

**THE SENATE
TWELFTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
FOURTH REGULAR SESSION, 2001**

Sixth Day

Thursday, November 15, 2001

The Senate of the Twelfth Northern Marianas Commonwealth Legislature, Sixth Day, Fourth Regular Session, 2001, was called to order at 2:04 p.m. in Tinian, NMC Room C Campus, Commonwealth of the Northern Mariana Islands.

The Honorable Paul A. Manglona, President of the Senate, presided.

A moment of silent prayer was observed.

The Senate Clerk called the roll and seven (7) members were present, while Senator Ramon S. Guerrero and Senator Jose M. Dela Cruz were excused.

READING AND APPROVAL OF THE JOURNAL

None

MESSAGES FROM THE GOVERNOR

Gov. Mesg. No. 12-930: November 02, 2001 - Informing the Legislature that he had signed into law HB 12-421, entitled, "To amend 1 CMC §6213, subsections (a) and (h) of the Election Law of the CNMI; and for other purposes. (PL 12-70 – 11/02/01)

Gov. Mesg. No. 12-931: November 06, 2001 - PL 11-6 Exemption for Hafa Adai Beach Hotel.

Gov. Mesg. No. 12-932: November 13, 2001 – Certificate for vacant positions at the Commonwealth Health Center and Department of Public Health.

Gov. Mesg. No. 12-933: November 13, 2001 – From SAPLR acknowledging receipt of Senate Resolution Nos. 12-50 and 12-51.

Gov. Mesg. No. 12-934: November 13, 2001 – From SAPLR acknowledging receipt of Senate Resolution No. 12-55.

Gov. Mesg. No. 12-935: November 13, 2001 – Informing the Legislature that he had signed into law SB 12-123, SD1, CD1, entitled, "To make amendments to the Board of Public Lands Act of 2000, 1 CMC § 101 (a), Section 102, § 104 (h) and § 106 (d); and for other purposes." (PL 12-71 – 11/13/2001)

Gov. Mesg. No. 12-936: November 13, 2001 – Informing the Legislature that he had signed into law HB 12-418, entitled, "To amend Section 5 of Public Law 11-89 by adding a new subsection (a); and for other purposes." (PL 12-72 – 11/13/2001)

Gov. Mesg. No. 12-937: November 13, 2001 – Informing the Legislature that he had singed into law HB 12-304, HD3, entitled, "To re-appropriate fund balances from PL 9-24; and for other purposes." (PL 12-73 – November 13, 2001)

Gov. Mesg. No. 12-938: November 13, 2001 – PL 11-6 Exemption for Kesy International Trading, Inc.

Gov. Mesg. No. 12-939: November 13, 2001 – PL 11-6 Exemption for Guangdong Development Co., Ltd.

Gov. Mesg. No. 12-940: November 07, 2001 – Certificate of vacant positions in the Department of Labor and Immigration.

Gov. Mesg. No. 12-941: November 07, 2001 – PL 11-6 Exemption for Island Supply International, Inc. dba Ebisuya.

COMMUNICATIONS FROM THE JUDICIARY

None

COMMUNICATIONS FROM HEADS OF EXECUTIVE DEPARTMENTS

None

HOUSE COMMUNICATIONS

None

WASHINGTON REPRESENTATIVE'S COMMUNICATIONS

None

STANDING COMMITTEE REPORTS

STANDING COMMITTEE REPORT NO. 12-64: FROM THE COMMITTEE ON JUDICIARY, GOVERNMENT AND LAW REPORTING OF MR. PEDRO M. ATALIG TO SERVE AS A MEMBER OF THE BOARD OF PUBLIC LAND.

Floor Leader Reyes moved for its adoption and several members seconded.

President Manglona: Is there any discussion?

Several members voiced, "ready".

President Manglona: Senate Clerk, call the roll please.

The Senate Clerk called the roll with the following result:

Senator Joaquin G. Adriano	Yes
Senator Ricardo S. Atalig	Yes
Senator David M. Cing	Yes
Senator Jose M. Dela Cruz	Excused Absent
Senator Ramon S. Guerrero	Excused Absent
Senator Edward U. Maratita	Yes
Senator Pete P. Reyes	Yes
Senator Thomas P. Villagomez	Yes
President Paul A. Manglona	Yes

Seven (7) members voted yes.

President Manglona: By a vote of seven (7) yes, Mr. Pedro M. Atalig is hereby confirmed by the Senate to serve as a member of the Board of Public Land.

