



House Journal

FOURTH REGULAR SESSION, 2003

Third Day

September 26, 2003

The House of Representatives of the Thirteenth Northern Marianas Commonwealth Legislature convened in its **Third Day**, Fourth Regular Session, on **Friday, September 26, 2003**, at **2:30 p.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), **fifteen** members were recorded present; Representatives **Oscar M. Babauta and Ramon A Tebuteb** were excused. Representative Daniel O. Quitugua was absent, and Representatives Arnold I. Palacios and Stanley S. Torres came in late.

Speaker Hofschneider: Representatives Babauta and Tebuteb are officially excused. Representatives Arnold Palacios, Quitugua and Stanley Torres are marked absent. I recognize the Floor Leader.

Floor Leader Attao moved to resolve into the Committee of the Whole for the swearing-in of Vice Speaker Tenorio as the President of the Association of Pacific Islands Legislature (APIL) by Chief Justice Demapan, and was seconded by two others.

Speaker Hofschneider: The motion to resolve into the Committee of the Whole to receive the Chief Justice of the Commonwealth Supreme Court, the Honorable Micheal S. Demapan to swear-in our good Vice Speaker ascending to the offer of the Presidency office for the APIL has been seconded. Discussion on the motion. Representative Palacios.

Rep. H. Palacios: I just want to have my mind cleared. I thought that the Vice Speaker was once sworn-in to withhold all the duties of...

Rep. Cabrera: Vice President.

Rep. Ada: President of APIL?

Rep. Aldan: As Vice President.

Rep. H. Palacios: No. But the fact that he was already sworn-in here already, is it necessary to do it again?

Floor Leader Attao: Yes.

Rep. H. Palacios: Not that I'm opposing anything, believe me, I just want to clear my mind.

Rep. W. Torres: Clarification.

Speaker Hofschneider: State your clarification.

Rep. W. Torres: That official act was indeed conducted in this august chamber but that was for the position of Vice Presidency. This time he has ascended, so we have to perform the ascendancy ceremony.

Speaker Hofschneider: I will entertain no further pulling of the string.

There was no further discussion, and the motion to resolve into Committee of the Whole to receive Chief Justice Demapan to swear-in Vice Speaker Tenorio as the President of APIL was carried by voice vote.

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

The House went into Committee of the Whole at 2:35 p.m.

COMMITTEE OF THE WHOLE

The House returned to plenary session at 5:06 p.m.

Speaker Hofschneider: Motion carried. We're back to our plenary session.

Rep A. Palacios: Privilege, Mr. Speaker.

Speaker Hofschneider: State your privilege.

Rep A. Palacios: I'd like the record to reflect my presence in this session.

Speaker Hofschneider: So as Representative Stanley Torres.

Rep. S. Torres: Thank you.

Speaker Hofschneider: Representative Norman S. Palacios is also present.

ADOPTION OF JOURNALS

None

PREFILED AND INTRODUCTION OF BILLS

None

PREFILED AND INTRODUCTION OF RESOLUTIONS

None

MESSAGES FROM THE GOVERNOR

None

SENATE COMMUNICATIONS

The Chair recognized the Floor Leader.

Floor Leader Attao moved for the acceptance of SEN. COMM. 13-287 relative to the Senate amendments to the appropriations for FY 2004, and was seconded by three others and carried by voice vote.

SEN. COMM. 13-287: Return of H. B. NO. 13-335, HD3 (Appropriations and Budget Authority Act of 2004), which was passed with amendments on September 26, 2003 in the form of H. B. NO. 13-335, HD3, SD3. [For action]

Speaker Hofschneider: SEN. COMM. 13-287 is hereby accepted by the House. We move to Bill Calendar.

HOUSE COMMUNICATIONS

None

COMMUNICATIONS FROM THE JUDICIAL BRANCH

None

COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE

None

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

None

OTHER COMMUNICATIONS

None

REPORTS OF STANDING COMMITTEES

None

REPORTS OF SPECIAL AND CONFERENCE COMMITTEES

None

UNFINISHED BUSINESS

None

RESOLUTION CALENDAR

None

BILL CALENDAR

Floor Leader Attao: Mr. Speaker, the budget is finished, right? It's passed?

Speaker Hofschneider: Be nice and place it on the calendar.

Floor Leader Attao: Thank you, Mr. Speaker.

Speaker Hofschneider: Short recess.

The House recessed at 5:09 p.m.

RECESS

The House reconvened at 5:09 p.m.

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

Floor Leader Attao moved for the placement of H. B. NO. 13-335, HD3, SD3 relative to SEN. COMM. 13-287 on the day's calendar for action, and was seconded two others.

H. B. NO. 13-335, HD3, SD3: A BILL FOR AN ACT TO MAKE APPROPRIATIONS FOR THE OPERATIONS AND ACTIVITIES OF THE GOVERNMENT OF THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS, ITS AGENCIES, INSTRUMENTALITIES, AND INDEPENDENT PROGRAMS AND TO PROVIDE FOR BUDGET AUTHORITY FOR PUBLIC CORPORATIONS FOR FISCAL YEAR 2004; AND FOR OTHER PURPOSES.

Speaker Hofschneider: The motion to place H. B. NO. 13-335, HD3, SD3 on the day's calendar for action on First and Final Reading has been seconded. Discussion on the bill.

Floor Leader Attao: Mr. Speaker, for the record, maybe for future reference, I would like to ask the Senate legal counsel to brief us on the amendments offered by the Senate during their session in Tinian to expedite our transaction tonight.

Speaker Hofschneider: We will recess but we will continue the recording so that we have a legislative history and allow the counsels to go step-by-step with us on the Senate amendments. We will do it methodically so that we give the opportunity to the counsels to clearly go line-by-line on those amendments. If you have a question please raise your hand during recess, and we will stop the counsels so that we can have a clear explanation. Agreed? Recess.

The House recessed at 5:11 p.m.

RECESS

The House reconvened at 5:52 p.m.

Speaker Hofschneider: We're back to our session after allowing the counsels to go line-by-line on the Senate's written amendments. We're under discussion on H. B. NO. 13-335, HD3, SD3 and I recognize Representative Cabrera.

Rep. Cabrera: Thank you, Mr. Speaker. As I stated earlier, having reviewed the budget that was just transmitted by the Senate, Mr. Speaker, I personally find it very difficult to vote on a very, very

critical piece of legislation when the greater impact that is reflected in this particular budget is not represented today. In addition to that, as I stated earlier, you take away the politics, you take away the faces, Mr. Speaker, the faces of the individuals who will be impacted, the faces of the island that is going to be impacted taking into consideration the compromises that we all have to make and understanding the need for an across the board cut in order for us to meet our financial obligations. I cannot remove myself from feeling that what we're about to vote here if we do accept this piece of legislation and vote on the amendments that have been made that we will essentially be pushing or driving one part of this government down. I want to be able to help our people and when I say that, I mean it, our people, may that be Rota or Tinian or Saipan. This is clearly one opportunity where I have to push aside whatever differences I may have and, in good conscience, make the right decision. Mr. Speaker, with this kind of amendment with this body not having before it the factual information as to what impact this is going to have makes it very difficult for me personally to vote on this bill. I know that if I don't do that, then essentially it will also impact our ability as a body to carry out our obligations to our people by providing them with a just budget. I don't know how the rest of our good members feel but almost a million dollar cut specifically in personnel for one senatorial district is too much, Mr. Speaker, for me. If we must cut that much, then I would prefer to see that it's proportionate. There are critical services that will be impacted by that cut specifically in the area of health, in the area of public safety, and in the area of public education. Which of the three will be sacrificed the most? I don't know.

Speaker Hofschneider: Representative Cabrera, those specific concerns that you have raised are not impacted. The impact on the \$900,000 is specifically the Office of the Mayor, his staff.

Rep. Cabrera: Is that apart from the departments that are under the mayor as well, Mr. Speaker?

Speaker Hofschneider: The resident departments are budgeted and untouched.

Rep. Cabrera: Be it as it may, Mr. Speaker, I believe that there are people who will be greatly impacted and I personally do not want to be in the shoes of those people. Thank you, Mr. Speaker.

Speaker Hofschneider: For comparative reasoning, if you look at the Saipan Municipal Council and compare it with the Tinian Municipal Council and the Rota Municipal Council, you see a glaring disparity in the total appropriation. Any other comments? Representative Arnold Palacios.

