



# Senate Journal

## FIFTH SPECIAL SESSION, 2013

**SJ 18-15**

**First Day**

**Wednesday**

**June 19, 2013**

**In compliance with the Open Government Act, Senate President Ralph Dlg. Torres issued a notice on June 17, 2013, announcing that the Senate of the Eighteenth Northern Marianas Commonwealth Legislature will convene this open and public session. The notice, the official session call, and the session agenda were filed in the Office of the Senate Clerk; released to the media; and posted at the Entrance Halls of the Office of the Governor, House of Representatives, and the Senate, and on the Commonwealth Legislature's website at [www.cnmileg.gov.mp](http://www.cnmileg.gov.mp).**

The Senate of the Eighteenth Northern Marianas Commonwealth Legislature convened its First Day, Fifth Special Session, on June 19, 2013, at 10:40 a.m., in the Senate Chamber, Capitol Hill Saipan, Commonwealth of the Northern Mariana Islands.

The Honorable Ralph Dlg. Torres, President of the Senate, presided.

A moment of prayer was observed.

The Clerk called the roll and eight (8) members were present and one (1) member was absent.

**President Ralph Dlg. Torres:** With eight members present, we have the necessary quorum to conduct today's session. Senator Ayuyu is hereby excused.

The Chair recognizes Floor Leader Ray N. Yumul.

### **PUBLIC COMMENT**

**Floor Leader Ray N. Yumul:** Thank you Mr. President. If no objection from the members, I would like to skip items and then go down to item K, under Public Comments. Thank you. Mr. President, we now we are in item K, Public comments. The floor is now open.

**President Ralph Dlg. Torres:** Thank you very much. We are on item K, on our Order of Business and this open's up the public comment for the people in the gallery. Anyone that would like to make a comment regarding today's session agenda and before you make a comment please stay your name for the record and now it's open for the gallery. Please just come up and state your name for the record. Sergeant-At-Arms, please escort the gentlemen. Welcome Congressman Chris Leon Guererro, welcome to the Senate Chamber. Please state your name for the record. Thank you.

**Ambrose Bennett:** *Ambrose Benet and I want to make a statement the POB Tax Amnesty and the Fund. Also, I would like with the statement to be referred to the committee that is dealing with*

*casino issue that is related to Fund. Basically, I am here because am concern about the Fund and a complete solution for the Fund. First, I would like to thank you for giving me the opportunity to offer the concerns of the many retirees and citizens regarding the Retirement Fund. I also want to offer possible alternatives to saving the Fund with the realization of the casino bill that is being looked in the committee. In regards to the POB, I am in support of the POB but it is not the complete solution the POB will only be a partial solution to saving the Fund as a Governors stated the bond will only yield fifty to seventy million which is not the total solution. The suggestion by the Governor that casino's and pozzolan could pay the POB debt is only a probability and there was no mentioning of how the remaining of two hundred plus million will be available from these two proposed operations. I am sure there are many responsible adult voters who don't want to continue piling up debt on our children to pay off. Given the limited capacity of the POB to solve the entire problem, I believe we should be looking at a more complete solution that can be applied and resolved in the present day and time. As for the tax amnesty, that is another probability and to make it worse the idea has not even been voted to the extent that we would have an idea of what amount of funding that can be generated. The amnesty idea in its purest sense is merely grasping at straws hoping to pile up a pile of money figuratively. There's also the major problem of who and when will they step forward and pay up on the back taxes. I still think the tax amnesty is a good idea as we could use the additional revenue and without the amnesty, we might not collect any of these accounts. I hope the Senate will pass this bill to help tax payers and the government but the amnesty should not be considered as part of the solution for fixing the Fund but for paying the other debts like land compensation, that is a debt that is decades old. When will our government stop be putting your own people and the people you work for at the bottom of the list for being paid because that's what's happening and has been happening for decades. As for saving the Fund and paying of the entire three hundred plus million, I would like to call the Senates attention to a House Bill that has never saw the light of day but the bill did the propose to sell of the hotels and resorts that are on leased government lands as it means for paying of the governments debts to the Fund. The only problem with the bill was it did not allow for any form of virtual ownership of the land to remain with the people throughout time which can be fixed by adding a progressive property tax that is based on the property's value and or the cost of the living index. The value of these property is estimated over four hundred million dollars which is more than enough to pay off the Retirement Fund. It needs to be fully understand that taxes, that the taxes I am proposing for these government properties will not and I want to say that again, will not affect any private land owner and I also think it would be for the local people to be the educated more on the virtual ownership of land to distill this fear about selling land. Virtual ownership is the common practice for owning property in every state on the mainland. Locals are purchasing homes on the mainland that is object to a property tax which is a virtual ownership not sovren ownership like we have in the CNMI. There is a big difference. If you own properly on the mainland and don't pay the property tax then you will loose the property to the state or the county. By placing a property only and let me make that clear, only , on the handful of commercial properties that are sold by the CNMI Government for the people, the people sill always retain virtual ownership of the property in addition to the eminent domain laws that will be applicable should the people need the land back. The CNMI will also have the right to approve all future sales or transfers of these properties. I know the idea of selling property is a touchy subject, but so are casinos but I believe that once the people understand the concept of virtual ownership and that the property tax will only apply to the hand full of properties in the sale that they would want the solution over casino's, the POB and the amnesty especially when they understand that the tax will have effect on private land owners or their leased. The casino, the POB and the amnesty plan are all probabilities. They are not guaranteed fixes and a gamble and we have a viable and a fix financial alternative in the sale of these properties and there is no risk in these sales, as they can't take these hotels or resorts anywhere. The casino have been*

