready."

There was no discussion, and the motion to place H. B. NO. 13-235, H. B. NO. 13-236, H. B. NO. 13-237, H. B. NO. 13-238 on the calendar was carried by voice vote.

Speaker Hofschneider: Motion carried. The following bills are hereby placed on today's calendar for action and by request we go back to House Communications and recognize Representative Stanley Torres.

HOUSE COMMUNICATIONS

HSE. COMM. 13-36: Rep. Seman's trip report for November 17-19, 2002.

HSE. COMM. 13-37: Rep. Stanley Torres' privileged statement of 11/27/02 re. H. B. NO. 13-225.

HSE. COMM. 13-38: From Chairman Stanley Torres, W&M, submitting the names of members to serve on the Special Committee to review H. B. NO. 13-33, as amended.

Rep. S. Torres: Mr. Speaker, this is related to the previous session regarding Mr. Efrain Camacho's interest to purchase Verizon. I'd like to deliver a short speech. This statement is going to be forwarded to the Chairman of FCC in Washington, DC and I'd like to deliver it to make it an official statement from the House.

Floor Leader Attao: Point of information, Mr. Speaker.

Speaker Hofschneider: State your point.

Floor Leader Attao: Before he delivers that statement, I strongly recommend that he provide copies to the members.

Speaker Hofschneider: Proceed.

Rep. S. Torres: Mr. Speaker and Colleagues, I am making this privileged speech to you and to the Federal Communications Commissions in Washington, D.C. in support of Mr. Efrain F. Camacho's intent and proposition to purchase MTC Inc. dba, Verizon Micronesia/Verizon Pacifica. I do so because of its utmost importance to our security, our future and to our people. I have uncovered another proceeding which convincingly demonstrates that the proposed takeover of the Verizon in the CNMI by PTI should not be approved in the interest of our U.S. National security, and our public safety concerns. This matter raises other serious questions as to the character, the truthfulness and credibility of the purchasing party, PTI and its shareholders. In particular, the reliability of PTI's 20% shareholder, the Missouri Holdings, Inc. owned by Michael Kai Leung, is not just being found a Canadian citizen, is also a British National Overseas citizen in Hong Kong. Mr. Leung should also be thoroughly investigated by the FCC for his laborer abuses and labor law violations to his employees as an employer and owner of the Onwell Garment Manufacturing (Saipan) Ltd. Mr. Leung has been the major shareholder of the Onwell Garment factory since 1987, and has been sued in class action case by its employees for abuses for non-payment of wages and fenced locked-in, locked-out of employees after working hours, namely in CNMI, U.S. District Court in April, 1991, C/A 91-0014, in referenced to CNMI Labor Case No. 97-91. It is also worth nothing that Prospector Investment Holdings, Inc. owned by the Delegado's in the Philippines, which controls 50% of Pacific Telecom Inc. (PTI) is incorporated in Cayman Islands. Of all places, Mr. Speaker and colleagues, why the Cayman Islands? A known hub for money laundering. A known cave tolerating crook companies to hide their dirty millions. And why not in the Philippines? Is President Arroyo aware of this? I don't think so. If this whole telecom deal is one can of worms, Mr. Speaker and colleagues, then let me be the can opener. In closing, I ask for your attention and support of Mr. Efrain F. Camacho's venture and to our interest and to our own future generation's protection in communications. Thank you for your attention.

Speaker Hofschneider: Thank you. With that, Floor Leader, may we go back to Standing Committee Reports for the suspension and inclusion of S. C. R. NO. 13-064, S. C. R. NO. 13-065 and S. C. R. NO. 13-066?

There being no objection; the House went back to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

The Chair recognized the Floor Leader.

Floor Leader Attao: Hold on, Mr. Speaker.

Speaker Hofschneider: Everyone is given a copy. S. C. R. NO. 13-064 is relating to tourism. To regulate tour operators reference to H. B. NO. 13-153.

Floor Leader Attao: I don't have a copy of S. C. R. NO. 13-064, Mr. Speaker. Can I have a copy of S. C. R. NO. 13-066?

Speaker Hofschneider: Ready?

Floor Leader Attao voiced, "ready."

Speaker Hofschneider: May we have a suspension motion to include and to adopt S. C. R. NO. 13-064, S. C. R. NO. 13-065 and S. C. R. NO. 13-066?

Floor Leader Attao: Yes. Thank you, Mr. Speaker. Mr. Speaker, I move to place S. C. R. NO. 13-064, S. C. R. NO. 13-065 and S. C. R. NO. 13-066 on today's agenda.

The motion was seconded by Rep. Babauta.

Speaker Hofschneider: Suspension motion for the following Standing Committee Reports: S. C. R. NO. 13-064, S. C. R. NO. 13-065 and S. C. R. NO. 13-066 has been seconded. Discussion on the suspension motion?

Several members voiced, “ready.”

There was no discussion, and the motion to place S. C. R. NO. 13-064, S. C. R. NO. 13-065 and S. C. R. NO. 13-066 on the agenda was carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, I move for the suspension of Rule VII, Section 10 for the adoption of the following Standing Committee Reports: S. C. R. NO. 13-064, S. C. R. NO. 13-065 and S. C. R. NO. 13-066.

The motion was seconded and carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the adoption of S. C. R. NO. 13-063, S. C. R. NO. 13-064, S. C. R. NO. 13-065 and S. C. R. NO. 13-066.

The motion was seconded by Rep. Babauta.

S. C. R. NO. 13-063: Reporting on H. B. NO. 13-027, entitled, “To amend 6 CMC section 3156(a); and for other purposes. *Your Committee on Commerce recommends passage of the bill.*”

S. C. R. NO. 13-064: Reporting on H. B. NO. 13-153, entitled, “To amend 4 CMC § 2103 by giving the Marianas Visitors Authority the authority to regulate tour operators and tour guides; and for other purposes. *Your Committee on Tourism recommends that the bill be filed.*”

S. C. R. NO. 13-065: Reporting on H. L. I. NO. 13-002, entitled, “To amend Article XII, Section 3 of the NMI Constitution, to allow persons who are not of Northern Marianas descent to acquire leasehold interests in NMI lands of up to 75 years (including renewal rights); H. L. I. NO. 13-003, entitled, To amend Article XI, Section 5(c) of the NMI Constitution, to allow the Marianas Public Land Corporation to grant leasehold interest in public lands of up to 75 years; and H. L. I. NO. 13-004, entitled, “To amend Article XII, Section 3 of the NMI Constitution to allow persons who are not of NMI descent to acquire leasehold interests in NMI lands of up to 99 years. *Your Committee on Natural Resources recommends that the initiatives be filed.*”

S. C. R. NO. 13-066: Reporting on H. B. NO. 13-101, entitled, “To allow the Secretary of Commerce to appoint Ad Hoc Hearing Officers for all divisions; and for other purposes. *Your Committee on Commerce recommends the passage of the bill.*”

Speaker Hofschneider: Motion for the adoption of S. C. R. NO. 13-063, S. C. R. NO. 13-064, S. C. R. NO. 13-065 and S. C. R. NO. 13-066 has been seconded. Discussion on any of the Standing Committee Reports? May I ask the Vice Speaker to please rise?

At this time, Speaker Hofschneider stepped down from the dais; Vice Speaker Tenorio chaired the Floor and recognized Speaker Hofschneider.

Speaker Hofschneider: If anything that matters the most anywhere on this earth and anything that matters the most to culture, to people, to our existence, it is land. In reference to H. L. I. NO. 13-002, H. L. I. NO. 13-003 and H. L. I. NO. 13-004, these are all proposed legislative initiatives to amend Article XII and Article XI of the CNMI Constitution on land alienation provision. This committee report, S. C. R. NO. 13-065, is perhaps one of the best committee report not by its merits of how it was written, but by the fact that it exemplifies, it speaks, it shows the color and the essence of the Article XI and XII when pertains to the livelihood, the existence of the people who reside in the Commonwealth of the Northern Marianas. If you follow the committee report, it takes you back to the political status negotiations, it takes you back to the origin of the concept of land alienation, it takes you back to the insistence in retrospect of why the U.S. political status negotiators insisted upon the CNMI or Northern Marianas political status negotiator or member negotiators. Why they insisted in retrospect? They looked at the historical impact of people either through annexation, through the territorial clause or through statehood and, in particular, the state of Hawaii and the native Hawaiians are so relevant to the people that represented the U.S. government during the political status negotiation. It took some convincing by their insistence on the local representatives representing the people of the Commonwealth during the political status negotiation to accept the idea, but once they grasp the idea it took on a life of its own and meaning. In the committee report, it is etched as one of the fundamental provisions of the Covenant – land alienation – Section 805, if I'm not mistaken. This is one of the few fundamental provisions, fundamental policies of the Covenant that is a mutual consent provision, not a unilateral provision where one party may in fact have the authority under the Covenant agreement to amend, to delete, to do as they please. This section on 805 is one of those mutual provisions that one without the other mutually consenting can't be amended. In the Covenant and in the Constitution of the Northern Marianas it speaks of the obligatory insistence of land alienation for the first twenty-five years. We're coming close to that crossroad. Twenty-five years is almost up but it is a perennial -- not action -- but desire of a few that wants to change the Constitution in spite of the plain reading of the Covenant Section 805, in spite of the plain reading of the Constitution on Article XI and XII. Now we see three initiatives before this body, this Thirteenth Legislature House of Representatives and were referred to our good Chairman heading the Committee on Natural Resources. One cannot begin to understand and feel the life in your veins if you don't have any tangible history to it. Land alienation is not a new concept borne out of the Covenant negotiations. It was in existence and applied during the Trust Territory period. During the TT days land alienation was administered, enforced that only Micronesians can hold title to property. The late honorable Phillip Burton – who we consider the father and the champion of the Commonwealth concept in the Covenant – had the vision, the foresight and it took some time for us to grasp that idea. But now, having had a taste of what Phillip Burton had feared the most, that is, in the maturing stages of our development as community, socially, economically and politically, he feared that outside forces, money, may inundate, overwhelm the people in its maturing stages and may have to be landless and may have to find themselves seeking federal housing or some sort of housing because in the maturing stages it is understood that we have never historically, three-hundred years, we have never had the opportunity nor the empowerment to govern ourselves. Only up to 1976 that we started governing ourselves. So the maturing stages started in 1976. What it means to have property rights during the Spanish days, there's always someone making the authority, the decision even if you have historical familial connection to that property. The German days, the Japanese, it's the same.