STANDING COMMITTEE REPORT NO. 12-65: FROM THE COMMITTEE ON JUDICIARY, GOVERNMENT AND LAW REPORTING OF MRS. ABELINA C. CABRERA TO SERVE AS A MEMBER OF THE NORTHERN MARIANAS COLLEGE BOARD OF REGENTS REPRESENTING SAIPAN AND THE PRIVATE SECTOR.

Floor Leader Reyes moved for its adoption and several members seconded.

President Manglona: Is there any discussion?

Several members voiced, "ready".

President Manglona: Senate Clerk, call the roll please.

The Senate Clerk called the roll with the following result:

Senator Joaquin G. Adriano	Yes
Senator Ricardo S. Atalig	Yes
Senator David M. Cing	Abstained
Senator Jose M. Dela Cruz	Excused Absent
Senator Ramon S. Guerrero	Excused Absent
Senator Edward U. Maratita	Yes
Senator Pete P. Reyes	Yes
Senator Thomas P. Villagomez	Yes
President Paul A. Manglona	Yes

Six (6) members voted yes.

President Manglona: By a vote of six (6) yes and one (1) abstention, the Senate hereby confirms the nomination of Mrs. Abelina C. Cabrera to serve as a member of NMC Board of Regents.

STANDING COMMITTEE REPORT NO. 12-66: FROM THE COMMITTEE ON JUDICIARY, GOVERNMENT AND LAW REPORTING OF MR. GALVIN DELEON GUERRERO TO SERVE AS A MEMBER OF THE NORTHERN MARIANAS COLLEGE BOARD OF REGENTS.

Floor Leader Reyes moved for its adoption and Senator Atalig seconded.

President Manglona: Is there any discussion?

Several members voiced, "ready".

President Manglona: Senate Clerk, call the roll please.

The Senate Clerk called the roll with the following result:

Senator Joaquin G. Adriano	Yes
Senator Ricardo S. Atalig	Yes
Senator David M. Cing	Yes
Senator Jose M. Dela Cruz	Excused Absent
Senator Ramon S. Guerrero	Excused Absent
Senator Edward U. Maratita	Yes
Senator Pete P. Reyes	Yes
Senator Thomas P. Villagomez	Yes
President Paul A. Manglona	Yes

Seven (7) members voted yes.

President Manglona: By a vote of seven (7) yes, Mr. Galvin Deleon Guerrero is hereby confirmed by the Senate to serve as a member of the NMC Board of Regents.

STANDING COMMITTEE REPORT NO. 12-68: FROM THE COMMITTEE ON JUDICIARY, GOVERNMENT AND LAW REPORTING OF MRS. MARGARITA RABAILIMAN OLOPAI-TAITANO TO SERVE AS A MEMBER OF THE BOARD OF REGENTS OF NMC REPRESENTING CAROLINIAN AND THE PRIVATE SECTOR.

Floor Leader Reyes moved for its adoption and Senator Atalig seconded.

President Manglona: Is there any discussion?

Several members voiced, "ready".

President Manglona: Senate Clerk, call the roll please.

The Senate Clerk called the roll with the following result:

Senator Joaquin G. Adriano	Yes
Senator Ricardo S. Atalig	Yes
Senator David M. Cing	Yes
Senator Jose M. Dela Cruz	Excused Absent
Senator Ramon S. Guerrero	Excused Absent
Senator Edward U. Maratita	Yes
Senator Pete P. Reyes	Yes
Senator Thomas P. Villagomez	Yes
President Paul A. Manglona	Yes

Seven (7) members voted yes.

President Manglona: By a vote of seven (7) yes, the Senate hereby confirms unanimously the appointment of Mrs. Margarita Olopai-Taitano to serve as a member of the NMC Board of Regents.

STANDING COMMITTEE REPORT NO. 12-69: FROM THE COMMITTEE ON JUDICIARY, GOVERNMENT AND LAW REPORTING OF MR. VINCENT J. SEMAN TO SERVE AS A MEMBER OF THE NORTHERN MARIANAS COLLEGE BOARD OF REGENTS.

Floor Leader Reyes moved for its adoption and several members seconded.

President Manglona: Is there any discussion?

Several members voiced, "ready".

President Manglona: Senate Clerk, call the roll please.

The Senate Clerk called the roll with the following result:

Senator Joaquin G. Adriano	Yes
Senator Ricardo S. Atalig	Yes
Senator David M. Cing	Yes
Senator Jose M. Dela Cruz	Excused Absent
Senator Ramon S. Guerrero	Excused Absent
Senator Edward U. Maratita	Yes

Senator Pete P. Reyes	Yes
Senator Thomas P. Villagomez	Yes
President Paul A. Manglona	Yes

Seven (7) members voted yes.