*proposed to save one thing after another and now it's the Fund. Personally, I know and I want to say this again, I know this is just another excuse for casinos. the POB is only a partial solution and the tax amnesty could be a complete mirage but the sale of the hotels and resort properties are fractural, viable and far less evil t than putting more debt on a weak and on unpredictable economy and government with a POB and selling out the future foundation of our tourist industry to casino's that is already barely surviving on Tinian. If the casino isn't working on Tinian, it may not work on Saipan either. I employ those Senators who know the majority of people on Tinian, Rota and Saipan do not want Saipan casinos to put forth the alternative of selling these hotels and resort properties to save the Fund. It is the best and most complete solution we have at our disposal. The people will certainly thank you for not betraying them with casinos and even applaud you for coming up with a genuine alternative. The great part is there would even be an addition one hundred million and funding left over from the sale of these properties after saving the Fund. That would be one hundred million that we could use to do a lot more to fix the economy and to improve the quality of life for many in the CNMI. We can even start a repatriation program to bring local professional's back to work and have more jobs for our youth who are graduating because gentlemen and ladies, we are losing are most precious, our very most precious resource our professional's and our youth. They are not coming back. I am saying this because the Senate needs to change, needs to do more than just save the Fund because we need to be doing all you can to fix all the problems and not focusing so much on the new one's within the bigger picture of the CNMI so much that you can't see the bigger and better solution for a lot of things and not just the Fund. The decade old, casino issue has brought us to our knees and has divided the people. The people who have promoted casinos have done so without impurity because there has never been a real alternative offer to the people that will solve the entire problem with the Fund and even help with other financial needs of the CNMI. Personally, and this is what I believe, I think there is too much safe politicking going on and no one wants to take the but that is why we elected you. The Senate and the lower House would be willing to offer the people an alternative for saving the Fund. The POB and the tax amnesty plans are really band aides for fixing the Fund and they are clearly not a complete fix for total rehabilitation of the Fund. I am employing you to please find a political fortitude and a personnel tenacity to exercise the wisdom that is expected of the Senate by implementing a complete plan for the rehabilitation of the Fund through the sale of the hotels and resorts with the applicable property tax. The sale of these properties will not infringe on the future financial status of the CNMI. The people was still retain virtual ownership of the properties with the yearly compensation in taxes and many other financial elements we now face will also be cured through this one act. I am not here asking you to do this for me because my home is mortgaged by the Fund so I can loose regardless of what happens to Fund. I am here because there are too many people and there have been too many people asking me to speak up for them. They are working and retired and they deserve a complete solution to fixing the Fund. It is a matter of fact that these properties are worth almost a half a billion dollars and we all teach our children to make good with what we have, so why can we follow our own advice and exploit the capital investment that we already have before borrowing, gambling on casino's, and tax amnesty plans. Albert Einstein once said, you can't fix a problem with the same mentality that caused the problem. The Senate much change the mindset of the lower House for fixing the Fund. If you truly want to reach a bigger and better solution for saving the Fund and for fixing our economy because our attitude will always determine our altitude and Senators, you know for a fact, we aren't even airborne yet. I want to thank you for your time and this opportunity to present these concerns and suggestions for saving the Fund and for helping to fix our economy. I know what I have said will be greatly appreciated by many in the community and I can only pray that you would view what I have said that has been viable and even a possible solution to saving the Fund. I want to thank you and I would gladly answer any questions that anyone have for me if necessary.*