Vice Speaker Tenorio: You have to wrap up, Representative Hofschneider.

Speaker Hofschneider: May I ask the ...

Floor Leader Attao: I yield.

Speaker Hofschneider: Yield. Thank you.

Vice Speaker Tenorio: So ordered. Continue.

Speaker Hofschneider: This issue of Article XII is not for this generation, not our generation to decide. It's the next generation to decide. If it serves them well, then they should keep it. If it not to their advantage economically, socially and politically then they should decide to do away with Article XII and Article XI. SEDC -- somewhat of a high breed governmental private sector role, almost an AD HOC Committee -- has always pushed the concept, the notion that economic development can be attributed, the decline itself can be attributed to several factors and one of the prominent factor or more pronounced factor is fee simple land alienation. They sent over to the House three legislations, House Legislative Initiatives, for the house to consider on behalf of the notion that the economic conditions of the Commonwealth may be revived, may be resuscitated through the concept of freeing up land alienation. But they fail to recognize certain factors that are outside our control. They fail to recognize that even the economic super powers -- Japan, Korea, the United States -- could not deal with the Asian economic crisis and then, the rippling effect affected economically speaking the global community. So no matter what we do, even if we remove Article XII completely of the Constitution if the environment for investment into the Commonwealth is not appropriate or healthy, then it's really meaningless. But to subject ignorance or to prey on ignorance is inexcusable in my book. When people are hurting economically and you see a window of opportunity to pry it further apart by dangling a carrot everyone is down right stricken economically in this community. But when you see a fellow person stumbling and falling down and then you come and put your foot on their necks and you dangle a carrot and ask do you want to get up? Do you want to get yourself out of the rut?—Amend Article XII. This is despicable. Indecent. This foolishness has to stop. Representative William Torres in the Second Constitutional Convention – the Second Constitutional Convention was the one responsible for extending up to fifty-five years for private property, private interest and forty-years maximum on public lands – eloquently pointed that to amend Article XI and Article XII on leasehold not on fee simple but on lengthening the term leasehold ... he eloquently articulated the virtue of Article XII and Article XI by stating that if you extend it to ninety-nine years or seventy-five then the whole meaning of Article XII and Article XI is completely out the window. The fact that cases over the years have been filed in our courts made it to the Federal Courts of Appeals and made it to the U.S. Supreme Court. During the heyday of prosperity – '89, '90, '91 and '92 – no one could care less about the clauses of leases. But when the purse was drying out, everyone, lawyers included, were thumbing through specifics of those lease terms and clauses. No one cared about culture, no one cared about their children's future. We occasionally hear instant millionaires in our community during the heyday, the economic boom. Now a lot of these leases have been terminated because they were hit hard. Good estimate will be more than 50% were speculative in nature and it drove the prices of real estate beyond the capability of the local people themselves. What transpires out of this? Hoards of qualified recipients hoarding public land homesteading program three thousand pending applicants. No one in the Commonwealth is landless. But we are equally responsible for wasting assets that speak of who we are as people historically. It speaks about our economic future; it speaks about our political landscape but we dare not say that we abuse ourselves. It's quite alright to let go of five hectares of family land and tell the kids, line up for homesteading program because it's your right, you're a Northern Marianas descent. Then we hear that with minimal development they turn around and sell it or lease it out. What hypocrisy. To understand the merit, to understand the virtue of Article XI and Article XII we need to look at ourselves retrospectively and to understand that we need to survive prospectively.

Vice Speaker Tenorio: Can I interrupt just one minute, Representative Hofschneider? I know the time is up but since this is a very important piece of legislation, I would like to ask the consensus of the members for him to continue until he finishes this, without objection.

There was no objection.

Vice Speaker Tenorio: Please continue.

Speaker Hofschneider: Thank you all, thank you Mr. Speaker. The business of lobbying to amend the Constitution, Article XI and Article XII you will not begin to fathom the pressures that mounts in any legislator, in any Legislature. I've been here eleven years and how often consistently they try to deal with each change of tide -- new members, vulnerable. They see them as ignorant. They don't understand what's

good because they're thinking was you took advantage. They're political animals. They're thinking about the livelihood, about campaign contributions. Well colleagues and people of the Commonwealth, if anything boils my blood, it's this issue. Why? The time will come when the merit of Article XI and Article XII will no longer serve us well. We don't know what the future holds but for us to get into a perceive time capsule and travel fifty years forward prospectively under the auspices of economic prosperity, economic development. All these hotels were built with the knowledge that Article XII and Article XI are in existence -- Coral Ocean Point, Nikko, Aqua, Kingfisher, the small business that were developed on properties with fifty-five year lease term, you name it. Even the banks set the limit at a thirty-year mortgage. And for us to believe that an investor will not consider a fifty-five years lease so we should extend it to seventy-five years is foolish thinking. If we allow ourselves to be subjected with this arrogance and continue preying on ignorance ... and it is so despicable that some of our own people have the view that it should be changed. Whether we like it or not, whether we really want to change Article XI and Article XII today with these three initiatives, we cannot. The Covenant speaks of an obligatory time period of twenty-five years. Until the twenty-five year comes, then we can tinker with it. But until then, we salute the efforts. But what I'm so concerned, so disturbed is our failure as people to live up to that obligation of protecting this forty-four square miles in Saipan, thirty-nine square miles in Tinian and thirty-three square miles in Rota doesn't grow. It's not growing. Population is growing, investment is growing. Comparatively speaking, the forces that influence the growth and the directions socially speaking, economically speaking and politically speaking are the very people advocating change in the Constitution. Why?—Because they can pull the plug and that's the carrot that they are dangling in front of innocent, ignorant Northern Marianas descent people. There has to be consideration in the future about remedies of third party innocent bystanders and perhaps after the twenty-five years relieving somewhat land alienation provision to allow some people that have called this place home to hold title to some property. But at the moment, honestly, it is so despicable to sit through the exercise and thank God that their own polls showed the temperament of the people is still intact. Thank God that the polls themselves -- and we provided that in the committee report showed -- that the people are still as ever desirous to protect and keep Article XI and Article XII. Economic development -- four hundred and fifty million went to these islands in three-year period during the real estate boom and no one cared to say you have to amend Article XI and Article XII. Wake up, wake up because time is running out. Thank you.

Vice Speaker Tenorio: Thank you, Representative Hofschneider. Any more discussion on S. C. R. NO. 13-065? I recognize Representative Arnold Palacios.

Rep. A. Palacios: Thank you, Mr. Speaker. Representative Hofschneider has eloquently a lot of the background and the issues of Article XI and Article XII. I would like, Mr. Speaker, at this time as Chairman of the Committee on Natural Resources to which these Legislative Initiatives were referred to give a summary on behalf of the committee. The Standing Committee on Natural Resources hereby submits its long awaited report, S. C. R. NO. 13-065 on H. L. I. NO. 13-002, H. L. I. NO. 13-003 and H. L. I. NO. 13-004. These proposals can be viewed as essentially two proposals. One, is to extend to either seventy-five or ninety-nine years the maximum leasehold interest that persons of none Northern Marianas descent may acquire in Northern Mariana Islands lands. Second, is to extend to seventy-five years the maximum leasehold interest that the CNMI government may give to private persons CNMI public lands. These proposed initiatives are written in a straight forward manner and quite decently. But they represent a major departure from the current constitutional frameworks that governs private land ownership and public land management. The members would surely agreed with the committee given our extreme scarce land resources the issue of land is perhaps the single most important issue to the local people in the Commonwealth of the Northern Mariana Islands. The recent survey conducted by the Strategic Economic Development Council confirms this. It was necessary therefore for the committee to take a step back to review the historical, political, cultural, economic, and public policy considerations that led to the adoption of Section 805 of the Covenant. That section as you know, directs the NMI government to restrict land ownership under NMI of persons of Northern Marianas descent. In light of these considerations, the committee also examined whether Article XI and Article XII are no longer justified and should either be repealed or otherwise eased up in an effort to improve the economy without jeopardizing the local peoples cultural anchor and that is their land. Section 805 is based on three overriding policy consideration. One, is the importance of land

ownership to the culture and traditions of the people of the Northern Marianas. Two, is the concern that the people of Northern Marianas must be protected against exploitation by outsiders. Three, is the goal to promote economic advancement and self sufficiency to the local people. Indeed, the United States wanted to prevent what had happened to the native Hawaiians as an example from taking place in the Northern Marianas. That is the indigenous people of the Northern Marianas would not become landless pawns of outside investors. The U.S. Congress also expressed concerns that local people might sell of their lands if there are no restrictions were imposed and then turn to the federal government for continued financial assistance. Our recent experience with land transactions on the first twenty-five years of our existence illustrates possibly the worst-case scenario envisioned by our founding fathers. But for Article XII the land transaction of the 1980's and 1990's would have resulted in the passing of titles of substantial chunks of properties to outsiders. However, because of Article XI and Article XII at the end of the leasehold terms held by an outsider the title of the lands must revert back to a person of Northern Marianas descent. This is the very protection that our founding fathers sought to achieve in drafting Section 805 of the Covenant and Article XII of our Constitution. I speak here proudly today as the son of those founding fathers who was steadfast and his determination to insure the greatest protection of NMI lands for the Northern Marianas people. After taking into account the numerous land transactions that took place in 1980's and 1990's your committee finds that the current maximum leasehold interest of fifty-five years provided presently under Article XII is more than reasonable for outside investors who wish to invest in the CNMI to recover their investment. The current maximum leasehold is much longer than a term, which a lending institution provides for fixed rate real estate mortgages. Such standard is usually thirty years. Article XII allows a term that is twenty-five years longer than the standard thirty-year term. Your committee also does not see a need to amend Article XI to enlarge maximum leasehold term for public lands. Our experience with outside investors who were willing to sign leases of twenty-five years with an option of fifteen-years demonstrate the reasonableness of the current provision, a basic policy consideration influenced the committee. Also, influenced the committee the need for the government to reserve sufficient public lands for future public purposes and needs. I emphasize again and the committee emphasizes the scarcity of our land resources here in the CNMI. With that, Mr. Speaker and fellow members, I ask for your support in adopting S. C. R. NO. 13-065. Thank you.

