



GOV. COMM: 23-140
(HOUSE)

Arnold I. Palacios
Governor

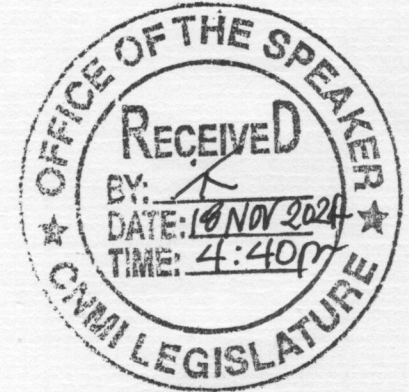
David M. Apatang
Lieutenant Governor

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

November 18, 2024

GOV2025-077

The Honorable Edmund S. Villagomez
Speaker, House of Representatives
Twenty-Third Northern Marianas
Commonwealth Legislature
Saipan, MP 96950



The Honorable Edith E. Deleon Guerrero
President of the Senate
Twenty-Third Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

[Signature] 11/18/24

Dear Mr. Speaker and Madame President:

This is to inform you that I have signed into law **House Bill No. 23-97, SD1, CCS1**, entitled, "To amend certain provisions of the Commonwealth Public Utilities Commission Act of 2006; and for other purposes.," which was passed by the House of Representatives and the Senate of the Twenty-Third Northern Marianas Commonwealth Legislature.

This bill becomes **Public Law No. 23-29**. Copies bearing my signature are forwarded for your reference.

Sincerely,

[Signature]
ARNOLD I. PALACIOS
Governor

HOUSE CLERK'S OFFICE
RECEIVED BY *[Signature]*
DATE 11/18/2024 TIME 4:54 PM

cc: Lieutenant Governor; Attorney General; Commonwealth Law Revision; Public Auditor;
Public Utilities Commission; CUC; Secretary of Finance; Civil Service Commission;
Acting Special Assistant for Administration; Programs and Legislative Review Office



**TWENTY-THIRD NORTHERN MARIANA COMMONWEALTH LEGISLATURE
IN THE HOUSE OF REPRESENTATIVES**

THIRD REGULAR SESSION

FEBRUARY 9, 2024

REPRESENTATIVE REP. VINCENT R. S. ALDAN OF SAIPAN, PRECINCT 1 (*for himself*, Representatives Blas Jonathan "BJ" T. Attao, Angelo A. Camacho, Diego V. F. Camacho, Manny G. T. Castro, Edwin K. Propst, 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. 23-97, SD1, CCS1

AN ACT

**TO AMEND CERTAIN PROVISIONS OF THE
COMMONWEALTH PUBLIC UTILITIES COMMISSION ACT
OF 2006; AND FOR OTHER PURPOSES.**

IN THE HOUSE OF REPRESENTATIVES

The Bill was referred to the House Committee on Public Utilities, Transportation, and Communications, which submitted Standing Committee Report No. 23-73, and subsequently adopted on 3/28/2024.

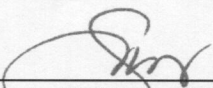
**THE BILL WAS PASSED BY THE HOUSE OF REPRESENTATIVES ON
FIRST AND FINAL READING, MARCH 28, 2024;**
without amendments and transmitted to **THE SENATE.**

IN THE SENATE

The Bill was referred to the Senate Committee on Public Utilities, Transportation, and Communications.
THE BILL WAS PASSED BY THE SENATE ON FIRST AND FINAL READING, AUGUST 8, 2024;
with amendments in the form of H. B. No. 23-97, SD1 and returned to **THE HOUSE OF REPRESENTATIVES.**

During its Second Day, Fourth Regular Session on August 30, 2024, the House of Representatives rejected the Senate amendments, and the bill was sent to Conference, which submitted Conference Committee Report 23-4. The report was subsequently adopted by both the House and the Senate.