Rep A. Palacios: Thank you, Mr. Speaker. I also have the basic same reservation that Representative Cabrera has but, particularly, because if you look at where the money came from and where the money is going to go to. It's going to come from one senatorial district particularly an office of the local executive, the mayor's office, and it is to be used for retroactive payment of employees in another senatorial district. I really don't have any problem with paying up Public Law 7-31 retroactive pay. Let me remind ourselves that this senatorial district had to dip into its own local funds to pay for over \$7 million of the retroactive pay of employees on this senatorial district, the Third Senatorial District. We could have also used that to fund other projects but we have forgone that. Today, in fact, it's the last disbursement of fund and we have paid that off through our own local funds. Wouldn't it have been much easier if perhaps the Second Senatorial District also looks at its casino resources, local funds that it generates to pay for this retroactive payment? To take away funding from the general operations of the Mayor of Rota to pay for the retroactive for Tinian is a little bit hard to justify. Really. If the funds were going to other operations that justify the needed services on the island of Tinian, it probably would have been a different story, for

example, if it is to operate the hospital. We have taken the position in our Third Senatorial District to pay for P.L. 7-31 retroactive payment ourselves. But basically what we have done is taken money from the General Fund, or the proposed amendment does that. We haven't voted, and I'd like to echo that sentiment. This is going to be a hard decision that will definitely impact the Rota Mayor's Office. Like the good Representative from Saipan indicated, if we take away the politics and the faces, then you still have a basic function of the Executive Branch, that executive office that you're going to impact is delivering services to these people.

The Chair recognized Representative Salas.

Rep. Salas: Thank you, Mr. Speaker. I just wanted to say that I, too, feel the same. This is a Commonwealth and we are many islands, and I'd like to believe that we are one people, one Commonwealth. If we need to sacrifice, then we need to do it fairly. I think that word here is being fair. \$900,000 for one office is a lot of money. If we're going to start thinking like one Commonwealth, then we should buckle down and share, and sacrifice not because of different senatorial district but because we are one Commonwealth and we are one people. I think this practice of taking money here...and we've seen what happened in the last four months in the Senate. I'd like to believe that this house, the Lower House is cognizant of what is happening in the Commonwealth. I'd like to believe that all of us will take a look at this bill and this amendment and try to come out with a fair and equitable way of distributing not just money but sacrifices for the betterment of our Commonwealth. Thank you, Mr. Speaker.

The Chair recognized Representative Deleon Guerrero.

Rep. Deleon Guerrero: Thank you, Mr. Speaker. Mr. Speaker, I can't help but see that in addition to the personnel cut that was done on the Office of the Mayor of Rota by \$1 million, which we all understand would have a significant adverse impact on the salary of his staff, it also proposes to remove \$100,000 from the \$108,000 all others budget or nonpersonnel budget. So basically what's left is \$800,470 for the nonpersonnel cost for the Mayor and we all know that that is not a realistic operating budget. The way the budget was cut is almost punitive. I agree with all three speakers, this is a little bit too drastic. I wanted to register that for the record.

The Chair recognized Representative William Torres.

Rep. W. Torres: Thank you, Mr. Speaker. When I decided to support the House version of the budget, I had to make my decision based on certain criteria. One, which I'm sure you remember quite fondly, because I asked you repeatedly in so many ways, in so many different corners, is, will this budget create a forced reduction in force, will this budget create unnecessary furlough, will this budget impact any personnel? And the resounding response is always consistent, which is no, it will not. So that was one guideline that I used in making my decision to support the House version of the budget. I know that the concurrent resolution identifying the resources for the fiscal year is slightly less than what we had received from the Executive Branch. Nonetheless, I went ahead and followed the House version. Of course, I deliberated on a lot of other different programs, programs that mean a lot to me personally, and programs that I think are very important to the Commonwealth as a whole. One such program is the youth. I find the amended version to the House unacceptable. It touched an area that I consider rather sacred, which is the youth programs. Another area that was amended, changed, or modified from the House version is an area that I have a very big interest and respect for, and that is the Office of Women's Affairs. Again, it's unacceptable to see that office be

reduced unnecessarily in terms of its resources. Another area that I see as being very inconsistent is in the area of salary ceiling. I don't know what is the rationale behind lowering the salary ceiling for the House and Senate employees and the Legislative Bureau and not the others. I can't see that. I don't see any rationale. Another program that I see as being the victim of this axing of the House version is in the area that we have all along fought for, even before my time, and that is the Free Trade Zone. For the life of me, I can't understand why we continue to dodge this issue when every time we go out and promote the CNMI, we all talk rather fondly about the Free Trade Zone and how the CNMI has this advantage. Well, we're putting it under the rug. Another program, which I make a point to attend every year, is the agricultural fair. I go there, I take my family to that fair because I think it's important. It's really important to the economy of this Commonwealth. Again, it has fallen a victim to whatever rhymes and reason. To me, I think we need maintain this. The people and the plant industry are hard working people. They help a lot. They help the farmers and the rest of the community. In particular, they are very responsive to the beautification efforts that are ongoing. Finally, the area of consumer protection. This is totally unacceptable. \$100,000 is a drop in the bucket for whatever these people are doing for the Commonwealth to protect the consumers. When we passed the "sin tax", I made it a point that this office is supported because for this office to be effective, it needs additional attorneys, needs the resources. This office doesn't even have a website, it doesn't even have email services and it's ridiculous. So all in all, Mr. Speaker, I share the same sentiment as the rest. Going through these items I decided not to ask any questions because it's all answered by just looking at the summary of the amendments. I think we need to go back to the House version. Thank you.

The Chair recognized Representative Ada.

Rep. Ada: Mr. Speaker, this reminded me of a song called, *Why can't we be friends*. It's very ironic because it was sung by a group called War. Like our colleague Congressman Salas said, this is just one Commonwealth. It's very clear with the \$900,000. I cannot say that it's not clear. It's so clear that it's like a retaliatory type of action made by the Senate. I think we should come to a point where we should chill down and come to terms. \$900,000 is too drastic. That's my opinion. Thank you.

The Chair recognized Representative Herman Palacios.

Rep. H. Palacios: No comment, Mr. Speaker.

The Chair recognized Representative Aldan.

Rep. Aldan: Mr. Speaker, our version of the budget is a balanced budget. What this proposal has done is it has taken away a lot of the programs that we have originally included in the budget. Other than the technical amendments, I think we should just reject the Senate version of the budget.

The Chair recognized Representative Seman.

Rep. Seman: Thank you, Mr. Speaker. Upon reviewing the Senate version, Mr. Speaker, and looking back at what we have approved last Monday, I felt for those departments who received very little funding because we were not able to give what they had requested. Today, I see them getting cut even more. I echo Representative Torres' comments regarding the youths. Once or twice a week, I would be approached or I would answer to a youth and say, I am for the youths. Today I see that program being deprived of the funding that they need to properly address these issues that we

face in the Commonwealth. But then I feel for our brothers and sisters in Rota because I feel that these amendments are in the form of retaliation. But it's not their fault, Mr. Speaker. I looked at the \$900,000 cut that we're taking away from the Office of the Mayor from Rota, I even took out my calculator and divided that by a salary of about \$25,000 and I came out with about 40 employees that may be losing their jobs or salaries drastically being reduced. I think we have done enough by cutting \$1 million from the island of Rota. We cut \$1 million from the island of Tinian and we also cut funding for the Third Senatorial District. I think that the House version is not very popular but it is very reasonable. I must remain in support of our version. I cannot support the Senate version, Mr. Speaker. Thank you.

The Chair recognized Representative Normal Palacios.

Rep. N. Palacios: No comment.

Speaker Hofschneider: Oh, please, a few words of gratitude would do.

Rep. N. Palacios: Okay. Thank you, Mr. Speaker. The original version that we passed on H. B. NO. 13-335 was really a good deal, but I did not vote for it. I understand that we have other obligations to pay such as the Retirement reduction, and CUC, plus we're giving education additional funds, but I was against it because Tinian is getting a big cut, \$1 million. Tinian already sacrificed \$1 million last fiscal year. That already makes \$2 million. But when the Senate version came, I am in full support of getting funds for retroactive pay for employees of Tinian. I will not say what's my vote now until we vote but we do need the funds to pay for P. L. 7-31 retroactive payment. It's just sad that it's coming from Rota. We're not governed there too...but we'll see. Thank you.

The Chair recognized the Vice Speaker.

Vice Speaker Tenorio: I don't understand the math, Mr. Speaker.