Rep. Babauta voiced, "ready."

Speaker Hofschneider: Ready. Representative Tebuteb.

Rep. Tebuteb: Thank you, Mr. Speaker. I do agree with what's been said that Article XI and Article XII on land matter... [*end of recording...beginning of recording*] ...we all die for, some were killed for. Here in our region, I for one, am very fortunate to still be here and lands are still around us. Before CNMI came into existence land matters were left to itself because everything were okay. All is well. Tom Clancy sums it up great to have horns in our soils, before and now. He said, Spanish came for God, Germans came for gold, Japanese came for glory and the Americans came for good. I would like to say that I make proud good American. The children of the CNMI had allowed this to happen because they were "powerless". I think, Mr. Speaker, you summed it up well. In 1976, it came to bear on these good children. Powerless or always powerful and of course that is to our good friends the U.S. and the Americans. We must protect these lands for our grandchildren. I believe we are only borrowers. We love to even make loans to date. *Yata ta fan ayao* from our next generations. Article XI and Article XII are good. Let's leave it. The economy then before this Articles were good. How do I know that?—Because we are the product of those economies. Our economy now – we have about one hundred twenty million receivables. We have billions in assets of money. Our land size will stay perhaps, except Northern Islands. Hopefully, it will expand. With due respect to the sponsors of these initiatives, I must say no. We owe it to our forefathers, our Covenant negotiators, our children, and children's children to file these initiatives. Thank you, Mr. Speaker.

Speaker Hofschneider: Thank you. Ready for the question?

Several members voiced, "ready."

There was no further discussion, and the motion to adopt S. C. R. NO. 13-063, S. C. R. NO. 13-064, S. C. R. NO. 13-065 and S. C. R. NO. 13-066 was carried by voice vote.

Speaker Hofschneider: There was a single motion for the adoption of S. C. R. NO. 13-063, S. C. R. NO. 13-064, S. C. R. NO. 13-065 and S. C. R. NO. 13-066 and, for the record, those committee reports have been adopted by the House.

Rep. Babauta: So noted.

Floor Leader Attao: Another motion on the Standing Committee Report, Mr. Speaker. I move to recommit S. C. R. NO. 13-047 to the Committee on Ways and Means.

The motion was seconded.

Speaker Hofschneider: Motion by the Floor Leader to recommit S. C. R. NO. 13-047 relative to the User Fee, H. B. NO. 13-158 to the Committee on Ways and Means has been seconded. Discussion on the motion?

Several members voiced, "ready."

The Chair recognized Representative Stanley Torres.

Rep. S. Torres: Mr. Speaker, I move for subsidiary motion to accept S. C. R. NO. 13-047 for proper disposition on the calendar.

Speaker Hofschneider: Any second to the motion?

The motion was seconded by Rep. Ada.

S. C. R. NO. 13-047: Reporting on H. B. NO. 13-158, entitled, "To increase the user fee collected under 4 CMC § 1421 to 5% the gross value of merchandise which require the Department of Finance's certification for export from the Commonwealth.

Speaker Hofschneider: The main motion was to refer S. C. R. NO. 13-047 to the Committee on Ways and Means and a subsidiary motion made by Representative Torres has been seconded for the adoption of the Standing Committee Report. Discussion on the subsidiary motion?

Rep. Babauta: Clarification, Mr. Speaker.

Speaker Hofschneider: State your clarification.

Rep. Babauta: May we seek our legal counsel's advice on both motions – whether or not shall we dispose of the main motion and then go into...

Floor Leader Attao: The motion is in order.

Speaker Hofschneider: The motion is in order.

Rep. Babauta: Thank you.

Speaker Hofschneider: Discussion on the subsidiary motion? Representative Torres.

Rep. S. Torres: Mr. Speaker and members, my reason for moving for a subsidiary motion is to submit and introduce a floor amendment in lieu of House Draft 1, which is now being distributed.

Speaker Hofschneider: Is that in a form of a motion, Representative Torres?

Rep. S. Torres: Yes. So moved.

Floor Leader Attao: Mr. Speaker, I think the Chairman is out of order. He's offering his amendment and it should be discussed on the calendar and not on the committee report.

The Chair declared a short recess at 11:56 a.m.

RECESS

The House reconvened at 12:10 p.m.

Speaker Hofschneider: We're back to our session and we're discussing S. C. R. NO. 13-047. There was a main motion to refer S. C. R. NO. 13-047 to the committee with a subsidiary motion that was seconded to move for adoption and we're under discussion on the subsidiary motion. Ready?

Floor Leader Attao: Roll call, Mr. Speaker.

Speaker Hofschneider: We're taking the roll for the adoption of the Standing Committee Report on the User Fee. Clerk, roll call.

The roll called on the motion to adopt S. C. R. NO. 13-047 reference to H. B. NO. 13-158 is as follows:

Rep. Martin B. Ada	yes
Rep. Francisco DLG. Aldan	yes
Rep. Jesus T. Attao	no
Rep. Oscar M. Babauta	no
Rep. Gloria DLC. Cabrera	yes
Rep. Pedro P. Castro	no
Rep. Joseph P. Deleon Guerrero	yes

Speaker Hofschneider: He's excused – conflict of interest.

Rep. Arnold I. Palacios	excused
Rep. Herman T. Palacios	excused
Rep. Norman S. Palacios	no
Rep. Daniel O. Quitugua	yes
Rep. Andrew S. Salas	yes
Rep. Benjamin B. Seman	no
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	no
Rep. Stanley T. Torres	yes
Rep. William S. Torres	no
Rep. Heinz S. Hofschneider	yes

Speaker Hofschneider: By a vote of 9 “yes”, 7 “no” S. C. R. NO. 13-047 is hereby adopted by the House. Under Bill Calendar.

BILL CALENDAR

Floor Leader Attao: Mr. Speaker, just a point of information.

Speaker Hofschneider: Yes.

Floor Leader Attao: On the \$19 million bill there's also a provision there that stipulated 5% under § 1421 to be taken out on the user's fee. Is that in addition to the one that we just adopted?

Speaker Hofschneider: No. The schedule is increasing it from 3.7 to 5%.

Floor Leader Attao: That's the Standing Committee Report right? Now H. B. NO. 13-237 under Section 4, it earmarks 5% additional on the user fee.

Speaker Hofschneider: No.

Floor Leader Attao: Yes.

Speaker Hofschneider: No. § 1421 is increasing 3.7% to 5% to pay for the \$19 million. Increasing the user fee schedule from 3.7% to 5%.

Floor Leader Attao: So you mean to say, Mr. Speaker...

Speaker Hofschneider: It's consistent. Whichever goes first, the maximum imposable fee will be 5% regardless of which bill. It's not a compounding additive.

Floor Leader Attao: Yes. So what I'm saying is if this is a combination of the 1.3% and 3.7% and that would be taken out from H. B. NO. 13-237. Is that correct?

Speaker Hofschneider: You're confusing yourself.

Floor Leader Attao: No really.

Speaker Hofschneider: You are confusing yourself. You don't add the two bills. They're independent of each other.

Floor Leader Attao: No. Under § 1421, Mr. Speaker, there's a 5%.

Speaker Hofschneider: Right. § 1421 has to do with the imposable tax or the user fee, which is 3.7%. The language provided in the \$19 million is to raise it from 3.7% to 5%, which is the 1.3% increase.

Floor Leader Attao: I'm just raising this, Mr. Speaker, because when we go down to Bill Calendar this section is to be discussed and I'm just raising this question as to whether or not the 5% is...

Speaker Hofschneider: We are essentially out of order here. Let's act on the bill and discuss it on the floor.

Floor Leader Attao: I'm just pointing this thing out, Mr. Speaker.

Speaker Hofschneider: We're out of order.

Floor Leader Attao: Oh. We're out of order?

Speaker Hofschneider: Yes. Let's act on the bill. Motion to place it on the floor for discussion.

Floor Leader Attao: Okay. Mr. Speaker, I move for the suspension of Rule VII, Section 10, Rule IX, Sections 9, 10 and 11 for the passage of H. B. NO. 13-235, H. B. NO. 13-236, H. B. NO. 13-237 and H. B. NO. 13-238 on First and Final Reading.

The motion was seconded.

Speaker Hofschneider: Suspension motion for the passage on First and Final Reading on H. B. NO. 13-235, H. B. NO. 13-236, H. B. NO. 13-237 and H. B. NO. 13-238 has been seconded. Discussion on the suspension motion? Representative Torres.

Rep. S. Torres: I'd like to move to add H. B. NO. 13-158 on that listing.

Speaker Hofschneider: By virtue of our Rules it is automatically place on the calendar by adopting the committee report.

Rep. S. Torres: I'm just making it sure.

Speaker Hofschneider: Suspension motion has been seconded. Discussion on the suspension motion?

