



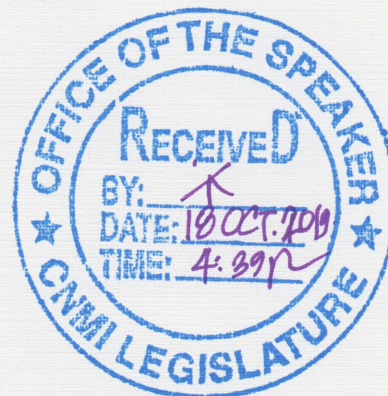
RALPH DLG. TORRES
Governor

ARNOLD I. PALACIOS
Lieutenant Governor

COMMONWEALTH of the NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

18 OCT 2019

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



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

Dear Mr. Speaker and Mr. President:

This is to inform you that I have signed into law **House Bill No. 21-78, HS1, SS1**, entitled, "To appropriate \$11,502,570 of the Sixth-Year Casino License Fee.", which was passed by the House of Representatives and the Senate of the Twenty-First Northern Marianas Commonwealth Legislature.

Although **H.B. 21-78, HS1, SS1** presents no legal concerns, there may be a technical drafting issue in Section 1(c)(1) of the bill. This section attempts to suspend the provisions of 4 CMC § 2307(a) directed at funds for the Saipan Higher Education Financial Assistance (SHEFA). Section 2307(a) deals with the annual allotment to the First Senatorial District. The correct section dealing with SHEFA is 4 CMC § 2307(c)(1).

Further, another technical drafting issue arises in the bill's omission of the word "Senatorial" in Section 1(b), page 2, line 8.

As such, and for the purpose of providing clarity and avoiding any unforeseeable issues, I urge the Legislature to expeditiously make the necessary amendments to this legislation in a companion bill.

HOUSE CLERK'S OFFICE
RECEIVED BY [Signature]
10/23/19 TIME 2:30 PM

This bill becomes **Public Law No. 21-10**. Copies bearing my signature are forwarded for your reference.

Sincerely,



ARNOLD I. PALACIOS
Acting Governor

cc: Governor; Press Secretary; SHEFA; Commonwealth Healthcare Corporation; Rota Municipal Council; Rota Gaming Commission; Secretary of Finance; Public School System; Northern Marianas College; Marianas Visitors Authority; Office of Public Auditor; Special Assistant for Administration; Special Assistant for Programs and Legislative Review



House of Representatives

TWENTY-FIRST NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

P.O. Box 500586
SAIPAN, MP 96950

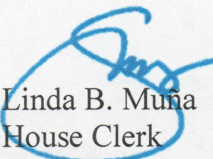
October 16, 2019

The Honorable Ralph DLG. Torres
Governor
Commonwealth of the Northern
Mariana Islands
Capitol Hill
Saipan, MP 96950

Dear Governor Torres:

I have the honor of transmitting herewith for your action **H. B. No. 21-78, HS1, SS1**, entitled: "To appropriate \$11,502,570 of the Sixth-Year Casino License Fee.", which was passed by the House of Representatives and the Senate of the Twenty-First Northern Marianas Commonwealth Legislature.

Sincerely yours,



Linda B. Muña
House Clerk

Attachment



*Twenty-First Legislature
of the
Commonwealth of the Northern Mariana Islands*

IN THE HOUSE OF REPRESENTATIVES

SECOND REGULAR SESSION

SEPTEMBER 6, 2019

REPRESENTATIVE IVAN A. BLANCO of Saipan, Precinct 3 (*for himself*, Representatives Blas Jonathan "BJ" T. Attao, Roman C. Benavente, Antonio SN. Borja, Joel C. Camacho, Lorenzo I. Deleon Guerrero, Jose I. Itibus, John Paul P. Sablan, 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. 21-78, HS1, SS1

AN ACT

**TO APPROPRIATE \$11,502,570 OF THE SIXTH-YEAR CASINO
LICENSE FEE.**

The Bill was not referred to a House Committee.