President Manglona: By a vote of seven (7) yes, the Senate hereby confirms Mr. Vincent J. Seman to serve as a member of the NMC Board of Regents representing Saipan.

STANDING COMMITTEE REPORT NO. 12-67: FROM THE COMMITTEE ON JUDICIARY, GOVERNMENT AND LAW REPORTING OF MR. ROBERT CAMACHO NARAJA TO SERVE AS A BOARD OF PUBLIC LAND.

Floor Leader Reyes moved for its adoption and Senator Atalig seconded.

President Manglona: Is there any discussion?

Several members voiced, "ready".

President Manglona: Senate Clerk, call the roll please.

The Senate Clerk called the roll with the following result:

Senator Joaquin G. Adriano	Yes
Senator Ricardo S. Atalig	Yes
Senator David M. Cing	Yes
Senator Jose M. Dela Cruz	Excused Absent
Senator Ramon S. Guerrero	Excused Absent
Senator Edward U. Maratita	Yes
Senator Pete P. Reyes	Yes
Senator Thomas P. Villagomez	Yes
President Paul A. Manglona	Yes

Seven (7) members voted yes.

President Manglona: By a vote of seven (7) yes, the Senate hereby confirms the appointment of Honorable Mr. Robert Camacho Naraja as Associate Judge of the Superior Court.

The Senate recessed at 2:11 p.m.

RECESS

The Senate reconvened at 2:21 p.m.

President Manglona: We're back to our regular session. Again, it is nice to meet the family of the just confirmed, Judge Naraja, who are here with us. I think everybody had the chance also to talk with our former Governor, Governor Guerrero, who happens to be the father of our new Judge. It's nice to hear from old friends as well.

SPECIAL/CONFERENCE COMMITTEE REPORTS

None

UNFINISHED BUSINESS

None

PREFILED BILLS AND RESOLUTIONS

None

INTRODUCTION OF BILLS AND RESOLUTIONS

None

BILL CALENDAR

Senator Adriano: If there's no objection, Mr. President, I would like to move to refer House Bill No. 12-380, HD1, HS1, to the appropriate committee.

Floor Leader Reyes: Mr. President, under discussion. This is an important economic bill, Mr. President. During the campaign, prior to the election, we came out very strongly supporting the legislation that will serve to resuscitate and revive our ailing economic situation. This is a bill that would provide an opportunity for those businesses who are contemplating closing down because of the economic crisis that we all, every single one of us, is experiencing, most especially the business which is the backbone of this government, Mr. President. This particular legislation will allow any business within the category established by the Qualifying Certificate Law to apply at CDA and ask for tax relief or any liability that they have paid for previous taxes on previous years. An example of this, Mr. President is that business liability pays \$10,000 per year. This particular amendment to the QC law will require that they pay up to that amount and it is an incentive for this business to remain open. The amendment that I am proposing to make to this particular bill, House Bill No. 12-380, is to allow a retroactive effect of that application of investment. Because these are the businesses that took the big risk, a big chance, of coming over to CNMI and investing a huge sum of money into an ailing economy without any possible future expectation that the business would thrive. In fact, every single sign shows that the economic situation will continue to decline. But they're taking that risk. We should be thankful that we have these business investment that are continually relying on the integrity of this government to support their interest and help curtail any obstacle that would bring them down and close their businesses. One good example is the Hard Rock Café. They already came to the Senate on several occasions airing the concern. Because of the ailing economy that we have right now, they are going to close if this particular amendment is not passed. They are not threatening the CNMI. They're saying that they're going to close. I want to go on record saying that if we are not going to be responsive to support the business community, which is the backbone of this government, they are the taxpayers of this government, then so be it. But, let the record show the members that are opposed to this air their concerns and register their concerns, Mr. President. If it is valid, then so be it. Here is a situation where we are rewarding businesses of the chance investment during hard times in the Commonwealth and this particular amendment is to prevent them from folding up and leaving. Hard Rock Café, for example, pays a good salary to local employees in the Commonwealth. They're not paying three dollars and five cents an hour. They're paying local US citizens in the Commonwealth. Not only that, but to see this particular business leave the CNMI would rid the rental space for Duty Free, for example. Duty Free would have a decline revenue. They will be forced to release some of the employees in fact they would be forced to terminate, putting it bluntly, some of the employees that are US and most specifically our local employees, the original local employees that are working for Duty Free because this has a ripple effect. We have this bill since August 21 of this year and this is a bill that needs attention. I am open, but if members wish to put this aside and not act on it, that's fine with me. But, I think it's my obligation, my duty, as a member of this body that I try to encourage members to support this kind of legislation. Thank you.