Several members voiced, "ready."

There was no discussion, and the motion was carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I now move for the passage of H. B. NO. 13-237 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-237: A BILL FOR AN ACT TO AUTHORIZE THE DEPARTMENT OF FINANCE TO SECURE DEBT IN AN AMOUNT NOT TO EXCEED \$19,000,000 TO PAY TAX REBATES AND REFUNDS CURRENTLY OWING TO THE TAXPAYERS OF THE COMMONWEALTH; AND FOR OTHER PURPOSES.

Speaker Hofschneider: The motion for the passage of H. B. NO. 13-237 on First and Final Reading has been seconded. Discussion on the bill?

Floor Leader Attao: Mr. Speaker?

Speaker Hofschneider: Yes, Floor Leader?

Floor Leader Attao: I move to resolve into Committee of the Whole so that we can invite the Secretary of Finance and the Directors under the Department of Finance so that we can ask them questions.

The motion was seconded by Rep. Babauta.

Speaker Hofschneider: The motion to dissolve into Committee of the Whole has been seconded. Discussion on the motion?

Several members voiced, "ready."

There was no discussion, and the motion to dissolve into Committee of the Whole was carried by voice vote.

Speaker Hofschneider: We're under Committee of the Whole.

The House went into Committee of the Whole at 12:13 p.m.

COMMITTEE OF THE WHOLE

The House returned to plenary session at 1:03 p.m.

Speaker Hofschneider: We're back to our plenary session. We'll take a short recess for lunch and we'll be back by 2:30 p.m. Short recess.

The House recessed at 1:03 p.m.

RECESS

The House reconvened at 3:06 p.m.

Speaker Hofschneider: We are back in session and under discussion of H. B. NO. 13-237, To authorize the Department of Finance to secure debt in an amount not to exceed \$19,000,000 to pay tax rebates and refunds currently owing to the taxpayers of the Commonwealth; and for other purposes. Any further discussion on the bill? Representative Babauta.

Rep. Babauta: Thank you, Mr. Speaker. Mr. Speaker, I applaud the Chair for sponsoring the legislation to enable our recipients that hopefully before Christmas their refunds and rebates will be out. But one basic clarification or any information if any of the members knows as to how much the Commonwealth actually is valued at the present time as far as Article X, Section 4 of the Constitution? Is it valued less than \$19 million, over \$19 million? Just for discussion purposes, Mr. Speaker.

Speaker Hofschneider: I guess – when was the last appraisal done? Bob, just off the...

Bob Shrack: When the PSS bond was issued, we address that. There has been no general assessment of CNMI property. We used the 1995 census value of unoccupied homes plus we assessed that added valuation of their property, and we used the autonomous agencies property, mainly CPA and CUC and that totaled to \$1.5 billion. So 10% of that is \$150 million. Now we have about \$80 million outstanding, so that we have about \$70Million – just to come up with a level that we've identified.

Speaker Hofschneider: Thank you. Continue.

Rep. Babauta: Thank you, Mr. Speaker. That information is vital if there's a question that -- the intent is very well-versed on the bill. I'm just concerned that we might probably be exceeding what we're trying to authorize the Commonwealth government to incur public debt beyond the \$150 million. Earlier, Mr. Speaker, our consultant or rather advisors on figures during the Committee of the Whole have yet to receive any concrete guidance from the members or for primarily as an author whether or not page 3, Section 5 (b) is still warranted in the bill itself.

Speaker Hofschneider: Well, this is written by the Administration and purports to be in compliance with what Bank of Guam insisted on. If you have any other technical substitute, please offer it.

Rep. Babauta: Mr. Speaker, at this time I have no technical substitute to offer. I'm just sharing a concern that was raised by Mr. Palacios. With that, Mr. Speaker, my last concern is on page 3, Section 4 (c). As we all know we just adopted S. C. R. NO. 13-047 that have to do with the user fee and definitely the House will be acting upon H. B. NO. 13-158 this afternoon. With that, Mr. Speaker, I wish and move to offer an oral floor amendment on line 11 starting on the word "and" after the words "1301 *et seq.*" "and of any increase in the revenue collected under 4 CMC § 1421 which is hereby amended by increasing the percentage assessed to 5%" I move to delete that entire sentence, Mr. Speaker. So moved.

The motion was seconded by Floor Leader Attao.

Speaker Hofschneider: An oral floor amendment that's been offered by Representative Babauta to strike out line 11, reference to the increase in user fee on Section 4 (c), page 3 has been seconded. Discussion on the oral floor amendment?

Floor Leader Attao: Ready on the oral floor amendment.

Speaker Hofschneider: May I ask the indulgence of the members to allow me to deliberate on the chair?

There was no objection.

Speaker Hofschneider: Before we went into a recess for lunch, I asked the key people from the Administration, namely Pam Brown and Robert Schwalbach, to bring back the message to the Governor that the new language added on, which is now on floor being discussed and that is to increase the user fee to further enhance the security of such an undertaking of \$19 million. A few minutes ago, I met with them in my office and the position of the Administration is that they do not think that any addition to what Bank of Guam is asking is appropriate. No more, no less – in their words – and that's fine. That's is their position. But what we are charge here is separation of branches. Let's not kid ourselves. This legislation is written by the Administration in cooperation and we are willing to look at ways to satisfy the people that we owe refunds and rebates. I have the desire to fill that request from the Governor. But I will not, I will not allow this bill to go without that amendment. I am prepared to tell the people that we owe refunds and rebates that from a financial standpoint without additional security, it is not in my conscience to allow this to go through. I want the media to very clearly quote that if this bill is amended and it goes down in defeat I am responsible, totally responsible for not giving them for Christmas their refunds and rebates because there's a greater picture to this. We heard before lunch the Department of Finance – there is a degree of uncertainty, that we are unable to meet our current obligations and to further enhance that obligation, liability is beyond me. Financially speaking – yes. I'm saying to the people we owe the refunds and rebates, I'm sorry, that if this amendment is stricken out by Representative Babauta, and then I'm saying that I would rather see that the bill is killed. And yes refunds and rebates will not be forthcoming this Christmas because this \$19 million loan cannot be substantiated with our current state of affairs. Our current ability – no. Our Governor is concern that the financial impact, economic impact on raising the user fee is potentially impacting on the general welfare on the garment industry and therefore the revenue of the Commonwealth. I agree with the contention. Yes, I would rather say to the people that we owe the refunds and rebates – yes, I am responsible and we are all responsible for killing the bill, which we cannot justify. Borrowing with no added security ... we have a \$60 million obligation for the Capital Improvement Project matching. We have another \$50 million obligation for PSS bond. So, I'm going to ask you, if you vote for the amendment, then lets kill the bill. I'm asking you all -- let that be clear. Increasing the user fee will impact the profitability of the current industry in the garment. But it is quite different from obligating the same taxpayers to pay for a \$19 million undertaking to pay the refunds and rebates. Have we run out of intelligence that this is the only way to do it - - creativity? Before we vote, I'm going to ask you again if we vote for the amendment offered by Representative Babauta to strikeout the user fee provision in the bill, then let's vote and kill the bill in its entirety. Because if there is a poll today, if you're scared about political consequences of your action killing the \$19 million, don't be afraid because there's a lesson to be learned here – better management of our

resources. Are we ready to vote? If we're voting for the amendment and it passes, then I'm asking you let's kill the \$19 million.

The Chair recognized the Vice Speaker.

Vice Speaker Tenorio: Thank you, Mr. Speaker. Mr. Speaker, with all due respect to your comments. Just before Bob Shrack and the Secretary of Finance left – because I want to pose a question that's why I kept asking the question whether or not provisions (a) and (b) of H. B. NO. 13-237 is sufficient for collateral for the public indebtedness. The answer, Mr. Speaker, was yes. He came over here and told me that they looked at this very carefully and they are the experts. That's why we called them in to ask them questions to respond and their respond was yes. I might be wrong, Mr. Speaker, but if Bob Schrack is still there, I'd like to move that we go into Committee of the Whole and ask him to come over here and say so under oath because this is driving this Legislature apart. The user's fee is not – I for one support H. B. NO. 13-237 in the form that it was submitted by the Governor's Office for the \$19 million. *Ni uno na Lehislatura malagu na u kontra este para i publiko i \$19 million. Taya guine bababa i luña. Tododu ha man piniti ni taotaota guenao huyong.* We all have our hearts to get the \$19 million out and give it to the people that deserve their rebates for so long and we're not i---- here to look at this thing when the Governor came in and say listen I sent my best people out to you ladies and gentlemen. We questioned them and their response is that they have looked at this bill and they recommend its passage in the form that the Governor sent here because it was adequate to address the problem that we're addressing here and that's the \$19 million. I don't know who's the expert here, I'm no expert, don't ask me about accounting. But the issue on the user's fee is not ended. We have just approved to debate now on the issue of the user's fee. That's a different issue altogether. Recently, Mr. Speaker, we passed a .42% increase in excise tax. That increase affected everybody including the garment factory and that was passed to address the issue of the dump. I want to bring this out to clarify what are we doing here because it bothers me. I have people out there that put me in this responsible position to debate and think for them. I am for the people. I want to act on their behalf for their own benefit. That's why we are here and not to play tricks and insert something that's not there in the first place. I am not an expert and I don't know who is an expert here that can tell me that you do need this when they told us here, Mr. Speaker, that they don't. I ask the reason because I want clarification for me to honestly vote my conscience. And I cannot vote my conscience when I'm not convinced that there are certain provisions here that might throw this thing out and make it not feasible. H. B. NO. 13-158, which we just adopted for discussion – we have not even done away with that bill. We're putting this thing, it's preempting our decision on that bill. We haven't thoroughly discussed it and if that is passed, that should take care of this because that would be another revenue to the government. But if we're wrong and it has an adverse impact then we're all to be blamed. So I ask each and every one of you to please -- Mr. Speaker, we can still pass this in its form with the amendment. According to the experts that just finished talking to us here today, they said this would suffice to pay for the \$19 million. If we don't trust the expert people that work for us then they have to be fired or what. We can't just ask people to come here and say look we asked you here to tell us what is right in this respect. How do we make our decision? We asked them questions and they respond to the questions and then we tell them well never mind your answers. We don't need your advice. That's pretty insulting to me, Mr. Speaker. But when I asked the question, their response was that the provisions under the bill that was submitted by the Governor were sufficient to address the rebates of \$19 million, their answer was yes. I think Congressman Babauta should not be blamed for making an amendment to this bill. He has his own right to do that and he should not be blamed. Thank you.