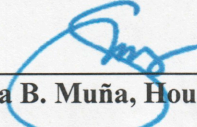
**THE BILL WAS PASSED BY THE HOUSE OF REPRESENTATIVES ON
FIRST AND FINAL READING, SEPTEMBER 6, 2019;**
with amendments in the form of H. B. No. 21-78, HS1 and transmitted to the
THE SENATE.

The Bill was referred to the Senate Committee on Fiscal Affairs.
THE BILL WAS PASSED BY THE SENATE ON FIRST AND FINAL READING, SEPTEMBER 26, 2019;
with amendments in the form of H. B. No. 21-78, HS1, SS1.

**H. B. No. 21-78, HS1, SS1 WAS RETURNED TO THE HOUSE OF REPRESENTATIVES ON
SEPTEMBER 26, 2019.**

The House of Representatives accepted the Senate amendments and passed H. B. No. 21-78, HS1, SS1 during its Fifth Day, Second Regular Session on October 15, 2019.

THE BILL WAS FINALLY PASSED ON OCTOBER 15, 2019.



Linda B. Muña, House Clerk



*Twenty-First Legislature
of the
Commonwealth of the Northern Mariana Islands*

IN THE HOUSE OF REPRESENTATIVES

FIFTH DAY, SECOND REGULAR SESSION

OCTOBER 15, 2019

H. B. No. 21-78, HS1, SS1

AN ACT

**TO APPROPRIATE \$11,502,570 OF THE SIXTH-YEAR CASINO
LICENSE FEE.**

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

1 **SECTION 1. FINDINGS AND PURPOSE.**

2 The annual casino license fee of \$15,000,000 for the first year and the \$15,000,000 for
3 the fifth year was paid by the licensee. The license fees for the second through the fourth years
4 were paid when due. For the sixth year, the annual license fee is adjusted in accordance with
5 4 CMC § 2306(b)(4). In accordance with the adjustment provision, Imperial Pacific
6 International, CNMI, paid \$15,502,570 for the sixth-year casino license fee.

7 The annual casino license fee distribution is in accordance with 4 CMC § 2307.
8 Specifically, 2307(a) provides that \$2,000,000 shall be allocated to the First Senatorial District
9 to be appropriated by its Legislative Delegation, 2307(b) provides that \$2,000,000 shall be

HOUSE BILL 21-78, HS1, SS1

1 allocated to the Second Senatorial District to be appropriated by its Legislative Delegation; and
2 2307(c) provides that \$11,000,000 (\$1,500,000 continuous appropriation for the Saipan Higher
3 Education Assistance and \$9,500,000) is allocated to the Third Senatorial District to be
4 appropriated by its Legislative Delegation.

5 The Legislature finds it necessary to note and make the following crystal clear:

6 (a) \$2,000,000 of the sixth-year casino license fee allocation for the First Senatorial
7 District is appropriated in accordance with Section 2(a) of this Act;

8 (b) \$1,000,000 of the sixth-year casino license fee allocation for the Second District is
9 appropriated in accordance with Section 2(b) of this Act and the other \$1,000,000 allocated to
10 the Second Senatorial District is appropriated under H.L.B. 21-31, D1, which has been passed
11 by the Tinian Legislative Delegation and has been transmitted to the Governor and awaiting
12 his decision; and

13 (c) \$11,000,000 of the sixth-year casino license fee allocation for the Third Senatorial
14 District is allocated as follows:

15 (1) \$1,500,000 for the Saipan Higher Education Financial Assistance in accordance
16 with 4 CMC 2307(a) is suspended and appropriated in accordance with Section 2(c) of this
17 Act; and

18 (2) \$6,500,000 allocated to Saipan and Northern Islands Legislative Delegation
19 (SNILD) is appropriated in accordance with Section 2(d) of this Act and the other \$3,000,000
20 allocated to the SNILD is appropriated under H.L.B. 21-28, S1, D6, which has been passed by
21 SNILD and has been transmitted to the Governor and awaiting his decision.

22 Although 4 CMC § 2307 is silent on the distribution of the adjustment amount of
23 \$502,570 for the sixth year in accordance with § 2306(b)(4), the adjustment amount must

HOUSE BILL 21-78, HS1, SS1

1 remain in the Commonwealth Treasury and must be kept separate and apart from the general
2 funds of the Commonwealth government.