The Chair recognized Vice President Villagomez.

Vice President Villagomez: Thank you, Mr. President. I guess the motion was just to defer action on this and refer it back to the committee. We have this bill since August 21, two months before the election, and we did not do anything. I sure would like to seek the guideline on this legislation by the in-coming Administration. As you know, the bill was advocated by the House Leadership and they are all pro-business. They did not garner the support of the people. So, I sure would like to see that the Governor-Elect gets a chance to take a look at this legislation. If he said that he is comfortable working with the bill, so we will go through that process. Like I pointed out, it was two months before the election when the bill was introduced and was advocated by the House Leadership and the advocates of this proposed legislation did not make it and we are going to go ahead and pass it because some special interest groups are lobbying for the passage. Why can't we give it another chance, another month. We're still in the Twelfth Legislature. I'm not sure whether I am coming in next week or not, but at least I will be making a decision

that I believe would provide an opportunity for the new Administration to decide whether they're going to support it or not. I move to end debate on the motion to defer action.

Floor Leader Reyes voiced, "second".

Senator Atalig: Mr. President, there was a motion to refer this to the committee and it has been seconded. Are we going back to the motion?

President Manglona: We are still discussing the motion offered by Senator Adriano. If there is no further discussion, we will be voting on the motion by Senator Adriano to refer HB 12-380, HD1, HS1, to the committee for further consideration.

Senator Adriano: Can I recall my motion, Mr. President, and place this for First Reading.

President Manglona: Let me just say a few words. I support the intent of this legislation. My concern is that some companies might be left out and referring it to the committee would allow us the time to look into this. The intention is to address those existing companies that did not qualify when the law was passed. I think that we have to do it right because we are going to have other companies coming in to us saying, "Oh, I missed by one month or I missed by three months and we didn't get a chance to be heard." That's the only reason.

Senator Cing: I think the President, we can not make the decision. However, I would like to make a motion to resolve into Committee of the Whole.

Senator Adriano voiced, "second".

There being no objection, the Senate resolved into the Committee of the Whole at 2:30 p.m.

COMMITTEE OF THE WHOLE

Floor Leader Reyes: Mr. President, I think that Senator Cing was correct that the motion to end debate was second and I think we should vote on the issue. Maybe we can....

President Manglona: I think Senator Adriano was in the process of making another recommendation.

Floor Leader Reyes: I know, but....

Senator Adriano: My motion was never seconded.

Floor Leader Reyes: The motion to end debate is valid and I second that, but --- we should vote on it.

Vice President Villagomez: The motion was to refer it to the Committee.

Floor Leader Reyes: The motion was to refer it and during the discussion a motion was made to end debate. That's undebatable. So, I think we should follow the parliamentary rules and go ahead and vote on the bill.

President Manglona: *Ahe*, right now, *man gaige hit gi* Committee of the Whole. I guess *na pot munga na hu guaha* confusion, *nai*.

Floor Leader Reyes: *An taya nai*, then we go back and address this on First Reading if the Senate is not going to meet again before *sine die*....

The Senate returned to its plenary session at 2:32 p.m.

President Manglona: So, let's go back to our session and dispose of the motion. We are back to our regular session. The motion offered by Senator Adriano is to refer House Bill No. 12-380, HD1, HS1, to the appropriation committee and there was no further debate. Senate Clerk, call the roll please.

The Senate Clerk called the roll with the following result:

Senator Joaquin G. Adriano	Yes
Senator Ricardo S. Atalig	Yes
Senator David M. Cing	Yes
Senator Jose M. Dela Cruz	Excused Absent
Senator Ramon S. Guerrero	Excused Absent
Senator Edward U. Maratita	Yes
Senator Pete P. Reyes	No
Senator Thomas P. Villagomez	Yes
President Paul A. Manglona	Yes

Six (6) members voted yes and one (1) no.

President Manglona: By a vote of six (6) yes and one (1) no, House Bill No. 12-380, HD1, HS1, is hereby referred to the Committee on R&D so that it can be addressed in our next session.

Floor Leader Reyes: Mr. President, at this time, I would like make a motion for the suspension of pertinent rules in order to allow us to entertain the bills on the Calendar.