Speaker Hofschneider: While you're taking the privilege, Vice Speaker, continue while I tend to mother nature. Continue.

Vice Speaker Tenorio: You may continue, Mr. Speaker. Let the record show that I feel the same sentiments as most of the speakers here especially with regards to personnel for the people of Rota. Having voted on the budget version of the House, I find it very difficult to come back and see a lot of these changes. A lot of the budget has been reduced to satisfy other needs came from the First Senatorial District. I personally feel that I honestly cannot support the huge reduction of personnel totaling at \$1.2 million for the island of Rota. I did some very fast calculations, and on the Mayor's Office that the average salary and, I guess, this includes benefits on the budget that we passed the other day is in the vicinity of around \$21,000 per individual. If you cut it down by \$900,000 then an average individual will get about \$10,000. This is hardly a livable wage especially with a family of four, or a family of six. So I don't know, Mr. Speaker, but this is one area that I think we have to focus on. If this budget has to go to a conference committee to address this particular issue, let it go to a conference committee. Having said that, Mr. Speaker, I don't believe that if we have to pass this budget, as presented, as amended, doesn't mean that I have to vote it. Thank you.

The Chair recognized Representative Herman Palacios.

Rep. H. Palacios: I said I have no comment, Mr. Speaker. Thank you.

The Chair recognized Representative Stanley Torres.

Rep. S. Torres: Mr. Speaker, I thought I finished my responsibility by passing the House version. I'm not making any comment. I will leave it up to the seventeen members of this house to make their decision. Thank you.

The Chair recognized the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, after careful review of the budget prior to the passage of the appropriation by the House, when we put the budget on the floor I was so disappointed when the Representative from Rota voted no and so did Tinian for the reason of that \$1 million cut. We all know that everybody got cut, the First, Second and Third Senatorial Districts. Not only that, Mr. Speaker, when we passed the budget, it was voted almost unanimously and then it was transmitted to the Senate. We're all elected by our constituents to serve them. What happened in the Senate, Mr. Speaker, as a representative, you should always, at all times, as an elected official come to the session and defend what is good for your island. This didn't happen in the Senate. The new majority informed all the senators to come and attend the session. Forget about who's the right President, who's the real President. The fact of the matter is, you're elected by your constituents to serve them. This is what happens if you're not in the session and they make decisions. That's it. That's the bottom line. So now the amendment has been transmitted to the House. For me, Mr. Speaker, I will support the Senate amendment. The way I look at, it's been done fairly. Why? Because nobody showed up. We're elected to protect the interest of our constituents and this is what happened. So to me, Mr. Speaker, I think the Senate has done what's supposed to be done. It's for us to accept it. And I want to go on record that I am supporting the Senate amendment. I've been here for 14 years, Mr. Speaker, and I have seen the budget tossed back and forth with the creation of a conference committee. It's always the case that we compromise on the budget. It's always the case with the exception of the FY 2003 when we passed it under your leadership. That went straight to the Governor. Although it was line item vetoed, it was signed. I'm asking the members to take a look one more time at this particular budget and make a decision tonight. We have spent so many hours discussing this budget I think it's only fair that we vote on the budget tonight and transmit it to the Governor. Let the Governor do his part. That's it, Mr. Speaker.

Speaker Hofschneider: Thank you, Floor Leader. Representative Herman Palacios, do you want to have an opportunity before I speak? If not, then I'll continue.

Rep. H. Palacios: Mr. Speaker, I feel exactly the same way that the Floor Leader has deliberated on. Where are the people that are representing the people of Rota? Where are the Senators to protect the interest of the people that voted them into office...[end of recording...beginning of recording]...that they were absent from representing the people of Rota. What is the very, very serious cause that they cannot at least attend the session for them to protect their people of Rota? This is why, Mr. Speaker, I will support it if you place this before the House today because they are not interested in representing their constituents. Thank you.

The Chair recognized Representative Castro.

Rep. Castro: Thank you, Mr. Speaker. I feel, Mr. Speaker and members, that whatever political agenda these senators have should be set aside and together work for the common good of all the Commonwealth people. Looking at the Senate's proposed amendments to the budget bill, Mr. Speaker, especially taking \$900,000 from the Office of the Mayor of Rota, it will definitely affect those people working under that department. I believe I have seen the figures changed from the Senate compared to the House version and I personally feel that only with the House version, Mr. Speaker, immediately after passing this the next day I was approached by many individuals from many departments asking me why these figures were reduced and I can't hardly explain it. The justification I had was that the economy in Saipan is very poor and we have to sacrifice in order for us to equally distribute whatever resources we have. But looking at this Senate version, Mr. Speaker, I am unable to personally make a decision to support it today. Thank you.

Speaker Hofschneider: May I be permitted to take the time and rationalize this budget from the day it was submitted by the Governor?

There was no objection.

Speaker Hofschneider: Vice Speaker, please rise.

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

Speaker Hofschneider: If the members wish to take a five-minute recess and get your Integrated Fiscal Plan, it would really help in understanding the budget in where we are today.

Vice Speaker Tenorio: Five minutes recess.

The House recessed at 6:30 p.m.

RECESS

The House reconvened at 6:50 p.m.

Vice Speaker Tenorio: We're back to our session. Speaker Hofschneider, before we proceed, I'd like to get the consensus from the members, if there's no objection, we'll take this opportunity to work overtime.

There was no objection.

Vice Speaker Tenorio: Is that acceptable to everybody?

Floor Leader Attao: Yes.

Vice Speaker Tenorio: Or do you want to time him and give him 15 minutes?

Rep. H. Palacios: No problem.

Vice Speaker Tenorio: I'll take that as a yes? We'll proceed with the deliberation of Speaker Hofschneider. If anybody has any question at any time we can stop the Speaker for you to pose your question(s).

Speaker Hofschneider: Thank you, Mr. Vice Speaker. On April 1, 2003, the Governor submitted a budget to the House for consideration for FY 2003-2004 in the amount of \$228,963,000. The House and tonight the Senate is concurring and amending did not change the total revenue to be appropriated on H. C. R. NO. 13-003 in the amount of \$213,953,000. The difference between the Governor's submission on April 1st of this year and the House and Senate version is \$15,000,000, which can be attributed to the difference regenerated under the proposed Integrated Fiscal Plan that the Governor submitted on February 19, 2003, roughly 15 days before the constitutional timetable to submit a budget to the Legislature. Included in the Governor's IFP are numerous revenue-generating recommendations. One is increasing the user fee of the garment industry. Also included is the recommendation to increase the hotel occupancy tax from 10% to 11%. If I'm not mistaken, the user fee being 3.7% to 5%. Sorry, it's not 5%. I believe the proposal was to increase it .07%.

Rep. Tebuteb: It's 3.5% to 5%.

Speaker Hofschneider: No. The House version was to increase it 3.7% to 5%. The Governor's version was a nominal I believe .07%.

Floor Leader Attao: .07%.

Speaker Hofschneider: Correct?

Floor Leader Attao: Yes.

Speaker Hofschneider: And also in his IFP proposal, are several internal mechanisms that can in fact translate to savings and in fact generating revenue indirectly. One is the suspension of holidays, differential pay, overtime, suspension of merit pay, within-grade increases and suspension of the 30% retirement bonus. So these are internal suspensions that are accorded with the employees. This is an ongoing austerity measure simply by the Administration issuing a directive and withholding those merit increases, within-grade increases and maintaining tight controls with differential pays, holidays and overtimes. There are several departments that the Governor is quite strap in the sense that it's a necessity of the community. One is the overtime with DPS and the other is obviously the hospital. But that also technically can be corrected and translates into savings just by merely having a more efficient management of the human resources for those two departments. For instance, under the current budget, there are FTEs and funding provided to adequately staff the hospital with nurses without subjecting overtime pays for existing employees to cover shortfalls in the manpower area. Likewise in DPS, there are ways, management approaches that can be applied to minimize overtimes with DPS. There is a reality though and it is a fact that there must be an increase in the funding of DPS. That's where the balancing act, the Constitution played. This is where we are that is critical for us tonight. We are approving a \$213,953,000 verses the Governor's proposed budget of \$229,000,000. By the way, the \$228,000,000 has already taken away the anticipated debt service of existing obligations with numerous bonds, the \$16,000,000 for PSS, the \$60,000,000 for the Capital Improvement Programs matching and the yet to materialize, land compensation bond. All in all, it's anticipated that outside the \$228,000,000 a \$10,000,000 debt service has been reserved. So in essence, there is technically a \$238,000,000 proposed budget. We're only looking at what the