3 The Legislature acknowledges Governor Torres' letter dated September 5, 2019
4 requesting that \$10,502,570 of the sixth-year casino license fee be deposited in the General
5 Fund to be appropriated to cover outstanding government obligations.

6 Therefore, the purpose of this Act is to appropriate the sixth-year casino license fee
7 allocated to the First Senatorial District and some of the funds allocated to the other two
8 Senatorial Districts to cover outstanding government obligations.

9 **SECTION 2. APPROPRIATION.**

10 (a) Notwithstanding 4 CMC § 2307(a), \$2,000,000 of the sixth-year casino license fee
11 allocated to the First Senatorial District is appropriated as follows:

12 (1) \$1,000,000 to cover the obligations listed under Section 3; and

13 (2) \$1,000,000 for the First Senatorial District for the following:

14 (A) \$290,000 for the partial payment of any Rota Legislative Delegation
15 outstanding obligation to the general fund. Provided however that this
16 appropriation shall only be obligated upon the Secretary of Finance certification
17 indicating a detail accounting of the obligation, if any, in writing to the Rota
18 Legislative Delegation members that a certain amount is owed or not owed by
19 the Rota Legislative Delegation;

20 (B) \$220,000 for the Rota dialysis and terminally ill patients monthly
21 subsistence allowance for May through October 2019 to be paid in accordance
22 with the following:

23 (i) The list of 126 patients who are currently receiving the
24 allowance.

HOUSE BILL 21-78, HS1, SS1

1 (ii). The list of 14 new patients to receive the allowance,
2 notwithstanding the pertinent Rota Legislative Rule relating to approval
3 of new recipients;

4 (iii) The Rota Legislative Delegation Clerk shall transmit the
5 two lists indicating the 126 current patients' names and the
6 corresponding allowance to be paid and the list of the 14 new patients
7 with the corresponding amounts to be paid.

8 (iv) The expenditure authority of the appropriation in this
9 subsection shall be the Secretary of Finance.

10 (C) \$100,000 for the Rota Gaming Casino Commission (RGCC)
11 operations under the expenditure authority of the RGCC Chairperson;

12 (D) \$100,000 for the Rota Municipal Scholarship Foundation (RMSF)
13 under the expenditure authority of the RMSF Chairperson;

14 (E) \$10,000 for the Rota Municipal Council to be divided and
15 distributed equally to each member of the Municipal Council in separate
16 accounts. Each Municipal Council member shall be the expenditure authority
17 of funds distributed to the respective member;

18 (F) \$65,000 for the Rota interisland medical referral patients and
19 escorts' stipends under the expenditure authority of the CHCC CEO;

20 (G) \$50,000 for partial payment to Sun Palace for the Rota patients'
21 lodging costs under the expenditure authority of the Secretary of Finance;

22 (H) \$15,000 for lubrication, fuel and vehicle maintenance of the Rota
23 Liaison Office, Saipan, under the expenditure authority of the RLO
24 Medical/Referral Coordinator;

HOUSE BILL 21-78, HS1, SS1

1 (I) \$25,000 to the Rota Health Center for freight cost and laboratory
2 specimens of Rota patients under the expenditure authority of the Rota Health
3 Center Director;

4 (J) \$40,000 to purchase one brand new van for the use of the Rota
5 Medical Referral patients on Saipan under the expenditure of the Mayor of
6 Rota; and

7 (K) \$85,000 for the operations of the Office of the Rota Mayor under
8 the expenditure authority of the Mayor of Rota.

