

Arnold I. Palacios
Governor



GOV. COMM. 24-36
(HOUSE)

David M. Apatang
Lieutenant Governor

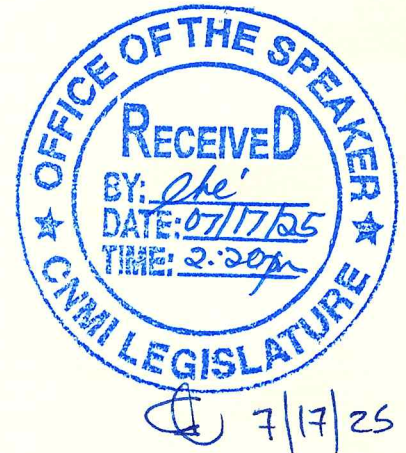
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

17 JUL 2025

GOV2025-505

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

The Honorable Dennis James C. Mendiola
President
The Senate; Twenty-Fourth 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. 24-17, SD1, CCS1**, entitled, "To amend 2 CMC § 2174 to provide the Commonwealth Ports Authority greater autonomy in managing its finances.", which was passed by the House of Representatives and the Senate of the Twenty-Fourth Northern Marianas Commonwealth Legislature.

This bill becomes **Public Law No. 24-04**. Copies bearing my signature are forwarded for your reference.

Sincerely,

ARNOLD I. PALACIOS
Governor

TO THE SPEAKER'S D
RECEIVED BY [signature]
DATE 7/18/2025 TIME 3:20p

cc: Lieutenant Governor; Attorney General; Commonwealth Law Revision;
Public Auditor; Special Assistant for Administration Commonwealth Ports Authority;
Programs and Legislative Review Office



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

FIRST REGULAR SESSION

MARCH 21, 2025

REPRESENTATIVE EDMUND S. VILLAGOMEZ OF SAIPAN, PRECINCT 3 (FOR HIMSELF, Representatives Diego V. F. Camacho, Joel C. Camacho, Marissa R. Flores, Vincent R. Aldan, Blas Jonathan “BJ” T. Attao, Roman C. Benavente, Angelo A. Camacho, Malcolm J. Omar, John Paul P. Sablan, Denita Kaipat Yangetmai, and Julie M.A. Ogo) in an open and public meeting with an opportunity for the public to comment, introduced the following Bill:

H. B. No. 24-17, SD1, CCS1

AN ACT

**TO AMEND 2 CMC § 2174 TO PROVIDE THE
COMMONWEALTH PORTS AUTHORITY GREATER
AUTONOMY IN MANAGING ITS FINANCES.**

IN THE HOUSE OF REPRESENTATIVES

The Bill was not referred to a House Committee.

**THE BILL WAS PASSED BY THE HOUSE OF REPRESENTATIVES ON
FIRST AND FINAL READING, MARCH 25, 2025;
without amendments and transmitted to THE SENATE.**

IN 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, MAY 9, 2025;
with amendments in the form of H. B. No. 24-17, SD1 and returned to THE HOUSE OF
REPRESENTATIVES.**

The House of Representatives rejected the Senate amendments and the Bill was sent to Conference, which submitted Conference Committee Report 24-1.

**H. B. No. 24-17, SD1, CCS1 IS DULY PASSED BY THE TWENTY-FOURTH NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE.**



Linda B. Muña, House Clerk



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

SECOND DAY, THIRD SPECIAL SESSION

JUNE 20, 2025

H. B. No. 24-17, SD1, CCS1

AN ACT

**TO AMEND 2 CMC § 2174 TO PROVIDE THE COMMONWEALTH
PORTS AUTHORITY GREATER AUTONOMY IN MANAGING
ITS FINANCES.**

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

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

2 This Act amends 2 CMC § 2174 by suspending the requirement that all
3 revenue generated from airport operations be used exclusively for airport-related
4 activities and that all revenue from seaport operations be used exclusively for
5 seaport-related activities, with no cross-subsidization between the two.