Speaker Hofschneider: Who's blaming? Short recess.

The House recessed at 3:27 p.m.

RECESS

The House reconvened at 5:48 p.m.

Speaker Hofschneider: We're back to our session and under Bill Calendar we're discussing H. B. NO. 13-237. I'd like to ask that we suspend discussion on H. B. NO. 13-237 and move back to Senate Communications. No objection?

There was no objection.

Speaker Hofschneider: Floor Leader, motion to suspend discussion on H. B. NO. 13-237.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the suspension under discussion of H. B. NO. 13-237.

The motion was seconded.

Speaker Hofschneider: Motion to suspend discussion under Bill Calendar on H. B. NO. 13-237 has been seconded. Discussion?

There was no discussion, and the motion to suspend discussion on H. B. NO. 13-237 was carried by voice vote.

Speaker Hofschneider: Motion carried. We go back to Senate Communications.

The House went back to Senate Communications.

SENATE COMMUNICATIONS

The Chair recognized the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, I move for the acceptance SEN. COMM. 13-117, SEN. COMM. 13-118, SEN. COMM. 13-119, SEN. COMM. 13-120, SEN. COMM. 13-121, SEN. COMM. 13-122, SEN. COMM. 13-123 and SEN. COMM. 13-124.

The motion was seconded by Rep. Babauta.

SEN. COMM. 13-117 – Return of H. B. NO. 13-226 (Tobacco Settlement Expenditure Fund), which the Senate passed without amendment on November 27, 2002. [Before the Governor]

SEN. COMM. 13-118 – Return of H. B. NO. 13-228 (Interim Land Compensation Financing), which the Senate passed without amendment on November 27, 2002. [Before the Governor]

SEN. COMM. 13-119 – Return of H. J. R. NO. 13-019 (\$19M for payment of tax rebates and refunds), which the Senate passed without amendment on November 27, 2002. [For inf.]

SEN. COMM. 13-120 – Transmittal of S. B. NO. 13-113, entitled, “A Bill for an Act to amend Division 4, title 4 of the Commonwealth Code to add a new Part adopting the Uniform Limited Liability Company Act (1996), as drafted by the National Conference of Commissioners on Uniform State Laws and by it approved and recommended for enactment in all states at its annual conference meeting in San Antonio, Texas July 12-July 19, 1996; and for other purposes,” which the Senate passed on November 27, 2002. [For action]

SEN. COMM. 13-121 – Transmittal of S. B. NO. 13-114, entitled, “A Bill for an Act to amend Section 4(a) of Public Law 13-1 to clarify the definition of the ‘Office of the Governor’, to repeal Section 5 of Public Law 13-1 and to re-enact a new Section 5 that clearly delineates the transition process whereby those employees affected by Public Law 13-1 may avail themselves of the protections and increased

transition benefits proved for herein; and for other purposes,” which the Senate passed on November 27, 2002. [For action]

SEN. COMM. 13-122 – Return of H. B. NO. 13-200, CUC FY 2003 Budget, which the Senate passed without amendment on November 27, 2002. [Before the Governor]

SEN. COMM. 13-123 – Return of H. B. NO. 12-202, HS1, re Increase Tax: Alcohol & Tobacco; Smoking Restriction, which the Senate passed without amendment on November 27, 2002. [Before the Governor]

SEN. COMM. 13-124 – Return of H. B. NO. 13-216, Solid Waste Management Revolving Account Act of 2002, which the Senate pass on November 27, 2002 in the form of *H. B. NO. 13-216, SD1*. [For action on Senate amendment]

There was no discussion, and the motion to accept SEN. COMM. 13-117, SEN. COMM. 13-118, SEN. COMM. 13-119, SEN. COMM. 13-120, SEN. COMM. 13-121, SEN. COMM. 13-122, SEN. COMM. 13-123 and SEN. COMM. 13-124 was carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I now move for the passage of SEN. COMM. 13-124 reference to H. B. NO. 13-216 as amended by the Senate.

The motion was seconded.

Speaker Hofschneider: Motion for the acceptance on the Senate amendment on H. B. NO. 13-216 in the form H. B. NO. 13-216, SD1 has been seconded. Discussion on the Senate amendment?

Several members voiced, “ready.”

Speaker Hofschneider: Motion carried. Clerk, roll call.

The roll called on the motion to accept the Senate amendment on H. B. NO. 13-216 is as follows:

Rep. Martin B. Ada	yes
Rep. Francisco DLG. Aldan	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	no
Rep. Gloria DLC. Cabrera	yes
Rep. Pedro P. Castro	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Arnold I. Palacios	yes
Rep. Herman T. Palacios	excused
Rep. Norman S. Palacios	yes
Rep. Daniel O. Quitugua	yes
Rep. Andrew S. Salas	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Rep. Heinz S. Hofschneider	yes

Speaker Hofschneider: By a vote of 16-1, H. B. NO. 13-216, SD1, the Environmental Beautification Tax is hereby passed by the House and accepted the Senate amendment. For the record, may I point your attention to SEN. COMM. 13-122 and SEN. COMM. 13-123 and in reference to those communications look at communications from Department & Agencies, Item 10. On DEPT. & AGENCY COMM. 13-92 and DEPT. & AGENCY COMM. 13-93 those two bills became Public Law 13-35 and Public Law 13-36 without the Governor's signature. So H. B. NO. 13-107, SD1 became Public Law 13-36 and H. B. NO. 13-107, SD1 became Public Law 13-35. I believe we did not dispose of the House Joint Resolution. Am I right? We did?

Floor Leader Attao: Yes.

Speaker Hofschneider: Thank you. I stand corrected.

COMMUNICATIONS FROM DEPARTMENT & AGENCIES

DEPT. & AGENCY COMM. 13-90 – December 4, 2002 - From Acting SAPLR Nace Soalablai, acknowledging receipt of H. J. R. NO. 13-018, HD2.

DEPT. & AGENCY COMM. 13-91 – December 4, 2002 - From Acting SAPLR Nace Soalablai, acknowledging receipt of H. R. NO. 13-95.

DEPT. & AGENCY COMM. 13-92 – December 10, 2002 – From Acting SAPLR Nace Soalablai, informing the Legislature that H. B. NO. 13-106, SD1 (re CUC-CDA Loan and Interest Waiver) became law (**Public Law No. 13-35**) on December 10, 2002, without the Governor's signature.

DEPT. & AGENCY COMM. 13-93 – December 10, 2002 – From Acting SAPLR Nace Soalablai, informing the Legislature that H. B. NO. 13-107, SD1 (re To effectuate CUC-CDA Memorandum of Agreement, CUC debt payment), became law (**Public Law No. 13-36**) on December 10, 2002, without the Governor's signature.

DEPT. & AGENCY COMM. 13-94 – November 26, 2002 – From Chairperson Ada Demapan-Castro, MPLA, with regards to the appointment of Mr. Henry S. Hofschneider as MPLA Commissioner and Mr. Frank M. Eliptico as MPLA Deputy Commissioner.

DEPT. & AGENCY COMM. 13-95 – November 14, 2002 – From CSC Chairman Vicente M. Sablan, re constitutional issues raised by PL 13-1.

DEPT. & AGENCY COMM. 13-96 – December 2, 2002 – From Public Auditor Mike Sablan, submitting Report on CNMI Agencies' Implementation of Audit Recommendations as of June 30, 2002.

DEPT. & AGENCY COMM. 13-97 – November 15, 2002 – From Acting Commissioner Hofschneider, MPLA, to CPA Executive Director Carlos Salas, re supporting CPA's request to use public land in Puerto Rico for port expansion.

DEPT. & AGENCY COMM. 13-98 – November 19, 2002 – From MPLA Acting Commissioner Hofschneider, submitting Kan Pacific Saipan, Ltd.'s request for a 15-year lease extension.

DEPT. & AGENCY COMM. 13-99 – November 21, 2002 – From DLNR Secretary Pangelinan to the Governor, re support for a creation of a task for to conduct inspections on government lands leased for farming.

DEPT. & AGENCY COMM. 13-100 – November 27, 2002 – Commonwealth Register, Vol. 24, No. 11, proposed rules and regulations for Cash Receipts, Poker, Wastewater Treatment and Disposal, Poker Emergency Rules.

DEPT. & AGENCY COMM. 13-101 – November 25, 2002 – From NMI Retirement Fund Administrator Karl Reyes re the election of Mr. Joseph C. Reyes as Chair, NMI Board of Trustees.

DEPT. & AGENCY COMM. 13-102 – November 25, 2002 – From CEC Executive Director Sablan, re an amendment to the Lobbying Disclosure Act.

DEPT. & AGENCY COMM. 13-103 – November 25, 2002 – From NMC Regents Chair Vincent J. Seman, re removal of authorized FTEs.

DEPT. & AGENCY COMM. 13-104 – November 26, 2002 – From CAO Special Assistant Victorino Igitol commenting on H. B. NO. 13-114.

DEPT. & AGENCY COMM. 13-105 – November 27, 2002 – From DLNR Secretary Pangelinan re H. B. NO. 13-114.