9 (b) Notwithstanding 4 CMC § 2307(b), \$1,000,000 of the sixth-year casino license fee
10 allocated to the Second Senatorial District is hereby appropriated to cover the obligations listed
11 under Section 3;

12 (c) Notwithstanding 4 CMC § 2307(c)(1), \$1,500,000 of the sixth-year casino license
13 fee continuously appropriated for the Saipan Higher Education Assistance is hereby suspended,
14 and the entire amount of \$1,500,000 is hereby appropriated to cover the obligations listed under
15 Section 3;

16 (d) Notwithstanding 4 CMC § 2307(c)(2), \$6,500,000 of the sixth-year casino license
17 fee allocated to the Saipan and Northern Islands Legislative Delegation is hereby appropriated
18 to cover the obligations listed under Section 3; and

19 (e) Notwithstanding any law to the contrary, the adjustment amount of \$502,570 for the
20 sixth-year casino license fee in accordance with 4 CMC § 2306(b)(4) is hereby appropriated to
21 cover the obligations listed under Section 3.

22 **SECTION 3. APPROPRIATION ALLOCATION.**

23 Except as provided in Section 2(a)(2), the amount of \$10,502,570 appropriated under
24 Section 2 is hereby allocated as follows:

HOUSE BILL 21-78, HS1, SS1

1 (a) \$1,000,000 shall be transferred to the Northern Mariana Islands Settlement Fund for
2 a partial payment of the FY 2017 payment due under Section 4.2 of the Settlement Agreement
3 (also referred to as alternative payment in a greater amount or “APGA”) in *Johnson v. Torres*,
4 District Court Case 09-CV-00023;

5 (b) \$3,000,000 shall be transferred to the Public School System under the expenditure
6 of the Commissioner of the Public School System;

7 (c) \$1,000,000 shall be transferred to the Northern Marianas College (NMC) under the
8 expenditure authority of the NMC President;

9 (d) \$500,000 shall be transferred to the Commonwealth Health Care Corporation
10 (CHCC) under the expenditure of the CHCC CEO;

11 (e) \$1,000,000 shall be transferred to the Marianas Visitors Authority (MVA) under the
12 expenditure authority of the MVA Managing Director; and

13 (f) \$4,002,570 to be expended for the outstanding vendor payments incurred as a result
14 of the devastation by Super Typhoon Yutu under the expenditure authority of the Secretary of
15 Finance.

16 **SECTION 4. REPORTING AND CERTIFICATION.**

17 (a) Within 30 days of any distribution of funds pursuant to this Act, the Secretary of
18 Finance shall submit to the Speaker of the House of Representatives, the President of the
19 Senate, the Chairperson of the House Committee on Ways and Means, and the Chairperson of
20 the Senate Committee on Fiscal Affairs, a detailed expenditure report on the distribution of the
21 appropriated funds in this Act.

22 (b) The Secretary of Finance shall certify to the Legislature the availability of any
23 additional collections above the projected resources for Fiscal Year 2020 or other funds
24 realized in the future, to be designated to the Senatorial Districts for appropriation in

HOUSE BILL 21-78, HS1, SS1

1 accordance with 4 CMC § 2307 (Public Law 20-10), until the amount of \$10,000,000 to the
2 Senatorial Districts is fully returned and satisfied.

3 **SECTION 5. PERSONAL LIABILITY.**

4 The expenditure authorities as provided in this Act shall be personally liable for
5 expending the funds other than as provided in this Act.

6 **SECTION 6. FISCAL YEAR LIMITATION.**

7 The funds appropriated under this Act shall not be subject to fiscal year limitation.

8 **SECTION 7. SEVERABILITY.**

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

13 **SECTION 8. SAVINGS CLAUSE.**

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

HOUSE BILL 21-78, HS1, SS1

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SECTION 9. EFFECTIVE DATE.

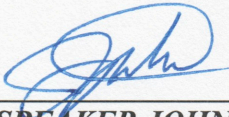
This Act shall take effect upon its approval by the Governor, or its becoming law without such approval.

Attested to by:



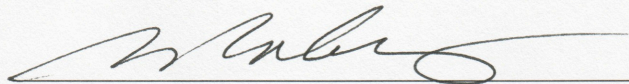
Linda B. Muña, House Clerk

Certified by:



ACTING SPEAKER JOHN PAUL P. SABLAN
House of Representatives
21st Northern Marianas Commonwealth Legislature

Approved this 18th day of October, 2019



ARNOLD I. PALACIOS
ACTING GOVERNOR

Commonwealth of the Northern Mariana Islands