**President Ralph Dlg. Torres:** Thank you Mr. Bennett. I think with this public hearing we just accept your comment and if you want to turn in your speech to today, we can certainly acknowledge that and give it to the respective committee. Thank you very much. I regret to, I forgot to mention that we have a five-minute speech and have allow someone else to make their speech and when everyone is done, you can come back and make your own speech. So anyone else that would like to come up and have comment? Okay, a ma'am please state your name for the record. Thank you.

**Tanya Fleming Mesa:** *Good morning Senators, good morning Senate presidents and honorable Senators here. My name is Tanya Fleming Mesa. I am the Saipan Branch Manager for ASC Trust Corporation as I have come before you in previous sessions. I basically have a comment from our Vice President, Don Clark that he wrote up for today's session that he also expressed at the House session a few weeks ago. So if I may just read out the letter to you. This is regarding House Bill No. 18-046. I am the Vice President of ASC Trust Corporation which is the company contracted by the NMI Retirement Fund to administer the government employees Define Contribution Retirement Plan, which we refer to the DC Plan. I respectfully submit written comments pertaining to specific sections of House Bill No. 18-046 which amends Public Law No. 17-82 as it pertains to the DC Plan. The concern, section one, page one, line six reads, under this bill, the members can withdraw their account upon request without being required to terminate employment. Comment, under IRS regulations, employees must participate in the plan a minimum of two years before or being able or being eligible to withdraw their vested employer contributions from a plan. The two-year rule applies from the time that the first contribution was made to the members account. House Bill No. 18-46 does not address this regulation and we recommend amending the bill to read, under this bill the members can withdraw their account upon request without being required to terminate employment as long as the member has participated in the plan for at least two years. Concern section two, page two, line five reads, a member is eligible to elect distribution of the members account in accordance with this section sixty days after termination of the employment or giving notice of election to receive distribution of the members account. The comment is the sixty-day waiting period has been a major complain by members when trying to withdraw their account balance. We recommend removing the sixty days waiting period all together and to have this section read a member is eligible to elect distribution of the members account after termination of employment or giving notice of election to receive distribution of the members account. Notwithstanding of this section distribution of all or a portion of the individuals account of a member may take place. As soon as administrative leave possible after the terminations of the employment or giving, notice of election to receive distribution of the members account. So the concern is section two, page four, line one, reads, distribution that are been paid to a member may not be affected by the members subsequent reemployment with the employer. The comment is when the members of the DC Plan are reemployed they are subject to the rules that apply to active employees and their request to withdraw as the terminated employee is no longer valid. Under the two year rule stated above the reemployed members with less than two years of participation will not be eligible to withdraw the employer contributions from their account even if the request was made while there are not employed. We recommend amending this section to read, distributions that are being paid to a member may not be affected by the members subsequent reemployment with the employer as long as the members had the two years of participation in the plan. Of course, members that terminate employment with less than two years of participation are still able to withdraw their vested account balance at any time as long as the member is not reemployed or the withdrawal process is completed before reemployment into the government. Possible consequences, if House Bill No. 18- 46 were to become law in its present form, the DC Plan may become disqualified because it does not comply IRS Regulations. If the DC Plan is disqualified, it would result in immediate taxation to the members. Furthermore, members would not be able to roll over their*