expenditure that has been identified and prepared in his letter on April 1st accompanying the budget to the House. So in difference of \$15,000,000 the amount that we are quite **moot** tonight by way of the Senate amendment is roughly \$1.2 million resulting from numerous realignment or reshuffling from Rota Senatorial District to Tinian Senatorial District of roughly about \$900 to \$1.2 million to pay for their retroactive pay. So we're not that far. In other words, if we are desirous of producing a budget on time, we have a few more days before October 1st kicks in. And if \$1.2 million – this evening I heard all of you members – is going to create a rift or division in the House that is far deeper than the Marianas Trench and obviously forcing us to have no budget and subject this government into a continuing resolution, then I say \$1.2 million is not really monumental or daunting of an amount to argue. But this \$1.2 million has 2 components attached to it. One is the physical impact – obviously \$1,200,000 – that I can honestly say that we can find the \$1.2 million. The other that I'm not sure if we can be able to surmise by saying that we can resolve that is the political component attached to it. The physical component, the dollar component – easy. The political component – this house I heard this evening wants no part in it. Eloquently put, Representative Gloria Cabrera sees the human side of it and all that have spoken is the decency of this house to maintain its level headedness. Therefore, we can put aside the political component attached to \$1.2 million argument and let's focus on the physical component. Where can we find \$1.2 million and resolve this budget, get it to the Governor and let the Governor decide. Honestly, this Senate amendment, is tethering on a thread that is thinner than what the eye can see that would move the Governor to veto this part. So why are we exercising in futility this evening if we all know deep in hearts that the Governor faster than blinking our eyes or his eyes, will strike it down and send the veto message to the House? We worked very hard all through the last four or five months in getting a budget. Let's not break that condition. Let's not break that decker of insuring, promising the people that we will that we will get budgets on time so that we prevent any deficits. So it is easy if we're all willing to work and sacrifice. It is easy to find the \$1.2 million. We will not deal with the political component. We can restore the \$1.2 million back to Rota still give Tinian \$1.2 million to pay its retroactive and that would be the difference. In other words, it is Tinian's time. We will give the retroactive. Next fiscal year God willing that we all come back and with legislative history make a promise that the following fiscal year it'll be Rota's turn to get the retroactive out. That is the right way of doing this. The most accurate description of this budget is Representative Cabrera's -- with the uncertainty that we know that we do not know who and how many will be impacted under the Mayor's Office in terms of personnel. We can only assume that the Mayor may take one or two options. One, reduce all the salaries of that 115 FTEs under his office proportionately and still maintain employment for 115 without the \$900,000 or the Mayor may take the worst case scenario. And that is, proportionately remove the number of people employed under his office to equal the \$900,000 taken from his account. That is one too many gifts for us really and I view based on your comments that you're not willing to go that route this evening. But I believe that if we talk about finding the \$1.2 million and restoring it to Rota it may not be totally \$1.2 million but if we can come close to \$1.2 million the sacrifice itself is the key. We all said that we didn't want to pass nor consider when Representative Quitugua tried to make a motion the other night and forced the House to consider the IFP. We did not think it was appropriate and logically because we did not know what the impact of the Senate actions so it'll be premature for us to be talking. Now that we know for sure what the impact is it is attainable but we have to make some really critical decisions. In the IFP the Governor is suggesting that we pass legislations. One, to increase vehicular registrations and drivers' licenses and if you see the projected revenue based on just increasing vehicle registration fee, driver's licenses and gun licenses it significantly projects very close to what our target is, the \$1.2 million. We can also contribute on other sense of sacrifice and that is to provide additional clause in the administrative provision of the budget to suspend all increase in government so that

everyone sees that 4,000 government employees are contributing to maintaining and sustaining a reasonable and realistic budget. The \$213 million is not based on a hypothetical scenario. The \$213 million is based on months and months and months of submission by the Department of Finance on actually revenues. The economy to date cannot generate beyond \$213 million. If anyone tells you otherwise, it's a darn lie. This is the capacity of the CNMI economy. So the least impacting proposal under the Governor's IFP are the vehicle related fees and licenses, controls on merit increases, 30% bonus and overtimes. You can also attempt to include holiday suspensions. That's not politically closure given 30 days before election but we're not elected into this office to first consider the political fallout without seeing the greater picture of our responsibility and that is to have a realistic budget. In as much as this house wants to work with the Senate I know deep down in your heart some of us may say, oh goodie, it's Rota's turn to be taught a lesson. But what – the following fiscal year it's Tinian's time to be taught a lesson. It is almost impossible for that to be said of Saipan and Northern Islands Senatorial District because 16 out of the 18 members and budgets originate in the House. So it does not necessarily apply. The vicious cycle somehow must be prevented occurring or we must contribute to doing away. The First and Second Senatorial Districts must come to reality that the \$15 million budget or the \$13 million budget that is continually given is based on an economy of the 1990, 1991 and 1992 when significantly from \$268 million budget in 1994 during Froilan Tenorio's Administration to now down to \$213 million. But look at the proration of reduction of the First and Second Senatorial Districts appropriation. It's not significant to the overall reduction of the entire CNMI budget from \$268 million to \$213 million. The economy is not supporting the expected budget needs of Tinian, let alone, Saipan or the Third Senatorial District or entire Commonwealth. But the art of politics and the art of legislation in the Legislature is to find a workable compromise and if we're going to allow a \$1.2 million difference kill the budget, veto the budget by the Governor then I think that the blame should be rightfully be given to the House. Consider what I'm saying. I'm not asking you to follow me and vote no. I'm not asking you to follow me and vote yes. I heard your true feelings. If we're going to allow \$1.2 million we can vote this budget and send it to the Governor but what message are we giving? First, Governor, here's a budget you don't like. Please veto it and save us from grace. Two, Rota, good for you. It's about time you're given a lesson. Tinian, I don't know. We give you the retroactive but then what? What's the wrong turn message here? When is it going to be Tinian's turn to be taught a lesson and are we also going to be complicit when that time comes so we continue to be broaden to this embattlement of political differences? I thought we started off looking at the budget and making the hard decision of cutting some departments and agencies even if it hurts and even if we disagree. But collectively we did a good job. It's not a perfect budget. It's not the ideal budget but that's what the economy is giving us. To dream of \$228 million will subject to agreeing to all of the proposed tax increases submitted by the Governor under the Integrated Fiscal Plan. Are we ready for this? Are we ready to increase those taxes, hope the Governor approves it and put aside our contention with our original destinations or competing destinations, Guam, Honolulu, Bali and elsewhere? Maybe 1% is insignificant but now a days I think without any increase we're getting beaten in the marketing environment with Guam taking a 2 to 1 advantage with a 10% hotel occupancy today. User fee? We tried. The House made a decision not to support the user fee. The window of opportunity passed us. Do we want to revisit that?—0.70%. 7 times of 1%. 110 of 1%. What is the temperament of that manufacturing industry? What is the global appetite for apparels? Is it going to contribute to an increase in revenue or cumulatively a decline within a given year? We can meet the projection by increasing the tax in one single year but it's the subsequent years that we have to worry about. So I say to you this evening that if the argument is really the \$1.2 million then it's not that far away and it's not that difficult to find. But we have to send a strong message to our brothers and sisters in Rota and Tinian. To Tinian, let's be honest and let's be realistic. Can the Tinian Gaming

Commission start contributing to the greater need of Tinian? Rota, there's no appreciable economic activity but the government cannot be the single source of employment. One hundred fifteen employees under the Mayor's Office and look at the representation of that office for a 2,000 to 3,000 population verses 60,000 for less than 100 employees of the Mayor of Third Senatorial District with a less appropriation given to Third Senatorial District Mayor. If we have to adjust then we adjust proportionately. The Mayor of Saipan, Tinian and Rota should get the same proportionate appropriation. Let's not argue about lack of employment opportunities. We have our own unemployment. We can realize a few hundred thousand dollars just by treating the mayoral offices of the Commonwealth, all four Mayors proportionate appropriation by limiting FTEs. If 65 for 60,000 population for the Third Senatorial District then we allow the same to the Mayor of Rota, Tinian and the Northern Islands. We will realize several hundred thousand dollars there just with a fairness in formula. If that translates to furloughs or unemployment, hey, we're forgetting that the Mayor also has reprogramming authorities from other departments and other accounts. But we can honestly say to all the people of the Commonwealth we would like to employ and safeguard the current employees and hire more because there are more kids looking for jobs but we just cannot pay. So we must be honest and realistic and tell everyone. Sixty-five employees for any mayor's office and the proration of that should be applied equally and no one is going to object to that. The retroactive – we can take turns or we can give a few or some to Rota and most to Tinian and reverse the pattern the next fiscal year until it's paid off. What is totally injustice, totally unfair is that we are able to pay off our \$9 million retroactive pay from our local delegation ability but then we understand there is no appreciable economic activity in the two other islands. That's the more humane way of approaching this budget. Let's not give more reason than necessary for the Governor to veto this budget. Let's not go to the exercise of passing and meeting constitutional requirement of passing a budget for the sake of the exercise but not a workable and realistic budget. I recommend that we revisit finding \$1.2 million. If we have to cut, if we only find \$800,000 then Tinian has to be sacrificed \$400,000 to balance it out \$800,000 and \$800,000 and still give them the full retroactive pay. Again, we told most branches of this government in this budget, most agencies and most programs that we have to cut because we don't have the money. No one in their right mind will raise taxes in a static economy. That's the rule. If we're not willing to raise taxes then the most, I guess, less innocuous way of doing taxing will be **nine**, tax increase will be to look at the vehicular fees and licenses.