**H. B. No. 23-97, SD1, CCS1 IS DULY PASSED BY THE TWENTY-THIRD NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE.**



Linda B. Muña, House Clerk



TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
IN THE HOUSE OF REPRESENTATIVES

FOURTH DAY, FOURTH REGULAR SESSION

OCTOBER 25, 2024

H. B. No. 23-97, SD1, CCS1

AN ACT

TO AMEND CERTAIN PROVISIONS OF THE COMMONWEALTH
PUBLIC UTILITIES COMMISSION ACT OF 2006; AND FOR
OTHER PURPOSES.

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

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

2 The Commonwealth Legislature established the Public Utilities
3 Commission (PUC) in 2006 as a regulatory agency, in accordance with Article III,
4 Section 15 of the Commonwealth Constitution. The PUC is an independent agency
5 within the executive branch of the Commonwealth government and not a part of
6 any principal department. As an independent agency that oversees and regulates
7 the tremendously important public utilities of the CNMI, the PUC must have
8 greater control of its finances, expedited procurement of its needs, and
9 unencumbered hiring of its employees to successfully operate in a timely and

HOUSE BILL 23-97, SD1, CCS1

1 efficient manner. Additionally, the Legislature finds that, due to the many
2 challenges faced by PUC today, the compensation of the commissioners should be
3 adjusted to entice highly-qualified candidates to accept appointments to serve on
4 the Commission.

5 Thus, the amendments herein change the manner of PUC's funding
6 administration, the process of its procurement needs, the civil service status of its
7 staff and employees, and the compensation of its commissioners.

8 **SECTION 2. AMENDMENT.**

9 4 CMC § 8403(a) is hereby amended to read as follows:

10 **“§ 8403. Public Utilities Commission: Establishment and**
11 **Commissioners.**

12 (a) There is established in the Commonwealth government the
13 Public Utilities Commission, a regulatory agency, in accordance with
14 Article III, Section 15 of the Commonwealth Constitution. The Commission
15 shall be an independent agency within the Executive Branch of the
16 Commonwealth government and not part of any principal department.
17 The Commission shall be composed of five members to be called
18 Commissioners. The Governor, with the confirmation of both the Senate
19 and the House of Representatives of the Commonwealth Legislature, shall
20 appoint all five members. The members shall be of good ethical standing in
21 their field of expertise and demonstrate experience in business regulations,

HOUSE BILL 23-97, SD1, CCS1

1 in a business regulated by the Commission, or in accounting, law, or
2 engineering. The Governor shall seek to appoint members with managerial
3 or engineering experience in one of the fields of power engineering, water-
4 treatment, wastewater management, telecommunications, cable television
5 services, and accounting. At least one Commissioner shall reside on Tinian,
6 one Commissioner shall reside on Rota, and at least three Commissioners
7 shall reside on Saipan. The Secretary of Finance shall serve as an ex-officio
8 non-voting member of the Commission and shall provide financial oversight
9 as necessary.”

10 **SECTION 3. REPEALED AND REENACTED.**

11 4 CMC § 8404 is hereby repealed and reenacted to read as follows:

12 **“§ 8404. Compensation of the Commissioners.**

13 The Commissioners shall be compensated at a monthly rate of
14 \$800.00 per commissioner, except the Chairperson shall receive \$1,000.00
15 monthly, provided all scheduled monthly meetings are attended or excused
16 by the Chairperson or his designee. Travel costs and expenses shall be
17 provided, if applicable, for the purpose of attending official Commission
18 meetings within the Commonwealth. Rules and rates for official travel
19 outside the Commonwealth shall be the same as the rates established by
20 the executive branch. Thirty days after travel outside the Commonwealth,

HOUSE BILL 23-97, SD1, CCS1

1 a report must be submitted to the Governor's office summarizing the costs
2 and the purpose and accomplishments of the travel."

3 **SECTION 4. AMENDMENT.**

4 4 CMC § 8406(a) is hereby amended to read as follows:

5 **"§ 8406. Operation of Commission.**

6 (a) The Commission may employ agents, employees, hearing
7 examiners, legal counsel, or contract for services, specialists, experts, or
8 professionals as individuals or as organizations to advise and assist the
9 Commission and its employees. The Commission may appoint an executive
10 director who shall serve at the pleasure of the Commission and may be
11 dismissed with or without cause by the majority vote of the Commission.
12 The executive director shall be compensated pursuant to the provisions of
13 1 CMC § 8246. The Commonwealth Civil Service Act [1 CMC § 8101 et seq.]
14 shall apply to all administrative or clerical employees of the Commission.
15 All other employees shall be exempt from the application of the
16 Commonwealth Civil Service Act.