DEPT. & AGENCY COMM. 13-106 – November 2, 2002 – From Major Claudio Norita, re Proclamation of December as 3D Month.

DEPT. & AGENCY COMM. 13-107 – December 5, 2002 – From Public Health Secretary James Hofschneider, re Medical Referral Program – Family Escorts.

There was no discussion.

OTHER COMMUNICATIONS

MISC. COMM. 13-85 – November 29, 2002 – From Ms. Frances Muña, Administrative Officer, SNIMC, transmitting certified copies of 7SMC-4RS-48, 7SMC-4RS-49, 7SMC-4RS-50 and 7SMC-4RS-51.

MISC. COMM. 13-86 – November 29, 2002 – From Ms. Frances Muña, Administrative Officer, SNIMC, transmitting certified copies of 7SMC-4RS-52 thru 7SMC-4RS-63.

MISC. COMM. 13-87 – November 14, 2002 – From Mr. Efrain F. Camacho, re purchase of Verizon.

MISC. COMM. 13-88 – December 2, 2002 – From Palau President Tommy E. Remengesau, Jr., seeking assistant for an appropriate facility on Capitol Hill to serve as the Palau consulate Office.

MISC. COMM. 13-89 – December 5, 2002 – From W&M Chairman Okada Techitong, Palau National Congress, re invitation to meet with the Palau National Congress on issues of common interest.

There was no discussion.

Rep. W. Torres: Mr. Speaker, if there's no objection, can we go back to Messages from the Governor.

There being no objection; the House went back to Messages from the Governor.

MESSAGES FROM THE GOVERNOR

GOV. COMM. 13-364 – November 25, 2002 – Informing the Legislature that he signed S. B. NO. 13-11, HS1, the NMI National Guard Act, into **Public Law No. 12-32**.

GOV. COMM. 13-365 – November 29, 2002 – Informing the Legislature that he signed H. B. NO. 13-195, (Allowing quarterly payment of poker machine licensing fees) into **Public Law No. 13-33**.

GOV. COMM. 13-366 – December 2, 2002 – From Acting Governor Manglona, informing the Legislature that he disapproved H. B. NO. 13-029, HD1 (Enforcement Vehicle Tinting for DOLI, OPA and ABTC).

GOV. COMM. 13-367 – December 5, 2002 – From Acting Governor Manglona, informing the Legislature that he signed H. B. NO. 13-173, HS1, “Military Liaison and Veteran Affairs Office Act of 2002,” into **Public Law No. 13-34**.

GOV. COMM. 13-368 – November 21, 2002 – P.L. 11-6 notification of exemption for the Department of Public Health.

The Chair recognized Representative William Torres.

Rep. W. Torres: Thank you, Mr. Speaker. I would like to extend appreciation to the Governor for signing into law H. B. NO. 13-173, HS1 establishing the Military Liaison and Veteran Affairs Office elevating the status of this office directly under the Governor’s Office. It clearly shows the significance that the Military places in our economy and of course in times of need, such as now, the Military has played a quite significant role. I would like to thank the Governor for signing this very important bill into law. Similarly, Mr. Speaker, I would also like to thank the Governor for signing the National Guard bill. These two bills are fairly significant bills and for that, we extend our appreciation to the Governor. Thank you.

Speaker Hofschneider: Any other comments? Representative Cabrera.

Rep. Cabrera: Thank you, Mr. Speaker. Just for you and the members – under Item 5, Messages from the Governor, I’m sorry, Mr. Speaker, if I didn’t hear you mention them but H. B. NO. 13-202, HS1 and H. B. NO. 13-226 were both signed into law this afternoon. I’m sorry, Mr. Speaker, but I don’t remember the bill number for the Land Compensation but that was also signed into law this afternoon.

Floor Leader Attao: H. B. NO. 13-228.

Speaker Hofschneider: Any other comments? None? Representative Torres.

Rep. S. Torres: Are we still in House Communications?

Speaker Hofschneider: We’re in Messages from the Governor.

Rep. S. Torres: How about the \$19 million bill?

Speaker Hofschneider: We suspend discussion. If there’s no objection from the floor, we go back to Bill Calendar and dispose of the three remaining bills.

There being no objection; the House went back to Bill Calendar.

BILL CALENDAR

The Chair recognized Representative Stanley Torres.

Rep. S. Torres: Since we’re in Bill Calendar, I’d like the forgiveness of the members to give me a moment to distribute my findings in reference to the garment industry. May I continue, Mr. Speaker?

Speaker Hofschneider: Yes.

Rep. S. Torres: In the name of Complex Business Operation including the Notorious Special Purpose entities tax record shows that those corporations were created to hide that pumped up remains and enriched themselves. If I'm not mistaken I ask all the 32 garment factories on the island and not all of them came up and answered my request. This is about their corporate income tax record. And I think that by accident one of the garment factories submitted their 2001 tax record. I'd like to ask the members to review the document thoroughly and come up with decision in the event that the \$19 million bill doesn't go through. I guess this could be a reason to support H. B. NO. 13-158. Thank you very much.

Floor Leader Attao: Privilege, Mr. Speaker. Mr. Speaker, do we need an authorization from the company for my good colleague to distribute this in the chamber? I thought this is part of the Privacy Act that we cannot ...

The Chair declared a short recess at 5:49 p.m.

RECESS

The House reconvened at 5:50 p.m.

[beginning of recording]

Rep. S. Torres: during the User Fee's public hearing. So there is no request for confidentiality.

Floor Leader Attao: So if that is the case, Mr. Speaker, this belongs to the Committee. The Chairman never called the committee for the green light to be distributed to the full house. So it has to be confined in the committee.

The Chair recognized Representative Stanley Torres.

Rep. S. Torres: Just to inform him that it was passed out to every member in the audience at that meeting. So it does not necessarily belong to the committee.

The Chair recognized the Floor Leader.

Floor Leader Attao: Mr. Speaker, if that's the case then I rest. I'm just cautioning my good colleague, Mr. Speaker, because if something happen tomorrow on this document I'm not going to be involved in this.

Speaker Hofschneider: Thank you. Relative to H. B. NO. 13-237, which we suspended discussion, it seems that the alternative approach to raising \$19 million requires more technical research and the counsel is working hard at a getting a product out. I would recommend that we move the bill to the committee until such time that we allow our counsels on the appropriate -- Committee on Ways and Means. Motion to move, Floor Leader.

Floor Leader Attao: Can we just hold it on the calendar until such time that we receive the substitute bill?

Speaker Hofschneider: Move it because it will come out in a different version anyway.

Floor Leader Attao: So for the benefit of the members, Mr. Speaker, just to compare the two bills maybe it will be...

The Chair declared a short recess at 5:52 p.m.

RECESS

The House reconvened at 6:23 p.m.

Speaker Hofschneider: We're back to our session and under Bill Calendar, Floor Leader, move for passage on First and Final Reading on H. B. NO. 13-235, H. B. NO. 13-237, H. B. NO. 13-238, H. B. NO. 13-027 and H. B. NO. 13-101. H. B. NO. 13-027 is reference to S. C. R. NO. 13-063 and H. B. NO. 13-101 is reference to S. C. R. NO. 13-066. Floor Leader, let's go with H. B. NO. 13-235 while you arrange...

Floor Leader Attao: Mr. Speaker, can I make the necessary suspension motion to place some of the bills on today's calendar?

The Chair recognized the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, if there's objection from the members, I would like to withdraw H. B. NO. 13-160 and H. B. NO. 13-187 from the Committee on Commerce and H. B. NO. 13-205 from the Committee on Ways and Means.

The motion was seconded by Rep. Babauta.

Speaker Hofschneider: The motion to withdraw the following bills: H. B. NO. 13-160, H. B. NO. 13-187 and H. B. NO. 13-205 has been seconded. Discussion on the motion to withdraw from the committee?

There was no discussion, and the motion to withdraw H. B. NO. 13-160, H. B. NO. 13-187 and H. B. NO. 13-205 from the committee was carried by voice vote.

Speaker Hofschneider: Motion carried. Representative Deleon Guerrero?

Rep. Deleon Guerrero: I just wanted to request if the good Floor Leader, can at least state the title of the bills that we're acting on?

The Chair recognized the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. H. B. NO. 13-160, entitled, "To amend 4 CMC 5611; and for other purposes." This is relative to the Business License Application Improvement Act of 2002. H. B. NO. 13-187, entitled, "To amend the Youth Affairs Act of 2001; and for other purposes." This is the Youth Affairs Act of 2001. H. B. NO. 13-205, entitled, "To authorize the Municipality of Tinian and Aguiguan to borrow Five Million Dollars (\$5,000,000) from the Marianas Public Land Trust to fund the design and construction of a Tinian Civic Center; and for other purposes."

The Chair recognized Representative Salas.

Rep. Salas: Mr. Speaker, the Committee on Commerce is been working really hard on many of the bills. This bill, H. B. NO. 13-160, Mr. Speaker, we had agreed as committee to have our counselor take a look at it because if you would be taking a business license and changing it from an annual to two years and we wanted to see the impact. That's the reason why this committee is -- we were waiting for our legal counsel to come up with the impact financial study on this because we felt that if you pay your alcohol license, for example, a \$55 and all of a sudden it's due two years we wanted to see the impact because that is normally due on June 30th.

Rep. W. Torres: Privilege, Mr. Speaker.

The Chair recognized Representative William Torres.

Rep. W. Torres: I think we can do the discussion of the bill at the appropriate time so we can have it under discussion.

Speaker Hofschneider: Chairman?

Rep. Salas: Thank you.

The Chair recognized the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the placement of the following bills on today's calendar for action: H. B. NO. 13-027, H. B. NO. 13-101, H. B. NO. 13-160, H. B. NO. 13-187, H. B. NO. 13-205 and H. B. NO. 13-232.

