

GOV. COMM: 21-65
(HOUSE)

RALPH DLG. TORRES
Governor

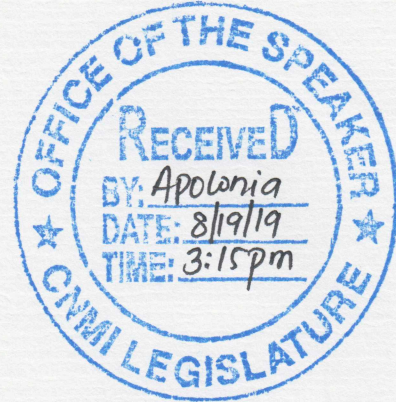
ARNOLD I. PALACIOS
Lieutenant Governor

COMMONWEALTH of the NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

19 AUG 2019

The Honorable Blas Jonathan "BJ" T. Attao
Speaker, House of Representatives
Twenty-First Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

The Honorable Victor B. Hocog
Senate President, The Senate
Twenty-First Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

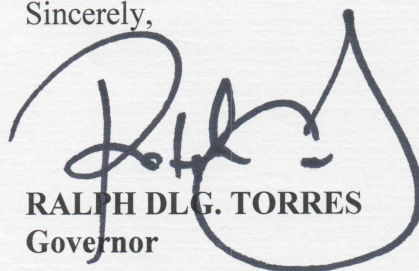


Dear Mr. Speaker and Mr. President:


This is to inform you that I have signed into law **House Bill No. 21-63**, entitled, "To amend 4 CMC §10465(a) and 1 CMC §8491(d) and §8491(e); and for other purposes.", which was passed by the House of Representatives and the Senate of the Twenty-First Northern Marianas Commonwealth Legislature.

This bill becomes **Public Law No. 21-4**. Copies bearing my signature are forwarded for your reference.

Sincerely,


RALPH DLG. TORRES
Governor

cc: Lt. Governor; Press Secretary; Attorney General's Office; Secretary of Finance; Commonwealth Development Authority; Office of Public Auditor; Special Assistant for Administration; Special Assistant for Programs and Legislative Review

HOUSE CLERK'S OFFICE
RECEIVED BY 
DATE 08/21/19 TIME 4:26pm



Twenty-First Legislature
of the
Commonwealth of the Northern Mariana Islands
IN THE HOUSE OF REPRESENTATIVES

FOURTH SPECIAL SESSION

JUNE 27, 2019

REPRESENTATIVE BLAS JONATHAN "BJ" T. ATTAO of Saipan, Precinct 3 (*for himself*, Representatives Roman C. Benavente, Antonio SN. Borja, Joel C. Camacho, Luis John DLG. Castro, Lorenzo I. Deleon Guerrero, Jose I. Itibus, Richard T. Lizama, Janet U. Maratita, John Paul P. Sablan, Edmund S. Villagomez and Ralph N. Yumul) in an open and public meeting with an opportunity for the public to comment, introduced the following Bill:

H. B. No. 21-63

AN ACT

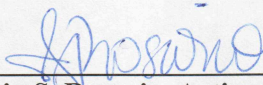
**TO AMEND 4 CMC §10465(A) AND 1 CMC §8491(D) AND
§8491(E); AND FOR OTHER PURPOSES.**

The Bill was not referred to a House Committee.

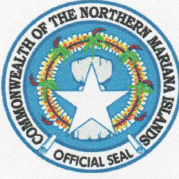
**THE BILL WAS PASSED BY THE HOUSE OF REPRESENTATIVES ON
FIRST AND FINAL READING, JULY 12, 2019;**
without amendments and transmitted to
THE SENATE.

The Bill was not referred to a Senate Committee.
THE BILL WAS PASSED BY THE SENATE ON FINAL READING, JULY 18, 2019;
without amendments and was returned to
THE HOUSE OF REPRESENTATIVES.

THE BILL WAS FINALLY PASSED ON JULY 12, 2019.



Venetia S. Rosario, Acting House Clerk



Twenty-First Legislature
of the
Commonwealth of the Northern Mariana Islands
IN THE HOUSE OF REPRESENTATIVES

SECOND DAY, FOURTH SPECIAL SESSION

JUNE 27, 2019

H. B. No. 21-63

AN ACT

**TO AMEND 4 CMC §10465(A) AND 1 CMC §8491(D) AND §8491(E);
AND FOR OTHER PURPOSES.**

**BE IT ENACTED BY THE TWENTY-FIRST NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:**

1 **Section 1. Short Title.** This Act may be referred to as the “Bond Amendment Act of
2 2019”.

3 **Section 2. Findings and Purpose.** The Legislature finds that Public Law 18-12, as
4 previously amended by Public Law 18-45, needs to be further amended to provide additional
5 clarification and flexibility for the issuance of bonds authorized by Public Law 18-12 to meet
6 changing market and legal conditions. The Legislature further finds that the Commonwealth

HOUSE BILL 21-63

1 Development Authority (“CDA”) Act, Division 10 of Title 4 of the Commonwealth Code, needs
2 to be amended to provide greater flexibility for future refunding of bonds issued by the CDA.

3 The purpose of the Act is:

4 (a) To amend the CDA bond provisions to allow for special revenue bonds to be used to
5 refund general obligation bonds. The amendment will require a specific bond act authorizing the
6 particular refunding bonds (which would not otherwise be required) and pledge of gross revenue
7 taxes or special revenues.