Rep. W. Torres: May I raise a question?

Vice Speaker Tenorio: Go ahead.

Rep. W. Torres: May I be on record?

Speaker Hofschneider: Yes.

Rep. W. Torres: I listened very intently to your enunciations of principles and I cannot help but count the number of times you used the word sacrificed, I think 10 or 15 times. It is for that reason, that I, too, decided to support the House version because I feel that nobody should be spared, nobody. Tinian, Rota, Saipan. Everyone should be treated fairly and equitably. I think what this amendment is doing is just the reverse. I think we need to practice that word. We continue to use it, we continue to say it but we need to practice it and act upon it. I really feel for the departments here on the island of Saipan although these departments are not just serving the island of Saipan but serving everybody and they too we're sacrificed. For what reason?—To transfer funds from one to

the other. We sacrificed, as you mentioned, \$9 million of local funds, which we could have used for the youths, which we could have used for interscholastic sports but we decided to sacrifice that for the sake of those who we feel are entitled to their retroactive pay from the island of Saipan. Mr. Speaker, I really cannot accept the logic that we need resources from jurisdiction to the other to accommodate that political appetite if you will. It's just so unfair to that and I think we need to sacrifice. Everybody should be sacrificed and if the resources are there, local that is, to take care of the retroactive pay then let that take care of it. I think there's enough sacrifice already in the central government and principally the departments, the principle departments. Everybody is crying. You saw the AG, the Supreme Court coming here and God knows who else. Everybody is asking questions but we felt that we need to justify the House version and I, too, am ready, prepared to defend the House version but to turn around and kind of do a dance on this to me it's totally unjust and everybody needs to sacrifice. It's time for that. I know it is political time but, Jesus, we better start living to what we can generate. So I would like to pursue that line that everybody should sacrifice and that includes all senatorial districts.

Speaker Hofschneider: Lastly, if you look at the projected revenues to be generated, there are five proposals. The user fee, hotel occupancy tax, vehicle related fees, nonresident workers fee by a \$100 and a 10% reduction of the income tax rebates. On the vehicle related fees, the reason why I picked this out simply is the projection will hold through still from the day this IFP is submitted. The user fee may have subsided. The activity of the consumer of those franchise that consume the garment manufacture in the Commonwealth may have change significantly so that the projection will no longer hold. But on a hotel occupancy tax this may also not hold simply because of the hotel occupancy rates today. The last year it has not significantly improve to a near normal level and that's given in the HANMI and MVA reports. So we can't really project that the 1% will hold through to the projected revenue of about \$409,000 in the same year. However, the vehicle related fees will still hold through. There are more cars sold and therefore those existing vehicles are still running. The rate of attrition is insignificant to the rate of addition every year. Therefore, the proposed vehicle related fee is projected to generate about \$2.1 million in a single year, more than what we need. That single item proposed by the Governor will accommodate the difference in restoring Rota maybe not entirely if we use the proration formula and take the principal for the FTEs and appropriation for personnel costs for the Mayor of Saipan and apply that to the three islands. We may not need \$1.2 million but if we do have to follow that \$1.2 million and restore that to Rota then we still have a significant amount of leftover of about \$900,000 that now we can attend to restoring back those that we have cut particularly one agency that was cut over \$3,500 on 4 personnel, the Office of Adult Probation. We need to attend more to that. That's revenue-generating necessity of the Judicial System so we may in fact think about increasing those appropriations for the Office of Adult Probation and Parole. That is all, Mr. Vice Speaker and members. I do not pose to you something that honestly may spell an invitation for a veto by the Governor with this bill. It's going to be a totally futile effort on our part to consider just voting for the sake of voting. There is a remedy. We can do it and it's up to the members.

Rep. Deleon Guerrero: Recess.

Vice Speaker Tenorio: Recess for five minutes.

Rep. Deleon Guerrero: That's too long.

Vice Speaker Tenorio: Three minutes. Do we have time to do this? The vehicle...

Speaker Hofschneider: We cannot act on this.

Floor Leader Attao: So let's – Mr. Speaker...[end of recording]

The House recessed at 7:35 p.m.

RECESS

The House reconvened at 8:05 p.m.

At this time, Speaker Hofschneider returned to the dais.

Speaker Hofschneider: We're back to our session and Floor Leader, recognized.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, the PIO from the Executive Branch came out publicly last week on *Marianas Variety* that the House passed the budget without any committee report and without the benefit without conducting a budget hearing. Just to correct that, Mr. Speaker, we did conduct a resources hearing. In that hearing, Mr. Speaker, we raised several questions, and believe me my good colleagues about 70% to 80% were unanswered. That's why the Chairman asked to just go ahead and forget about the budget hearing from the departments. If you're going to a budget hearing, these people will ask for money and we don't have resources. That's why we just put as submitted by the Governor. We went ahead and entertained what the Governor submitted to the Legislature but reduced those proposed legislation that will increase taxes. As you recall, we rejected the IFP submitted by the Governor. I don't it's fair to tax the business right now because our economy is bad and all of us supported that. Going to the budget, Mr. Speaker, the Governor has the power to line item veto the budget. If the Governor doesn't agree or is not supporting the \$1.2 million that was taken from Rota to accommodate the retroactive and overtime payment for the employees of Tinian he has that power. That single line item is there so if he doesn't want that, he could veto it. That \$1.2 million becomes available. So, to me, discussing the \$1.2 million right now is irrelevant so let's vote.

Rep. N. Palacios: Move for the previous question.

Rep. W. Torres: Point of information.

Speaker Hofschneider: State your point.

Rep. W. Torres: I'd like to pose this question to the legal counsel.

Speaker Hofschneider: You may.

Rep. W. Torres: Was that provision, floor amendment that dealt with lapsed funds, which we approved in the House, incorporated in the Senate version?

Floor Leader Attao: Yes, it's on page 50.

Rep. W. Torres: Counsel?

Speaker Hofschneider: Short recess.

The House recessed at 8:09 p.m.

RECESS

The House reconvened at 8:10 p.m.

Speaker Hofschneider: We're back to our session. Representative Torres.

Rep. W. Torres: Mr. Speaker, I think the response was it was incorporated but then some, again, were taken out of that proposed amendment. The other question, Mr. Speaker, which I think you answered already, but for clarification, when an item is line item vetoed, does that money automatically transferred to a desired program?

Speaker Hofschneider: It becomes an available resources identified within the \$213 million.

Rep. W. Torres: So in essence, the Legislature has to come back again and go through the motions? So it's basically lost for...

Speaker Hofschneider: In other words, it cannot be used.

Rep. Deleon Guerrero: Clarification, Mr. Speaker.

Speaker Hofschneider: State your clarification.

Rep. Deleon Guerrero: If he vetoes both provisions or the provision taking away \$900,000 from the Mayor of Rota, if he line item vetoes that, that \$900,000...

Speaker Hofschneider: That will remain available.

Rep. Deleon Guerrero: No. That would not be earmarked for the Mayor of Rota?

Floor Leader Attao: No.

Rep. Deleon Guerrero: It's still short \$900,000?

Floor Leader Attao: Yes.

Rep. S. Torres: Doesn't that reinstate back to Rota?

Speaker Hofschneider: No.

The Chair recognized the Vice Speaker.

Vice Speaker Tenorio: But the Governor can reprogram. He's given an authority to reprogram funds to that.