17 (b) (unchanged).

18 (c) (unchanged)."

HOUSE BILL 23-97, SD1, CCS1

SECTION 5. AMENDMENT.

4 CMC §§ 8411(k), (l), (n), and (o) are hereby amended to read as follows:

“§ 8411. General Powers and Duties.

The Commission shall have regulatory oversight supervision over each regulated entity as set forth in this Chapter and shall perform the duties and exercise the powers imposed or conferred upon it by this Chapter. The Commission in the discharge of any of its duties or the exercise of any of its powers, except a final determination affecting an entity, may act through one or more of its Commissioners designated by the Commission for this purpose. In addition to the powers and duties elsewhere conferred and imposed, the Commission shall:

(a to j) (unchanged).

(k) Prepare and submit a proposed budget to the Governor at least 30 days prior to the Governor’s submittal of the proposed annual balanced budget to the Legislature.

(l) Adopt its own recognized accounting system.

(m) (unchanged).

(n) Promulgate such other orders, rules, and regulations and adopt such policies as are necessary and appropriate for the exercise of its regulatory and enforcement powers in accordance with this Chapter. Any procurement regulations promulgated by the Commission shall mirror the

HOUSE BILL 23-97, SD1, CCS1

1 CNMI Department of Finance's Procurement Regulations and any
2 applicable minimum standards required for the administration of Federal
3 grant awards that may be awarded to the Commission or as otherwise
4 provided by law.

5 (e) [~~Expired September 30, 2010~~]."

6 **SECTION 6. AMENDMENT.**

7 4 CMC § 8424(b) is hereby amended to read as follows:

8 **"§ 8424. Rule-making Authority: Procedures and Fees.**

9 In the hearings before it, the Commission may establish its own
10 procedures for the conduct of hearings and the admission of evidence. The
11 Commission shall not be bound by the strict rules of the common law
12 relating to the admission or rejection of evidence, but may exercise its own
13 discretion in these matters with a view to doing substantial justice.

14 (a) (unchanged).

15 (b) All such fees and costs charged and collected in accordance with
16 this section shall be paid into the Public Utilities Commission Operational
17 Fund as established under Section 8427 in this Chapter."

18 **SECTION 7. AMENDMENT.**

19 4 CMC § 8426(f) is hereby amended to read as follows:

20 **"§ 8426. Review of Rates; Operating Cost of Commission.**

21 (a to e) (unchanged).

HOUSE BILL 23-97, SD1, CCS1

1 (f) The Commission shall deposit all fees, charges, expenses, and late
2 penalties collected under this section in the Public Utilities Commission
3 Operational Fund as established under Section 8427 in this Chapter.”

4 **SECTION 8. REPEALED AND REENACTED.**

5 4 CMC § 8427 is hereby repealed and reenacted to read as follows:

6 **“§ 8427. Public Utilities Commission Operational Fund.**

7 A Public Utilities Commission Operational Fund shall be established
8 for the use of the Commission consisting of all financial amounts as may be
9 placed therein pursuant to the provisions of this Chapter and the following:

10 (a) All Commission funds shall be placed with a CNMI federally-
11 approved and FDIC-insured local bank on Saipan, as solely determined by
12 the Commission, for the sole use of the Commission in the total exercise of
13 the duties and powers as imposed by the provisions of this Chapter.

14 (b) The expenditure authority is the Commission’s Chairperson, or
15 designee, with majority approval of the other Commissioners.

16 (c) Not later than 30 days before the Governor’s submittal of the
17 annual budget to the Legislature, the Commission shall submit to the
18 Governor a proposed annual budget.

19 (d) An annual audit at the end of the fiscal year shall be performed
20 by the Office of the Public Auditor, which will be made available to all

HOUSE BILL 23-97, SD1, CCS1

1 government leaders and the public. The Commission shall include in its
2 budget the one percent contribution to the Office of the Public Auditor.