The motion was seconded by Rep. Babauta, and the motion to place H. B. NO. 13-027, H. B. NO. 13-101, H. B. NO. 13-160, H. B. NO. 13-187, H. B. NO. 13-205 and H. B. NO. 13-232 on the calendar was carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the suspension of Rule VII, Section 10, Rule IX, Sections 9, 10 and 11 for the passage of H. B. NO. 13-027, H. B. NO. 13-101, H. B. NO. 13-160, H. B. NO. 13-187, H. B. NO. 13-205 and H. B. NO. 13-232 on First and Final Reading.

The motion was seconded by Rep. Babauta and was carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-235 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-235: A BILL FOR AN ACT TO AMEND 4 CMC § 2103 (d) AND 1 CMC § 2702 (a); AND FOR OTHER PURPOSES.

Speaker Hofschneider: Motion to the pass on First and Final Reading H. B. NO. 13-235, this is again as I stated earlier, a necessary action of the House since there is no movement up in the Senate and with no objection, I'd like to offer a minor correction on the bill.

There was no objection.

Speaker Hofschneider: On page 1, line 13 we can treat it as a typographical error. That's Public Law 13-24 instead of Public Law 11-41. Clerk, please, take note. The oral floor amendment that follows on line 13 after inserting "Public Law 13-24" strikeout the words "or the Planning & Budgeting Act" and insert "and any law to the contrary".

The motion was seconded by Rep. Babauta.

Vice Speaker Tenorio: Where?

Speaker Hofschneider: On line 13 after inserting "Public Law 13-24" emplace of "Public Law 11-41" add the words "and any law to the contrary" and delete "or the Planning & Budgeting Act."

Rep. Babauta voiced, “ready.”

Speaker Hofschneider: Clear?

Floor Leader Attao: Yes.

Speaker Hofschneider: Any second to that?

Rep. Babauta: It has been seconded, Mr. Speaker.

Speaker Hofschneider: Thank you. Ready?

Several members voiced, “ready.”

There was no discussion, and the motion to amend H. B. NO. 13-235 as offered by the Speaker was carried by voice vote.

Speaker Hofschneider: The oral floor amendment is hereby adopted. Ready for the question?

Several members voiced, “ready.”

Speaker Hofschneider: Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-235, HD1 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. Francisco DLG. Aldan	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Gloria DLC. Cabrera	yes
Rep. Pedro P. Castro	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Arnold I. Palacios	yes
Rep. Herman T. Palacios	excused
Rep. Norman S. Palacios	yes
Rep. Daniel O. Quitugua	yes
Rep. Andrew S. Salas	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Rep. Heinz S. Hofschneider	yes

Speaker Hofschneider: By a vote of 17-0, H. B. NO. 13-235, HD1 is hereby passed by the House on First and Final Reading. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-236 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-236: A BILL FOR AN ACT TO REPEAL AND REENACT PUBLIC LAW 13-29; AND FOR OTHER PURPOSES.

Speaker Hofschneider: Motion for the passage of H. B. NO. 13-236 on First and Final Reading has been seconded. Discussion on the bill?

Rep. Babauta voiced, “ready.”

Speaker Hofschneider: Again, this bill is a matter of rule and I think that it is incumbent of the House to protect the domain of the House when it comes to appropriation. It’s very clear in the Constitution that the House initiates all appropriation acts. By way of this bill coming from the Senate and having an imposition of fees, we need to revisit it. However it was recently signed into law. It is the position of this house that we need to not set precedence when it comes to appropriations. With that, this bill is to repeal and reenact Public Law 13-29 this is the Commonwealth Film, Video and Media Office and with some amendments that were raised earlier. That was all taken care of. Any other discussion?

Rep. Babauta: Move for the previous question.

Speaker Hofschneider: Ready?

Several members voiced, “ready.”

Speaker Hofschneider: Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-236 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. Francisco DLG. Aldan	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Gloria DLC. Cabrera	yes
Rep. Pedro P. Castro	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Arnold I. Palacios	yes
Rep. Herman T. Palacios	excused
Rep. Norman S. Palacios	yes
Rep. Daniel O. Quitugua	yes
Rep. Andrew S. Salas	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Rep. Heinz S. Hofschneider	yes

Speaker Hofschneider: By a vote of 17-0, H. B. NO. 13-236 is hereby passed by the House on First and Final Reading. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-238 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-238: A BILL FOR AN ACT TO AMEND PUBLIC LAW 12-23; AND FOR OTHER PURPOSES.

Speaker Hofschneider: Motion for the passage of H. B. NO. 13-238 on First and Final Reading has been seconded. Discussion on the bill?

Several members voiced, “ready.”

Speaker Hofschneider: Ready?

Floor Leader Attao: Yes.

Speaker Hofschneider: This bill is just to add an additional qualifying language. Under line 13, the addition is Airport Terminal for the Senatorial District of Tinian.

Several members voiced, “ready.”

Speaker Hofschneider: Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-238 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. Francisco DLG. Aldan	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Gloria DLC. Cabrera	yes
Rep. Pedro P. Castro	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Arnold I. Palacios	yes
Rep. Herman T. Palacios	excused
Rep. Norman S. Palacios	yes
Rep. Daniel O. Quitugua	yes
Rep. Andrew S. Salas	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Rep. Heinz S. Hofschneider	yes

Speaker Hofschneider: By a vote of 17-0, H. B. NO. 13-238 is hereby passed by the House on First and Final Reading. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-232 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-232: A BILL FOR AN ACT TO PROTECT CONFIDENTIAL INFORMATION AND COMMUNICATIONS MADE TO A “CRIME STOPPERS” ORGANIZATION; AND FOR OTHER PURPOSES.

Speaker Hofschneider: Can you read the title?

Vice Speaker Tenorio: Mr. Speaker, can we request for recess and get our copies?

Floor Leader Attao: A Bill for an Act to protect confidential information and communications made to a “crime stoppers” organization; and for other purposes.

The House recessed at 6:44 p.m.

RECESS

The House reconvened at 6:52 p.m.

Speaker Hofschneider: We’re back to our session and the motion for the passage on First and Final Reading of H. B. NO. 13-232 has been seconded. Discussion on the bill?

Several members voiced, “ready.”

Speaker Hofschneider: Ready. Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-232 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. Francisco DLG. Aldan	yes
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	yes
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Rep. Heinz S. Hofschneider	yes

Speaker Hofschneider: By a vote of 17-0, H. B. NO. 13-232 is hereby passed by the House on First and Final Reading. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-187 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-187: A BILL FOR AN ACT TO AMEND THE YOUTH AFFAIRS ACT OF 2001; AND FOR OTHER PURPOSES.

Speaker Hofschneider: Motion for the passage on First and Final Reading H. B. NO. 13-187 has been seconded. Discussion on the bill? Ready?

Floor Leader Attao voiced, “ready.”

Speaker Hofschneider: Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-187 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. Francisco DLG. Aldan	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Gloria DLC. Cabrera	yes
Rep. Pedro P. Castro	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Arnold I. Palacios	yes
Rep. Herman T. Palacios	excused
Rep. Norman S. Palacios	yes
Rep. Daniel O. Quitugua	yes
Rep. Andrew S. Salas	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Rep. Heinz S. Hofschneider	yes

Speaker Hofschneider: By a vote of 17-0, H. B. NO. 13-187, the Youth Affairs Act is hereby passed on First and Final Reading. Vice Speaker?

Vice Speaker Tenorio: Mr. Speaker, if there’s no objection, I’d like to ask for a one-minute recess just to get some of the bills that we don’t have in our package.

The Chair declared a short recess at 7:14 p.m.

RECESS

The House reconvened at 7:16 p.m.

Speaker Hofschneider: We’re back to our session and Floor Leader, recognize.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-101 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-101: A BILL FOR AN ACT TO ALLOW THE SECRETARY OF COMMERCE TO APPOINT AD HOC HEARING OFFICEERS FOR ALL DIVISIONS; AND FOR OTHER PURPOSES.

Speaker Hofschneider: Motion for the passage on First and Final Reading H. B. NO. 13-101 reference to S. C. R. NO. 13-066 has been seconded. Discussion on the bill? Ready?

Several members voiced, “ready.”

Speaker Hofschneider: Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-101 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes	
Rep. Francisco DLG. Aldan	yes	
Rep. Jesus T. Attao	yes	
Rep. Oscar M. Babauta	yes	
Rep. Gloria DLC. Cabrera	yes	
Rep. Pedro P. Castro	yes	
Rep. Joseph P. Deleon Guerrero	yes	
Rep. Arnold I. Palacios	yes	
Rep. Herman T. Palacios	excused	
Rep. Norman S. Palacios	yes	
Rep. Daniel O. Quitugua	yes	
Rep. Andrew S. Salas	yes	
Rep. Benjamin B. Seman	yes	
Rep. Ramon A. Tebuteb	yes	
Rep. Manuel A. Tenorio		yes
Rep. Stanley T. Torres	yes	
Rep. William S. Torres	yes	
Rep. Heinz S. Hofschneider	yes	

Speaker Hofschneider: By a vote of 17-0, H. B. NO. 13-101 reference to S. C. R. NO. 13-066 is hereby passed on First and Final Reading by the House. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-027 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-027: A BILL FOR AN ACT TO AMEND 6 CMC SECTION 3156; AND FOR OTHER PURPOSES.

Speaker Hofschneider: The motion for the passage on First and Final Reading H. B. NO. 13-027 reference to S. C. R. NO. 13-063 has been seconded. Discussion on the bill?

Several members voiced, "ready."

Speaker Hofschneider: May I ask the indulgence of the members, I'd like to say a few words on this bill?

Rep. Deleon Guerrero: No Objection.

Speaker Hofschneider: Thank you. I don't know how to put it but other than to really make ... in reference to the committee report and the bill my goodness this is a class in anthropology. It has bones, dogas ... I mean ... I think that we get the point on where the origin of dice came from. But I'm relief that the social impact was not submitted. Is there a reason to that, Mr. Chairman?

