

David M. Apatang
Governor



GOV. COMM. 24-51
(HOUSE)

Dennis James "DJ" C. Mendiola
Lieutenant Governor

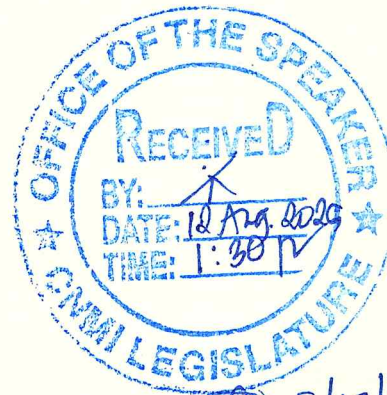
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

August 12, 2025

GOV2025-089

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

The Honorable Karl R. King-Nabors
President
The Senate; Twenty-Fourth Northern
Marianas Commonwealth Legislature
Saipan, MP 96950




8/13/25

Dear Mr. Speaker and Mr. President:

This is to inform you that I have signed into law **House Bill No. 24-29, SD1** entitled, "To reconcile public utility accounts between CHCC and CUC by waiving intra-governmental penalties and preserving enforceable debt obligation; and for other purposes.", 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. 24-11**. Copies bearing my signature are forwarded for your reference.

Sincerely,


DAVID M. APATANG
Governor

TO: SPOKESPERSON
RECEIVED BY: 
DATE: 8/13/2025 TIME: 1:04 PM

cc: Lieutenant Governor; Attorney General; Commonwealth Law Revision;
Public Auditor; Acting Special Assistant for Administration; CEO, CHCC;
Commonwealth Utilities Corporation; Programs and Legislative Review Office



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

SECOND SPECIAL SESSION

MAY 15, 2025

REPRESENTATIVE VINCENT R. ALDAN OF SAIPAN, PRECINCT 1 (*for himself*, Representatives Blas Jonathan “BJ” T. Attao, Roman C. Benavente, Angelo A. Camacho, Diego V. F. Camacho, Marissa R. Flores, Malcolm J. Omar, 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. 24-29, SD1

AN ACT

TO RECONCILE PUBLIC UTILITY ACCOUNTS BETWEEN CHCC AND CUC BY WAIVING INTRA-GOVERNMENTAL PENALTIES AND PRESERVING ENFORCEABLE DEBT OBLIGATIONS; AND FOR OTHER PURPOSES.

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, MAY 15, 2025;
without amendments and transmitted to **THE SENATE.**

IN THE SENATE

The Bill was referred to the Senate Committee on Public Utilities, Transportation and Communications, which submitted Standing Committee Report 24-21; adopted 7/14/2025.
THE BILL WAS PASSED BY THE SENATE ON FIRST AND FINAL READING, JULY 14, 2025;
with amendments in the form of H. B. No. 24-29, SD1 and returned to
THE HOUSE OF REPRESENTATIVES.

The House of Representatives accepted the Senate amendments and passed H. B. No. 24-29, SD1 during its First Day, Fifth Special Session on July 31, 2025.

H. B. NO. 24-29, SD1 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

FIRST DAY, FIFTH SPECIAL SESSION

JULY 31, 2025

H. B. No. 24-29, SD1

AN ACT

**TO RECONCILE PUBLIC UTILITY ACCOUNTS BETWEEN CHCC
AND CUC BY WAIVING INTRA-GOVERNMENTAL
PENALTIES AND PRESERVING ENFORCEABLE DEBT
OBLIGATIONS; AND FOR OTHER PURPOSES.**

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

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

2 At the time of its creation under Public Law 16-51, the Commonwealth
3 Healthcare Corporation (CHCC) assumed the responsibilities of the former
4 Department of Public Health. CHCC was treated as a government agency and
5 charged the government rate—subjecting it to higher charges than those assessed
6 to similarly situated private healthcare providers. This classification led to tens of
7 millions of dollars in unpaid utility charges and penalties. The resulting liability
8 has impaired CHCC’s operating budget and constrained its ability to provide
9 uninterrupted public health services.

HOUSE BILL 24-29, SD1

1 Liabilities resulting from the government rate have imposed financial
2 pressure on CHCC’s limited fiscal capacity—especially when compared to private
3 providers charged lower commercial rates. As of April 25, 2025, CHCC and the
4 Commonwealth Utilities Corporation (CUC) reported a nearly \$4.9 million
5 discrepancy—primarily due to the accumulation of penalties, surcharges, and late
6 fees. CHCC lists approximately \$65 million in outstanding obligations; CUC
7 reports more than \$69 million in receivables. These inconsistencies have strained
8 CHCC’s operating budget and distorted the financial posture of both agencies.

9 Distinctions must therefore be made between enforceable utility debts—
10 based on actual electricity consumed—and intra-governmental penalties, which
11 serve no constructive fiscal purpose. Charges imposed by one public agency upon
12 another do not generate revenue for the government as a whole. Instead, they
13 artificially overstate account balances, complicate audits and financial reporting,
14 and misrepresent the real obligations between departments. Left unaddressed,
15 they obscure institutional performance and obstruct responsible budgeting.

16 Acknowledging the need for financial clarity and institutional stability, the
17 Legislature finds that waiving these non-principal charges—specifically penalties,
18 surcharges, interest and late fees—allows both CHCC and CUC to move forward
19 on stronger financial footing. CHCC gains budgetary clarity and the ability to
20 redirect limited funds toward patient services such as off-island medical referrals,
21 preventive care, and other health priorities. CUC, meanwhile, benefits by

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1 removing unrecoverable receivables from its books, stabilizing its accounts, and
2 refocusing on critical infrastructure improvements and capital needs.

3 No portion of CHCC's principal debt is forgiven under this Act. The waiver
4 applies only to administrative penalties and is consistent with the corrective
5 classification enacted in Public Law 23-30.

6 **SECTION 2. AUTHORITY.**

7 This Act is enacted pursuant to the authority vested in the Legislature by
8 Article II of the Constitution of the Northern Mariana Islands.

9 **SECTION 3. WAIVER OF PENALTIES; PRINCIPAL DEBT PRESERVED.**

10 (a) All outstanding penalties, surcharges, interest, and late fees owed by the
11 Commonwealth Healthcare Corporation (CHCC) to the Commonwealth Utilities
12 Corporation (CUC), as of the effective date of this Act, are hereby deemed satisfied
13 in full.

14 (b) CUC shall remove the above-referenced obligations from its receivables
15 ledger and financial statements in a manner consistent with applicable audit
16 standards.

17 (c) CHCC and CUC shall reach agreement as to:

18 (1) the principal amount owed, which shall remain due and payable; and

19 (2) the amount to be discharged, consisting of penalties, surcharges,
20 interest, and late fees.

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1 If an amount cannot be agreed upon within thirty (30) days of this Act's
2 effective date, the disputed amount shall be settled by averaging the respective
3 totals reported by CHCC and CUC as of April 25, 2025.

4 **SECTION 4. 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 5. 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.

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1 **SECTION 6. 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
24th Northern Marianas Commonwealth Legislature

Approved this *12th* day of *August*, 2025


DAVID M. APATANG
Governor
Commonwealth of the Northern Mariana Islands