Speaker Hofschneider: Yes.

Rep. W. Torres: Not that one.

Vice Speaker Tenorio: Yes.

Rep. W. Torres: Not that one. You have to re-appropriate it.

Vice Speaker Tenorio: But he has that 25% reprogramming authority?

Speaker Hofschneider: Yes.

Vice Speaker Tenorio: So we can replace that.

Speaker Hofschneider: He has 25% reprogramming on those approved budget items.

Floor Leader Attao: The Governor can do that. It's easy.

Rep A. Palacios: Mr. Speaker, are we still in recess?

Speaker Hofschneider: No, we're in session. In other words, for instance, if scholarship is appropriated \$2 million and the total impact is \$2.1 million, there's a running deficit of \$100,000 for the scholarship. The Governor can still reprogram within the approved budget ceiling using his 25% reprogramming authority and give over to the scholarship the additional \$100,000. So in this sense also the \$213 million if signed into law and he line item vetoes the \$900,000 under Tinian retroactive pay then Tinian will not get the \$900,000 but that \$900,000 remains available for the Legislature to appropriate.

Rep. W. Torres: And that \$900,000 will reduce the overall budget by that amount.

Speaker Hofschneider: Correct. The provision and the money goes together.

Rep. W. Torres: The total budget will go down.

Speaker Hofschneider: And the shortfall in this \$900,000 the Governor can still reprogram if he wants to help replenish back the \$900,000 he can still use his 25% reprogramming and reprogram up to \$900,000 if he wishes to restore the cutback. But that \$900,000 he cannot use because that has to be appropriated by the Legislature.

Rep. W. Torres: So the overall budget then is reduced by \$900,000.

Speaker Hofschneider: Reduced proportionately. Ready?

Floor Leader Attao voiced, "ready."

Speaker Hofschneider: For passage?

Floor Leader Attao: For passage.

Speaker Hofschneider: The motion on the floor is for acceptance of the Senate amendments. If the members wishes to refer to the committee, you must make the appropriate motion or vote no because the motion is for passage.

Rep. Castro: And what would be our response?

Rep. W. Torres: So if it's no it goes to conference committee?

Speaker Hofschneider: Short recess.

The House recessed at 8:14 p.m.

RECESS

The House reconvened at 8:16 p.m.

Speaker Hofschneider: We're back to our session. Representative Palacios.

Rep A. Palacios: I offer a subsidiary motion, Mr. Speaker, to refer this legislation to a Conference Committee.

Rep. W. Torres seconded the motion.

Floor Leader Attao: Objection to that, Mr. Speaker.

Speaker Hofschneider: That motion is – what was your motion?

Rep A. Palacios: To refer the legislation to a Conference Committee.

Speaker Hofschneider: You're out of order. That motion is out of order. You must reject the Senate amendments and refer it to Conference Committee. The main motion is to the pass.

Floor Leader Attao: The motion is for the acceptance of the Senate amendments. So let's deal with that motion first.

Speaker Hofschneider: He's offering a subsidiary motion.

Floor Leader Attao: Yes, but objection is on the floor now on the subsidiary motion.

Speaker Hofschneider: Division on the floor. We will vote on the motion to reject the Senate amendments and refer it to Conference Committee. So if you vote "no", you're voting against the referral. If you vote yes, you're supporting the referral since there is a subsidiary motion on the floor and the main motion has been objected. The move for the main motion is objected on the floor. We have a division on the floor.

Rep. W. Torres: Say that again.

Speaker Hofschneider: Since the main motion has been amended, the main motion is to accept the way it is amended by the Senate, Representative Palacios, offered a subsidiary motion and has been seconded. There's a division, an objection on the floor by the Floor Leader on the subsidiary motion. Now we have a division on the floor. We must dispose of the division. Those voting in favor of the subsidiary motion you must vote yes. If you vote "no" on the division, then you're going on rejecting the Senate amendments and referring it to a Conference Committee. Understood?

Rep. W. Torres: Yes, means Conference Committee?

Speaker Hofschneider: Yes, means Conference Committee. No, means the main motion for the acceptance of the Senate amendments. Ready?

Several members voiced, "ready."

Speaker Hofschneider: Clerk, roll call.

The roll called on the motion to reject the Senate amendments to H. B. NO. 13-335, HD3, SD3 and to refer to a Conference Committee is as follows:

Rep. Martin B. Ada	yes
Rep. Francisco DLG. Aldan	yes
Rep. Jesus T. Attao	no
Rep. Oscar M. Babauta	excused
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	no
Rep. Norman S. Palacios	no
Rep. Daniel O. Quitugua	absent
Rep. Andrew S. Salas	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	excused

Vice Speaker Tenorio: Mr. Speaker, I want to give this budget another chance and keep it to rethink their decision. I vote yes for a Conference Committee.

Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	no
Rep. William S. Torres	yes
Rep. Heinz S. Hofschneider	yes

Speaker Hofschneider: By a vote of 11 "yes", 4 "no", 3 "absent", H. B. NO. 13-335, HD3, SD3 the Senate amendments is rejected by the House and referred to a Conference Committee to be called.

Floor Leader Attao: Mr. Speaker, I don't think we're going to have FY 2004 budget.

Speaker Hofschneider: It looks like it but we will try to appoint a Conference Committee on immediately Monday. We still have several days to deal with the budget. I believe that we can resolve this and pass before October 1st or maybe on October 1st.

Floor Leader Attao: Also, Mr. Speaker, may I ask that you do not appoint me on that conference?

Speaker Hofschneider: Move to recess subject to the call of the Chair.

Rep. S. Torres: Can we move to Miscellaneous Business, Mr. Speaker?

Floor Leader Attao: Mr. Speaker, can we pass S. B. NO. 13-152?

Speaker Hofschneider: Representative Norman Palacios, please don't go. Floor Leader.

Floor Leader Attao: Yes, Mr. Speaker?

Rep. Castro: Privilege.

Speaker Hofschneider: Recognize the privilege.

Rep. Castro: Can we go back to Prefiled and Introduction of Bills? I have one local bill to introduce if there's no objection from the members.

There being no objection; the House went back to Prefiled and Introduction of Bills.

PREFILED AND INTRODUCTION OF BILLS

The Chair recognized Representative Castro.

H. L. B. NO. 13-047: A Local Bill for An Act to appropriate \$20,000 to support the first 2003 Saipan International Motocross Race Competition; and for other purposes. [First appearance]

Offered by: Rep. Pedro P. Castro

Rep. Castro: Thank you.

Speaker Hofschneider: Thank you. We're back to Bill Calendar. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker.

Rep. H. Palacios: Mr. Speaker.

Speaker Hofschneider: Oh, I'm sorry. Representative Herman Palacios.

Rep. H. Palacios: I have an unnumbered bill to introduce, Mr. Speaker.

Speaker Hofschneider: Continue.

H. B. NO. 13-336: A Bill for An Act to require joint legislative approval before emergency regulations by any executive branch agency can take effect; and for other purposes.

Offered by: Rep. Herman T. Palacios and eight others

Rep. H. Palacios: Thank you.

Speaker Hofschneider: Thank you.

BILL CALENDAR

The Chair recognized the Floor Leader.

Floor Leader Attao moved to place on the day's calendar S. B. NO. 13-152 reference SEN. COMM. 13-268, S. B. NO. 13-127 reference SEN. COMM. 13-160, S. B. NO. 13-144 reference SEN. COMM. 13-266 and H. B. NO. 13-322, HS1, was seconded by three others and carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader.

Floor Leader moved for the suspension of Rule VII, Section 10, Rule IX, Sections 9, 10 and 11 for the passage of S. B. NO. 13-127, S. B. NO. 13-144, S. B. NO. 13-152 and H. B. NO. 13-322, HS1, was seconded and 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. 13-322, HS1 on First and Final Reading.

The motion was seconded.

H. B. NO. 13-322, HS1: A BILL FOR AN ACT TO BOOST THE ECONOMY OF THE CNMI BY ESTABLISHING A SPECIFIC NONIMMIGRANT ENTRY PERMIT CATEGORY IN THE IMMIGRATION CODE TO ATTRACT THE "SILVER CLUB" MARKET IN JAPAN AND RETIREES FROM OTHER COUNTRIES; AND FOR OTHER PURPOSES.

Speaker Hofschneider: Floor Leader.

Floor Leader Attao: Yes, Mr. Speaker?