3 (e) Any and all Commission funds currently held by the Department
4 of Finance, including any amounts budgeted for the Commission in the
5 Fiscal Year 2024 budget, shall be transferred to the Commission by direct
6 deposit in the banking account established by the Commission at the bank
7 of its choosing per the provisions set forth in this Section. Any future
8 legislative funds appropriated to the Commission shall be transferred to the
9 Commission via the Department of Finance. Upon the transfer of funds
10 from the Department of Finance to the Commission, the Secretary of
11 Finance shall issue an official letter to the Commission confirming the
12 completion of the transfer. The official letter from the Secretary of Finance
13 shall include the following: (1) confirmation that the funds have been
14 transferred to the PUC, (2) identification of the specific business unit to
15 which the funds have been transferred, (3) the date of the transfer, and (4)
16 a statement that the custodian of the transferred funds is now the PUC.
17 Upon issuance of the official letter, the custodian of the transferred funds
18 shall be the PUC.

19 (f) Notwithstanding the foregoing, the Department of Finance is
20 authorized, pursuant to NMI Const. Art. X § 8, to fully or partially suspend
21 subsections (a) through (e) of this Section and require the Commission

HOUSE BILL 23-97, SD1, CCS1

1 adhere to the Department of Finance's regulations regarding the control
2 and expenditure of public funds."

3 **SECTION 9. AMENDMENT.**

4 4 CMC § 8478(b)(3) is hereby amended to read as follows:

5 **"§ 8478. Cellular Prepaid and MiFi Credits: 90-Day Expiration**
6 **Date.**

7 (3) All funds recovered for penalties from violations of this section
8 shall be paid into the Public Utilities Commission Operational Fund."

9 **SECTION 10. AMENDMENT.**

10 Section 3 of this Act amends 4 CMC § 8406(a) to no longer extend civil
11 service protection to administrative employees of the Commission. The below
12 amendment reconciles Section 3 of this Act with 1 CMC § 8131(a), which explicitly
13 governs exemptions to the civil service system. Thus, 1 CMC § 8131(a) is hereby
14 amended to add a new sub-subsection (15) to read as follows:

15 **"§ 8131. Civil Service System: Applicability; Exemptions**

16 (a) Except as provided in this section the Civil Service System shall
17 apply to all employees of and positions in the departments and agencies of
18 the executive branch and in the administrative staffs of the legislative and
19 judicial branches now existing or hereafter established. Unless this part is
20 otherwise specifically made applicable to them, the following persons or
21 positions are exempt from the civil service system:

HOUSE BILL 23-97, SD1, CCS1

1 (1 to 14) (unchanged).

2 (15) All employees of the Public Utilities Commission, except for
3 its administrative and clerical workers.”

4 **SECTION 11. SEVERABILITY.**

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

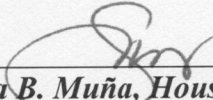
10 **SECTION 12. SAVINGS CLAUSE.**

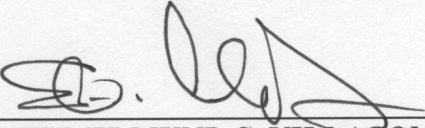
11 This Act and any repealer contained herein shall not be construed as
12 affecting any existing right acquired under contract or acquired under statutes
13 repealed or under any rule, regulation, or order adopted under the statutes.
14 Repealers contained in this Act shall not affect any proceeding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

HOUSE BILL 23-97, SD1, CCS1

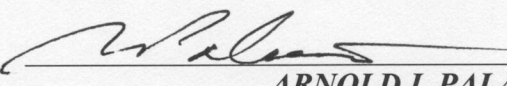
1 **SECTION 13. EFFECTIVE DATE.**

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

Attested to by: 
Linda B. Muña, House Clerk

Certified by: 
SPEAKER EDMUND S. VILLAGOMEZ
House of Representatives
23rd Northern Marianas Commonwealth Legislature

Approved this 18th day of November, 2024


ARNOLD I. PALACIOS
Governor
Commonwealth of the Northern Mariana Islands