6 Although this Act suspends the CNMI's statutory restriction on the use of
7 airport and seaport funds, the Legislature acknowledges that the Act does not
8 supersede other potential sources of authority that may require the segregation of
9 such funds. For example, 49 U.S.C. § 47107 states that the United States
10 Secretary of Transportation may only approve an airport development project
11 grant application if written assurances are provided that revenues generated by a

HOUSE BILL 24-17, SD1, CCS1

1 public airport will be used exclusively for the capital or operating costs of the
2 airport, the local airport system, or other local facilities owned or operated by the
3 airport owner or operator that are directly and substantially related to the air
4 transportation of passengers or property. Compliance with this federal provision
5 will remain a requirement notwithstanding the suspension of the
6 Commonwealth's statutory prohibition.

7 Additionally, the Legislature recognizes that bond indentures, lease
8 agreements, and other contractual obligations may impose requirements that call
9 for the segregation of airport and seaport funds. The suspension of 2 CMC
10 § 2174(c) does not modify or affect such agreements or obligations, and the
11 Commonwealth Ports Authority (CPA) remains bound by any other applicable
12 financial and legal restrictions governing its funding sources.

13 Last, the Legislature finds that the ability to use seaport funds
14 interchangeably will allow CPA to supplement revenue shortfalls between its port
15 facilities, ensuring continuity in operations and financial stability.

16 Thus, this Act increases CPA's financial autonomy in managing its
17 operations, allowing it to transfer and expend seaport funds for five years between
18 port facilities as needed, provided CPA maintains compliance with all applicable
19 federal grant assurances, bond indentures, and other binding legal obligations.
20 Any such transfer or expenditure of seaport funds shall first be used to restore
21 CPA employee work hours, subject to the same compliance requirements.

22 **SECTION 2. AMENDMENT.**

23 2 CMC § 2174 of the Commonwealth Code is hereby amended to read as
24 follows:

25 **“§ 2174. Commonwealth Ports Authority Fund.**

26 (a) There is hereby established a fund that shall be known as the
27 “Commonwealth Ports Authority Fund,” to be maintained separate and apart

HOUSE BILL 24-17, SD1, CCS1

1 from other funds of the Commonwealth by the authority, and independent
2 records and accounts shall be maintained in connection therewith.

3 (b) All monies received by the authority from whatever source derived
4 shall be deposited in said fund, or in such funds as may be established
5 pursuant to the provisions of this article (commencing with 2 CMC § 2171),
6 in eligible banks as defined in this chapter.

7 (c) All income, revenue, or funds of whatever nature arising out of or
8 derived from activities in connection with or from the use of the airports
9 under the control of the authority shall be specifically designated for and
10 restricted to use for airport related activities and shall not be expended for
11 seaport related activities; likewise, all income, revenue, or funds of whatever
12 nature arising out of or derived from activities in connection with or from the
13 use of seaports under the control of the authority shall be specifically
14 designated for and restricted to use for seaport related activities and shall
15 not be expended for airport related activities.

16 (d) As necessary to comply with applicable federal grant assurances,
17 bond indentures, or other binding legal obligations, the authority shall keep
18 books of account showing those funds specifically designated for and
19 restricted to airport use and those funds specifically designated for and
20 restricted to seaport use.

21 (e) All expenditures, except as otherwise provided by law, shall be made
22 from said Commonwealth Ports Authority Fund.”

23 **SECTION 3. SUSPENSION CLAUSE.**

24 The provisions of 2 CMC § 2174(c) are hereby suspended for a period of
25 five years, effective upon the enactment of this Act.

26 During the period of suspension, all income, revenue, or funds of whatever
27 nature arising out of or derived from activities in connection with or from the use

HOUSE BILL 24-17, SD1, CCS1

1 of the seaports under the control of the authority may be transferred and expended
2 for airport related activities; provided that any transfer and expenditure of seaport
3 funds shall first be used to restore the regular full-time work hours of all
4 employees of the Commonwealth Ports Authority and that any transfer or
5 expenditure is completed in accordance with all applicable federal grant
6 assurances, bond indentures, and other binding legal obligations.

7 **SECTION 4. SEVERABILITY.**

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

13 **SECTION 5. SAVINGS CLAUSE.**

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

HOUSE BILL 24-17, SD1, CCS1

SECTION 6. EFFECTIVE DATE.

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


Attested to by:


Linda B. Muña, House Clerk

Certified by:


SPEAKER EDMUND S. VILLAGOMEZ
House of Representatives
24th Northern Marianas Commonwealth Legislature

Approved this 17th day of July, 2025


ARNOLD I. PALACIOS
Governor
Commonwealth of the Northern Mariana Islands