Speaker Hofschneider: Could we just make a correction on that motion? Could we put it out of the committee? It should be just H. B. NO. 13-322 and then the substitute should be offered.

Floor Leader Attao: Alright, Mr. Speaker. I offer a subsidiary motion to correct my main motion on H. B. NO. 13-322, HS1 to H. B. NO. 13-322.

The motion was seconded.

Speaker Hofschneider: The subsidiary motion is to correct the main motion. The subsidiary motion is to suspend the Rules for passage on H. B. NO. 13-322.

Floor Leader Attao: No. I've already suspended the motion. Now it's for passage.

Speaker Hofschneider: For passage?

Floor Leader Attao: Yes.

Speaker Hofschneider: The subsidiary motion for the passage of H. B. NO. 13-322 has been seconded. Discussion on the main motion.

Several members voiced, “ready.”

Rep. S. Torres: Mr. Speaker, I have passed the copies of the substitute to every member. Everybody has a copy.

Speaker Hofschneider: Any second?

The motion was seconded.

The House Substitute 1 offered by Representative Stanley T. Torres to H. B. NO. 13-322 is as follows:

H. B. NO. 13-322 is hereby substituted as shown below:

To boost the economy of the CNMI by establishing a specific nonimmigrant entry permit category in the Immigration Code to attract the “silver club” market in Japan and retirees from other countries and for other purposes.

Be it Enacted by the thirteenth Northern Marianas Commonwealth Legislature:

Section 1. Short Title. This Act may be cited as the “Foreign Retiree Entry Permit Act.”

Section 2. Findings. The Legislature finds that there is an urgent need to stimulate economic development by providing incentives for foreign retirees set up residence in the Commonwealth and remain here longer than the stay authorized for ordinary visitors. The Legislature has identified the advantages of tapping into the “silver club” market in Japan to diversify the economic base of the CNMI. Such opportunities include, among other things, increasing our tourist arrivals by targeting this new market segment to travel to the CNMI, by enhancing the potential for capital investment in the construction of retirement communities for such a market, and by increasing the prospects of the local business community to engage in new ventures to accommodate this new market. To accomplish these objectives, the Legislature has determined that a new nonimmigrant entry permit must be enacted to permit qualified members of this specific market group to stay in the CNMI for periods longer than that generally authorized under 3 CMC § 4303(q)(2), for visitors for business or pleasure. The Legislature thus finds that 3 CMC § 4303(q), should be amended accordingly to add a new definition to the term “Nonimmigrant” and that 3 CMC § 4321 (c) also should be amended to authorize the promulgation of regulations consistent with this Act.

Section 3. Amendments.

1. 3 CMC § 4303, subsection (q) is amended by adding a new paragraph (11) to read as follows:

“(11) an alien who has been granted a foreign retiree entry permit by the Division of Immigration and alien spouse and children under the age of 18 years accompanying him or her, or if following to join him or

her.”

2. 3 CMC § 4331(b)(2) is amended as follows:

“(2) The duration of the permit’s validity and its expiration date. Provided that the validity of a foreign retiree entry permit and its renewal pursuant to § 4303(q) of this chapter may be established by regulation for a period of no more than two years.”

3. 3 CMC § 4332(b)(1) and (4) are amended as follows:

“(1) The length of stay or period of validity of an entry permit for each class of nonimmigrant aliens defined in § 4303(q) shall be fixed by regulation and shall appear on any issued entry permit or visa. Provided that the validity of a foreign retiree entry permit and its renewal may be established by regulation for a period of no more than two years.”

....

“(4) Except as provided in paragraph (5) No entry permit shall be modified, nor shall a nonresident worker certificate be issued, which would permit a person who has entered in the Commonwealth as a visitor or tourist to be employed in the Commonwealth.

“(5) Foreign Retiree Entry Permit.

(a) An alien over the age of 55 years who enters the Commonwealth as a visitor for business or pleasure may apply for a foreign retiree entry permit while lawfully in the Commonwealth provided the alien is receiving a pension of more than \$50,000, or equivalent, annually. To qualify for the permit, the alien shall not have been convicted in the Commonwealth or another jurisdiction of a felony, or a crime which would be a felony in the Commonwealth. The alien shall satisfy all Commonwealth health entry requirements and shall have conditionally procured residential arrangements for the length of the validity of the permit.

(b) The eligibility of an alien applying for a foreign retiree entry permit shall be based on the following submission:

(i) proof of citizenship of a country determined by regulation by the Division of Immigration to be suitable to extend the privilege of a foreign retiree entry permit to its citizens;

(ii) police clearance from the country of citizenship;

(iii) certified birth certificate from the country of citizenship as proof of age;

(iv) proof of relationship with alien spouse and any children under the age of 18 years accompanying the alien who shall be citizens of the same country as alien;

(v) proof of initial health clearance from the country of citizenship including health clearance for accompanying alien spouse and any qualified alien children;

(vi) proof of health insurance covering alien, accompanying alien spouse and qualified children with a minimum aggregate coverage of \$100,000;

(vii) proof that alien applicant has conditionally procured residential arrangements for the length of the validity of the permit; and

(viii) proof that alien applicant is receiving a pension of at least \$50,000, or equivalent, annually.

(ix) notarized declaration from the alien applicant accompanied by a certificate of

genuineness of signature(s) by a secretary of embassy or legation, consul general, vice consul, or consular agent of the United States, or a diplomatic or consular official of the foreign country assigned or accredited to the United States; the declaration shall include, but not be limited to, attestation to the authenticity of any documents submitted in compliance with subsections (a) and (b) of this section and verification of statements made thereto;

(c) All required documents shall be submitted to the Division of Immigration for review prior to the issuance of the foreign retiree entry permit. A fee of no more than \$100 shall be prescribed by regulation by the Division of Immigration.

Section 4. Severability. If any provisions of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Section 5. Savings Clause. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of the Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence on the date this Act becomes effective.

Section 6. Effective Date. This Act shall take effect upon its approval by the Governor, or its becoming law without such approval.

Speaker Hofschneider: The House Substitute that's been offered by Representative Stanley Torres has been seconded. Discussion on the House Substitute. Ready for the question?

Several members voiced, "ready."

Speaker Hofschneider: Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-322, HS1 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	excused
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	yes
Rep. Norman S. Palacios	yes
Rep. Daniel O. Quitugua	absent
Rep. Andrew S. Salas	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	excused
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 15 “yes” H. B. NO. 13-322, HS1 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 S. B. NO. 13-152 on First and Final Reading.

The motion was seconded.

S. B. NO. 13-152: A BILL FOR AN ACT ALLOW THE GARMENT INDUSTRY TO MAKE APPROPRIATE ADJUSTMENTS TO THE QUOTA ELIMINATION IN 2004; AND FOR OTHER PURPOSES.

Speaker Hofschneider: The motion to pass on First and Final Reading S. B. NO. 13-152 has been seconded. Discussion on the bill. Ready?

Several members voiced, “ready.”

Vice Speaker Tenorio: Can we have copies?

Speaker Hofschneider: Short recess.

The House recessed at 8:30 p.m.

RECESS

The House reconvened at 8:55 p.m.

Speaker Hofschneider: We’re back to our session. Short recess.

The House recessed at 8:55 p.m.

RECESS

The House reconvened at 8:56 p.m.

Speaker Hofschneider: We’re back to our session and we’re discussing S. B. NO. 13-152. Discussion on the bill.

Several members voiced, “ready.”

Speaker Hofschneider: Clerk, roll call.

The roll called on the motion to pass S. B. NO. 13-152 on First and Final Reading is as follows:

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

Rep. Pedro P. Castro	yes
Rep. Joseph P. Deleon Guerrero	no
Rep. Arnold I. Palacios	yes
Rep. Herman T. Palacios	yes
Rep. Norman S. Palacios	yes
Rep. Daniel O. Quitugua	absent
Rep. Andrew S. Salas	absent
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	excused
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 11 “yes”, 3 “no”, 4 “absent”, S. B. NO. 13-146 is hereby passed by the House on First and Final Reading. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker.

Speaker Hofschneider: Recess?

Floor Leader Attao: *Ahe, uno ha, Mr. Speaker.*

Speaker Hofschneider: Shoot.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, I move for the passage of S. B. NO. 13-127, this is relative to amend Title 4, Division 5, Chapter 4, by adding a new Article 5 entitled “Petroleum Product” a new Article relative to the sale and measurement of petroleum product; and for other purposes.

The motion was seconded.