8 (b) To amend the Pension Obligation Bond Act to clarify that a pledge of the gross
9 revenue tax to those bonds may be senior to all other uses, notwithstanding Public Law 20-33.
10 The existing covenant of the Commonwealth to not make any gross revenue tax changes that
11 impair the security of the Pension Obligation Bond language is amended to explicitly include
12 impairing the priority of the pledge.

13 (c) To amend the CDA bond provisions to provide for monthly one-sixth of interest and
14 one-twelfth of principal deposits (instead of first moneys until 12 months are fully funded).

15 **Section 3. Amendments.**

16 (a) 4 CMC Section 10465(a) is hereby amended as follows:

17 **“Section 10465. Refunding Bonds Authorized.**

18 (a) Subject to the other provisions of this article, the Authority, without further
19 authorization of the legislature, from time to time, for and in the name and on behalf of
20 the Commonwealth, may issue general obligation refunding bonds of the
21 Commonwealth to pay or provide for the payment of all or any part of the then
22 outstanding bonds of the Commonwealth issued under this article, at or before their

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1 maturity or redemption date, and may include various series and issues of those
2 outstanding bonds in a single issue of refunding bonds, and may include refunding bonds
3 and bonds otherwise to be issued pursuant to this article in a single issue of bonds. If
4 authorized by the act of the legislature authorizing the issuance of the bonds to the
5 refunded or by a separate act of the legislature authorizing the refunding bonds, the
6 Authority may elect in its resolution authorizing the issuance of the refunding bonds that
7 the refunding bonds be secured solely by the specified revenues of the Commonwealth
8 authorized in the act of the legislature, whether refunding outstanding general obligation
9 bonds or bonds secured solely by specified revenues of the Commonwealth.”

10 (b) Subsections (d) and (e) of 1 CMC Section 8491 of the Pension Obligation Bond
11 statute is hereby amended as follows:

12 **“Section 8491. Public Debt Authorization.**

13 (d) The Authority is further authorized to pledge as security for the bonds as
14 provided for in Title 4, Division 10, Chapter 4, Article 2, the taxes on gross revenues of
15 the Commonwealth collected pursuant to Title 4, Division 1, Chapter 3 of the
16 Commonwealth Code, and on such priority and terms as the CDA shall determine to be
17 in the best interest of the Commonwealth. The Authority may elect in its resolution
18 authorizing issuance of a series of bonds that the pledged taxes on gross revenues shall
19 be the sole security for the bonds, which in that case shall not be considered general
20 obligation bonds or otherwise entitled to the full faith and credit pledge of the
21 Commonwealth or any lien on the General Fund of the Commonwealth. If the Authority
22 elects that pledged taxes on gross revenues shall be either additional security for the

HOUSE BILL 21-63

1 bonds or the sole security for the bonds, it may specify the priority of such pledge as
2 against other pledges or uses of taxes on gross revenues, including that such pledge be
3 senior and superior to any other pledge or use of taxes on gross revenues, notwithstanding
4 any other law, including (without limitation) Public Law 20-33. All pledged taxes and
5 revenues shall be deposited, and the Secretary of Finance shall make any transfers
6 necessary to effect deposit of such taxes, promptly upon receipt, in a special trust account
7 established pursuant to Section 10460, without prior deposit in the General Fund or any
8 other Fund of the Commonwealth, which deposit shall be made monthly in an amount at
9 least equal to one-sixth of the interest due or to become due on the bonds during the next
10 succeeding six months and one-twelfth of the principal due or to become due on the
11 bonds during the next succeeding twelve months. Alternatively, such deposit may be
12 made as soon as possible from the first pledged taxes on gross revenue available until
13 the balance in said special trust account is at least equal to debt service due or to become
14 due on the bonds during the next succeeding twelve months. In either case, such deposit
15 may be subject to adjustments provided for in the indenture pursuant to which the bonds
16 are issued; for example, to account for other available moneys or to replenish draws on
17 reserve funds. Any taxes on gross revenues deposited upon receipt in any other fund
18 shall be deemed held in trust for, and the Secretary of Finance shall immediately transfer
19 any such taxes for, deposit in the special trust account.”

20 (e) The Commonwealth hereby covenants with the holders of the bonds,
21 including any refunding bonds, that so long as any of the bonds or refunding bonds
22 remain outstanding, the Commonwealth shall not alter or amend the tax on gross

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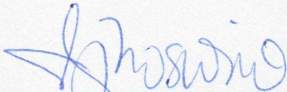
1 revenues or its deposit into the special trust account in any manner that would adversely
2 affect the priority of any pledge of taxes on gross revenues or otherwise adversely affect
3 the security of, or the ability to pay the principal of or interest on, the bonds. The CDA
4 may include this covenant of the Commonwealth in the bond indenture or other
5 document or agreement providing for issuance, security, and payment of the bonds.”

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

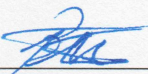
10 **Section 5. Savings Clause.** This Act and any repealer contained herein shall not be
11 construed as affecting any existing right acquired under contract or acquired under statutes
12 repealed or under any rule, regulation or order adopted under the statutes. Repealers contained
13 in this Act shall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

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

HOUSE BILL 21-63


Attested to by: 

Venetia S. Rosario, Acting House Clerk

Certified by: 

SPEAKER BLAS JONATHAN "BJ" T. ATTAO
House of Representatives
21st Northern Marianas Commonwealth Legislature

Approved this 19th day of August, 2019



RALPH DLG. TORRES
Governor
Commonwealth of the Northern Mariana Islands