Rep. Salas: Mr. Speaker, when I first saw my committee report and attachments, I too, like you, said if only I could get all of these attachments on my other bills. Mr. Speaker, I'm going to have to ask for a recess and talk to you about this. This is one of those gambling device, Mr. Speaker, that many people would argue that it's partly the least addictive of the other gambling devices that are out there, for example, poker and pachinko machines and stuff like that. The art of dicing it takes a little skill, Mr. Speaker. You don't just go

in there and drop two dice and say okay I'm going to start betting, unlike the poker machine where you just put in five quarters and pray Hail Mary and that's it. As far as the data are concern, Mr. Speaker, I don't have any data on that. Thank you, Mr. Speaker.

Speaker Hofschneider: Any further discussion?

Several members voiced, "ready."

Speaker Hofschneider: Chairman on JGO, since this would have an impact on enforcement ...

Rep. Ada: So far, Mr. Speaker, there were relatively few squabbles occurring because of the dice. It's culture thing, regulated, only done during fiestas and Liberation Day activities. It's not an everyday thing. I've heard of some Chinese people being caught playing dice in public areas at Micro Beach but as far as I'm concern it's a tradition and I support it. It's limited only to certain activities during the year. Thank you, Mr. Speaker, for the privilege.

The Chair recognized Representative Cabrera.

Rep. Cabrera: Mr. Speaker, I applaud my good colleagues for trying to come up with alternative ways of entertaining and possibly revenue generating. For the record, Mr. Speaker, I beg to differ --any gaming device is not a tradition. Well, it's probably subject to debate. But it's not my tradition ... [end of recording ... beginning of recording] ... my position on this matter, in particular, enhancing the flexibility of authorizing any games of chance, in particular, during Liberation Day festivities or fiestas or any event where there are children. So again, Mr. Speaker, as a matter of principle, I apologize but I will have to take the opposite position on this issue.

Speaker Hofschneider: Thank you. Vice Speaker?

Vice Speaker Tenorio: Yes, Mr. Speaker, I do support it, I was just going to ask the author one question -- whose bones are being displayed here on page 1 of the committee report? Like you said, there's a lot of deep research being done here, Mr. Speaker. Just to play dice ... and there's some bones here. So I'm just wondering whose bones -- can the good author of this bill please elaborate and enlighten the members with the report?

Rep. Babauta: Mr. Speaker, I would reserve my comment privately to my good Vice Speaker at a later time. So, if there's no objection with the, Vice Speaker, I would converse with him right after the session.

Vice Speaker Tenorio: No objection.

Speaker Hofschneider: Thank you for that, Representative Babauta. Ready?

Several members voiced, "ready."

Speaker Hofschneider: Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-027 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. Francisco DLG. Aldan	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Gloria DLC. Cabrera	no
Rep. Pedro P. Castro	yes

Rep. Joseph P. Deleon Guerrero	no	
Rep. Arnold I. Palacios	yes	
Rep. Herman T. Palacios	excused	
Rep. Norman S. Palacios	yes	
Rep. Daniel O. Quitugua	yes	
Rep. Andrew S. Salas	yes	
Rep. Benjamin B. Seman	no	
Rep. Ramon A. Tebuteb	yes	
Rep. Manuel A. Tenorio		yes
Rep. Stanley T. Torres	yes	
Rep. William S. Torres	yes	
Rep. Heinz S. Hofschneider	no	

Speaker Hofschneider: By a vote of 13 “yes, 4 “no”, H. B. NO. 13-027 is hereby passed on First and Final Reading. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, motion to differ action and refer back to the committee H. B. NO. 13-160.

The motion was seconded by Rep. Babauta.

Speaker Hofschneider: Motion to differ action and refer back to the committee H. B. NO. 13-160 has been seconded. Discussion?

Rep. Babauta voiced, “ready.”

There was no discussion, and the motion to differ action and refer H. B. NO. 13-160 back to the committee was carried by voice vote.

Speaker Hofschneider: Motion carried. H. B. NO. 13-160 is returned to the Committee on Commerce. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-205 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-205: A BILL FOR AN ACT TO AUTHORIZE THE MUNICIPALITY OF TINIAN AND AGUIGUAN TO BORROW FIVE MILLION DOLLARS (\$5,000,000) FROM THE MARIANAS PUBLIC LAND TRUST TO FUND THE DESIGN AND CONSTRUCTION OF A TINIAN CIVIC CENTER; AND FOR OTHER PURPOSES.

Speaker Hofschneider: Motion for the passage on First and Final Reading H. B. NO. 13-205 has been seconded. Discussion on the bill?

Several members voiced, “ready.”

The Chair recognized Representative Deleon Guerrero.

Rep. Deleon Guerrero: Mr. Speaker, I just wanted to ask my good colleague from Tinian regarding the method of repayment if this is in fact a loan. How and are they fairly confident about being able to repay it back in accordance to the bill?

The Chair recognized Representative Norman Palacios.

Rep. N. Palacios: Mr. Speaker, if you look at Section 4, Tinian Civic Center Loan Agreement Authorize on subsection (b) it states here that the Municipality of Tinian is hereby authorized to enter into an agreement to borrow \$5 million from MPLT at a rate of 6% per annum. Oh, correction on that. Section 5, Guarantee and Security for Loan on subsection (b) the \$5 million loan from MPLT to the Municipality of Tinian shall also be secured by a separate local appropriation, enacted and adopted pursuant to Rules and Procedures of the Local Act of 1983 set forth at 1 CMC § 1401 et. seq., of \$180,000 per annum by the Municipality of Tinian, such amount will be annually appropriated for the specific purpose of repaying the principal and interest owed to the loan. MPLT may require that the enactment of such a local law be a condition precedent to the final ratification or effectuation of the loan. The other one is on subsection (a) 3% of the total annual appropriations for the Second Senatorial District, provided that such sum shall not be less than \$320,000 per annum.

The Chair recognized Representative Deleon Guerrero.

Rep. Deleon Guerrero: *Guiya este para i Taga's Latte cite na part?*

Rep. N. Palacios: The Civic Center is going to be located right by the airport side.

Rep. Deleon Guerrero: Is this intended to secure and to foster tourism?

Rep. N. Palacios: Both.

Rep. Deleon Guerrero: Thank you, Mr. Speaker and thank you good colleague.

Floor Leader Attao: Mr. Speaker.

The Chair recognized the Floor Leader.

Floor Leader Attao: I have one question on page 3, Section 5, Guarantee and Security for Loan, subsection (a), Mr. Speaker. Maybe the good colleague from Tinian can enlighten us as to where is the 3% will be coming from. Will it be coming from the operations or from the personnel?

Rep. N. Palacios: It should be overall. It's not...

Floor Leader Attao: If I recall correctly, Mr. Speaker, I think Tinian has a little over \$1.2 million on the operation and about almost \$11 million on personnel. I know that both operation and personnel are included on the total operation. So if we take 3% of the total operation the question is which one is to be cut? If we cut the operation maybe it will not hurt, but if we cut personnel costs then we're going to have a problem here. Maybe it's better to just put the specific appropriation as to where get the money because if we're talking about the total operation it's going to affect both the operation and personnel. Rather than affecting the personnel, I would recommend that we take it from the operation. Right, Mr. Speaker?

Rep. N. Palacios: I think that's correct.

Speaker Hofschneider: Essentially the Floor Leader is putting a question to the Second Senatorial District. Are you guys ready to dedicate a portion of your budget to secure the loan? You're committing your appropriation to guarantee repayment of the loan. Is that the decision? Representative Babauta?

Rep. Babauta: Is this a Delegation...

Rep. N. Palacios: Yes, Mr. Speaker. In fact it came out from the Delegation Resolution.

Speaker Hofschneider: Ready?

Rep. Babauta voiced, “ready.”

The Chair recognized Representative William Torres.

Rep. W. Torres: *Microphone off.*

The Chair declared a short recess at 7:17 p.m.

RECESS

The House reconvened at 7:51 p.m.

Speaker Hofschneider: We’re back to our session and recognize Representative Torres.

Rep. W. Torres: Mr. Speaker, in addition to Section 5, subsection (c), I think there is also another section here, which is Section 7 that may warrant deletion as a collateral to this loan. I wonder whether there’s any strong objection from the author on this section.

Speaker Hofschneider: May I interject? This is potentially an unconstitutional language. Article XI forbids the government from selling public land. May we take a short recess? Short recess.

The House recessed at 7:52 p.m.

RECESS

The House reconvened at 7:52 p.m.

Speaker Hofschneider: We’re back to our session and recognize the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move to suspend discussion on H. B. NO. 13-205.

The motion was seconded.

Speaker Hofschneider: Motion to suspend discussion on H. B. NO. 13-205 under Bill Calendar has been seconded. Discussion on the motion?

Several members voiced, “ready.”

There was no discussion, and the motion to suspend discussion on H. B. NO. 13-205 was carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader, move to recess subject to the call of the Chair. Representative Cabrera?

Rep. Cabrera: Thank you, Mr. Speaker. I would just like to make an announcement before we recess. As of 4:30 p.m. today, the Saipan and Northern Islands Legislative Delegation Session that was originally scheduled for Monday has been postponed until Tuesday at 10:00 a.m.

Speaker Hofschneider: Thank you. Floor Leader.

Floor Leader Attao: Thank you. I move to recess subject to the call of the Chair.

The motion was seconded by Rep. Babauta.

Speaker Hofschneider: Motion to recess subject to the call of the Chair has been seconded. Recess subject to the call of the Chair.

The House recessed at 7:53 p.m.

Respectfully submitted,

Lavida S. Palacios, Journal Clerk
House of Representatives

APPEARANCE OF LOCAL BILLS

None