President Manglona: Okay, can you make the motion?

Floor Leader Reyes: I so move.

President Manglona: Is there any discussion?

The motion for the suspension of all pertinent rules was carried by voice vote.

HOUSE BILL NO. 12-391, COMMITTEE DRAFT 1: A BILL FOR AN ACT TO CLARIFY PROVISIONS OF THE CNMI TAX LAWS AND ENSURE THAT NO DOUBLE TAXATION IS IMPOSED TO EXPORTERS OF GOODS, FISH AND AGRICULTURAL PRODUCTS PRODUCED IN THE COMMONWEALTH AND EXPORTED TO BUYERS OUTSIDE THE COMMONWEALTH; AND FOR OTHER PURPOSES.

Floor Leader Reyes moved for its passage on Final Reading and several members seconded.

President Manglona: Is there any discussion?

Several members voiced, "ready".

Floor Leader Reyes: Mr. President, for the record, this is another type of legislation that is geared toward economic recovery and it is so much similar to House Bill No. 12-380. So, I'm just going to make that statement on record.

The Chair recognized Senator Atalig.

Senator Atalig: Mr. President, I have a floor amendment here that has already been done and this is just a minor amendment. This is just a simple amendment to clarify this bill.

"FLOOR AMENDMENT"

Fr: SEN. R. S. ATALIG
Date: 11-15-01
RE: H.B. NO. 12-291, CD1

- 1) Page 1, line 7, after the word "incentives," insert the word "that".
- 2) Page 1, line 13, after the word "that" insert the word "the".

- 3) Page 1, line 14, **strikeout the word “and” and insert “that are”.**
- 4) Page 1, line 15, **strikeout “shall not subject” and insert “has never, under CNMI tax statutes, subjected”.**
- 5) Page 3, after line 3, **insert a new Section 6 to read:**

“Section 6. Tax periods affected. This act shall be construed as affecting and controlling any and all future as well as existing returns, audits, assessments and disputes between the Department of Finance, Division of Revenue and Taxation and any taxpayers.”

- 6) **Renumber all subsequent sections accordingly.**

Date: 11/15/01

**Offered by: _____ /s/ _____
Sen. R. S. Atalig”**

President Manglona declared the Senate in recessed at 2:35 p.m.

RECESS

The Senate reconvened at 2:35 p.m.

President Manglona: We are back to our regular session. Senator Atalig, under discussion, offered a floor amendment. I believe all the members have copies.

Floor Leader Reyes voiced, “ready”.

President Manglona: Is there any discussion on the floor amendment?

Senator Adriano voiced “ready”, and the adoption of the floor amendment as offered by Senator Atalig was carried by voice vote.

President Manglona: We are back to House Bill No. 12-391, CD1, as amended. Is there any discussion?

Several members voiced, “ready”.

President Manglona: Ready? Senate Clerk, call the roll please.

The Senate Clerk called the roll with the following result:

Senator Joaquin G. Adriano	Yes
Senator Ricardo S. Atalig	Yes
Senator David M. Cing	Yes
Senator Jose M. Dela Cruz	Excused Absent
Senator Ramon S. Guerrero	Excused Absent
Senator Edward U. Maratita	Yes
Senator Pete P. Reyes	Yes
Senator Thomas P. Villagomez	Yes
President Paul A. Manglona	Yes

Seven (7) members voted yes.

President Manglona: By a vote of seven (7) yes, House Bill No. 12-391, CD1, as amended, passes the Senate.

Floor Leader Reyes: Mr. President, this is just a statement on the passage of this bill. I really thank of the members for supporting this. I'm glad that there's no consistency in positions on economic development--that legislation, and this passage. Thank you.

The Chair recognized Senator Atalig.

Senator Atalig: Thank you, Mr. President. On House Bill No. 12-396, the Ambulance Amendment Act, I would like to refer this to the appropriate committee for further action.

Senator Adriano voiced, "second".

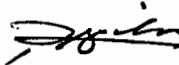
President Manglona: Is there any discussion?

Several members voiced, "ready", and the motion to refer House Bill No. 12-396 to the appropriate committee was carried by voice vote.

President Manglona: House Bill No. 12-396 is now referred to the appropriate committee.

On motion by Floor Leader Reyes, and without objection by the members, President Manglona declared the Senate adjourned subject to the call of the Chair at 2:37 p.m.

Respectfully submitted,



Ramona I. Kapileo
Senate Journal Clerk

Adopted: Jan. 11, 2002