S. B. NO. 13-127: A BILL FOR AN ACT TO AMEND TITLE 4, DIVISION 5, CHAPTER 4, BY ADDING A NEW ARTICLE 5 ENTITLED “PETROLEUM PRODUCT” A NEW ARTICLE RELATIVE TO THE SALE AND MEASUREMENT OF PETROLEUM PRODUCT; AND FOR OTHER PURPOSES.

Speaker Hofschneider: Who wants a copy? Short recess.

The House recessed at 8:58 p.m.

RECESS

The House reconvened at 9:06 p.m.

Speaker Hofschneider: We’re back to our session. We’re discussing S. B. NO. 13-127 and I recognize Representative Ada.

Rep. Ada: This is a good bill, Mr. Speaker. It’s about time that we are treated fairly in terms of buying the actual amount rather than the ordered amount. Thank you.

Speaker Hofschneider: Thank you. Representative Deleon Guerrero, you have a comment?

Rep. Deleon Guerrero: I yield to whoever would like to comment, Mr. Speaker.

Speaker Hofschneider: Thank you. Ready?

Several members voiced, “ready.”

Speaker Hofschneider: Clerk, roll call.

The roll called on the motion to pass S. B. NO. 13-127 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	excused
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	yes
Rep. Norman S. Palacios	yes
Rep. Daniel O. Quitugua	absent
Rep. Andrew S. Salas	absent
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	excused
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 14 “yes”, 4 “absent”, S. B. NO. 13-127 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 S. B. NO. 13-144 reference SEN. COMM. 13-266 on First and Final Reading.

The motion was seconded.

S. B. NO. 13-144: A BILL FOR AN ACT TO AMEND 2 CMC § 4323: TO REQUIRE THE MARIANAS PUBLIC LAND AUTHORITY TO GRANT TITLE TO PUBLIC LAND FOR QUALIFIED INDIVIDUALS WHO DEMONSTRATED FIFTEEN (15) YEARS OF CONTINUOUS AND ACTUAL OCCUPANCY OF PUBLIC LAND, BUT DID NOT RECEIVE SUCH TITLE DESPITE BEING QUALIFIED BECAUSE OF THEIR EXCLUSION FROM THE LIST OF QUALIFIED PERSONS ESTABLISHED BY MPLA; TO MANDATE THAT MPLA REVIEW ALL PAST AND PENDING CLAIMS AND GRANT SUCH TITLE TO QUALIFIED INDIVIDUALS; TO AMEND 2 CMC § 4324 TO EXTEND THE TIME LIMITATION FOR NEW CLAIMS MADE PURSUANT TO 2 CMC § 4323 FROM TWELVE (12) TO TWENTY-FIVE (25) YEARS; AND FOR OTHER PURPOSES.

Speaker Hofschneider: The motion for the passage of S. B. NO. 13-144 on First and Final Reading has been seconded. Discussion on the bill. Representative Arnold Palacios.

Rep A. Palacios: Thank you, Mr. Speaker. When this was transmitted to the House, Mr. Speaker, it was referred to the Committee on Natural Resources. I remember that several members mentioned other names. I'd like to offer an oral floor amendment to include 6 additional names. The oral floor amendment should be on page 3 of the bill, line 2 delete the word "and" and after the word "Aldan" add "Mr. Pedro P. Togawa; Mr. and Mrs. Joaquin C. Lizama; Mr. Felipe SN. Camacho; Mr. Erneo B. Dela Cruz; Mr. Santiago V. Castro; Rep. Pedro P. Castro".

Floor Leader Attao seconded the motion.

Speaker Hofschneider: Our Congressman?

Rep A. Palacios: Yes.

Speaker Hofschneider: Any second?

Floor Leader Attao seconded the motion.

Speaker Hofschneider: The motion to include the following individuals on page 2 striking out the word "and", striking out the "period" and add "semicolon" and add the following names: "Mr. Pedro P. Togawa; Mr. and Mrs. Joaquin C. Lizama; Mr. Felipe SN. Camacho; Mr. Erneo B. Dela Cruz; Mr. Santiago V. Castro; Rep. Pedro P. Castro" has been seconded. Discussion on the amendment.

Floor Leader Attao: I offer a subsidiary motion to that, Mr. Speaker, to include "Mr. Mark I. Palacios."

The motion was seconded. There was no discussion, and the oral floor amendment offered by Floor Leader Attao to S. B. NO. 13-144 was carried by voice vote.

Speaker Hofschneider: Motion carried. We're back to the main motion and I recognized Representative William Torres.

Rep. W. Torres: If I'm in order, can I make a subsidiary motion?

Speaker Hofschneider: Can we dispose the main motion? Representative Arnold Palacios offered an oral floor amendment. It has been seconded. Discussion on the main motion.

There was no further discussion, and the oral floor amendment offered by Representative Arnold Palacios to S. B. NO. 13-144 was carried by voice vote.

Speaker Hofschneider: Motion carried. Representative William Torres.

Rep. W. Torres: Mr. Speaker, I'd like to make an amendment to the series of amendments and the purpose of this amendment, Mr. Speaker, if I may explain it is to include all of those whom we did not identify that MPLA may qualify should they provide documentations.

The motion was seconded.

Speaker Hofschneider: Continue.

Rep. W. Torres: The amendment after all of those names listed “and all other persons deemed qualified by the Marianas Public Lands Authority who are similarly situated.”

The motion was seconded. There was no discussion, and the oral floor amendment offered by Representative William Torres to H. B. NO. 13-144 was carried by voice vote.

Speaker Hofschneider: Motion carried. Ready?

Floor Leader Attao voiced, “ready.”

Speaker Hofschneider: Representative Castro, you have to recuse yourself from voting. Clerk, roll call.

The roll called on the motion to pass S. B. NO. 13-144, HD2 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	excused
Rep. Gloria DLC. Cabrera	yes
Rep. Pedro P. Castro	Conflict of interest
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	absent
Rep. Andrew S. Salas	absent
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	excused
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 13 “yes”, 4 “absent”, 1 “conflict of interest”, S. B. NO. 13-144 as amended by the Senate is hereby passed by the House on First and Final Reading. Floor Leader, recess.

Rep. S. Torres: Mr. Speaker, under Miscellaneous Business for three minutes.

MISCELLANEOUS BUSINESS

The Chair recognized Representative Stanley Torres.

Rep. S. Torres: Thank you, Mr. Speaker. This is in regards to an issue on Public Law 10-4. My reaction to today’s *Saipan Tribune* regarding MVA’s Managing Director Jonas Ogren statement by Mr. Eric Smith the legal counsel for MVA. Mr. Speaker and members of the House, I say, so what if Jonas Ogren is from Cornell or even if he’s from MIT. The issue is about Public Law 10-4, the Nonresident Worker Extension Act of 1996. The law has been violated by our own MVA trusted

and law abiding citizens. Ray Yumul has all the required qualifications for the position and being a local, he is protected by Public Law 10-4 to have preference over a nonresident worker. It has nothing to do with racial discrimination as what Mr. Eric Smith have stated. It's about obeying the law. I say, so when will MVA take Ray Yumul if Jonas Ogren is perpetually renewing? Did MVA honestly prove that Jonas Ogren is more qualified than Ray Yumul? MVA needs to hire Ray Yumul and put him to test first before they say that Ray Yumul did not possess qualifications that more closely match their Board requirements. Holding a degree from Cornell on hotel management doesn't necessarily super qualify Jonas Ogren or even if he worked for an international hotel in China. The hotel in China is a Scandinavian Airline operated known as SAS Radisson. It's a transient for airline flight crews and a complimentary room for the airlines passengers on transit similar to Radisson Hotel in Narita operated by Northwest Airlines. MVA did not go deep enough on Jonas Ogren's background check. MVA should have known that Jonas Ogren might have a traffic violation in Rota. Was it a DUI violation or something major? I also understand that Mr. Ogren may have been driving illegally without a driver's license for about six months during and prior to his employment with MVA last year. Mr. Speaker and members, Ray Yumul must be hired as the new Managing Director. Let's put our own people to work. Thank you.

Speaker Hofschneider: Thank you. Floor Leader, move to recess subject to the call of the Chair.

Floor Leader Attao moved to recess subject to the call of the Chair, was seconded by two others and carried by voice vote.

Speaker Hofschneider: Recess subject to the call of the Chair.

The House recessed at 9:18 p.m.

Respectfully submitted,

Lavida S. Palacios, Journal Clerk
House of Representatives

APPEARANCE OF LOCAL BILLS

None