*account balances to IRA or other qualified retirement plan such as 401 k, 403, 457 or DB Plan. In conclusion in the light of the discrepancies with IRS Regulations that are stated above and the possible disqualification of the DC Plan, we humbly ask the Honorable members of the Senate to postpone any action on House Bill No. 18-46 until the bill can be amended to address to these discrepancies. ASC will be willing to assist in the revisions to H.B. No. 18-46 to insure that it complies with IRS regulations.*

**President Ralph Dlg. Torres:** Thank you very much and I would like to get a copy of that so I can distribute it to the proper committee and thank you very much. I believe the committee will I believe the Vice President has already assigned the House Bill No. 18-46 to the proper committee and we give the Chairperson the responsibility to address those issues. Thank you Ms. Tanya. Anyone else in the gallery before we move forward with our agenda? Thank you Sir. Please state your name for the record.

**Danied Quitugua:** *Si Yu'us Ma'ase Mr. President. Guahu hu si Danied Quitugua. Señót Presidente yan miembron I san hilo' na guma, nu mu imberekero yu magi para bai hu testificka pot este i para un atan pagu na akto i númeru disse ocho bente ocho, house draft unu. Nu ti hu tungo kao para en nafalofan este pagu na session, lao sininbatgo malago yu para bai hu ekspresia upiñón hu put este na akto. Nu i upiñón hu ti ha refe'fakta i kapasidot i intensón yan abilidadat i man sponsor guini na akto. i upiñón hu, lá'yiyi pot i sustansiana i akto. i akto ile'lekña na para hu fan ma dispensa ayu siha na kometsiante i man man dedebi tax. Ripara este miembro, para ta dispensa i man man dedebi tax. siha este na kometsiante gi mismo tiempo lokkue' man digeruruyi i gobietnomentu. Pues ile'lekña i akto para ta dispensa i man dige'geru. ti hu tungo para hamyo kao propriu enao na klasin cho'cho. Kao maolek enao na public policy i para dispensa i dumage'geru. Siha lokkue' este buente sa ti annok gi akto. Manaigne i listan kometsiante nai para hu fan kinibri nai este na dispensasion. Sa yanggen guaha listan business siña ta atan ya ta konsidera kao megahit na este na taotao ha misresi na para hu ma dispensa gi digeruña. Pues taya lokkue lista guini gi akto na ile'lekña na este siha na taotaogue i kometsiante i guaha difekto nu man ma apasi tax, man chátsaga man apasi tax. Taya lista. Ti annok guenao. Pues kumeke'ilekña este na todudu eyi man digegeru todú para ta dispensa. Sa gi upiñón i mu sponsor este na bill ilekni'ni'ha benefisiu este para i gobietnomentu i para ta dispensa i dimugegeru. Okay, yanggen enao gue i intensióna este na akto para ta dispensa i man digegeru ya munga hit mu na'i ondru eyi i fiét ma apasi tax i kada matto i tiempon apas tax man hanao guatu go dipattementu ya man man apasi tax, hafa para ta sangan para ayu siha kometsiante? i kumokonple i obligasión niha, responsabilidat niha pot para hu man apasi tax pot para hu ma ayuda i gobietnomentu gi nisisidátña. Hafa na klasin message enao ha sanga'gani eyi i maolek man apasi tax? Guahu ilék'léku na i subliminal na message ni ha sasagan este na akto maolek dimegeru sa ma pri'primeru hao yanggen dimugeru hao. Enao gi i subliminal message ile'lekña. Okay hafa taimanu i gobietnu para hu fan risibi finansiat na benefisiu gi anai para un dispensa i dimugegeru. Sa gi lai, gaige guini gi page, pahi na sinko, line three and four, ile'lekña guenao na any agreement executed shall be based on the taxpayers ability to pay. Na ti gef maolek yu mu fino English sa ayu na mu fino Chamorro yu lao gi enao ha na sentensia nu atan fan, sa ti basta ha non dispensa i dimegegeru para hu digeruyi ha ta'lo. Un sedi para dinigeruyi hao ta'lo sa para hu apasi tatte i dídide na tax i abilidadat na man apasi. Yanggen i abilidadatña man apasi dies pesos ha pues ayu ha i gobietnu para hu reisisbi. Correct yu Counsel yanggen lachi intepresionhu ni enao na palabra lao gi takpapa na abilidadat hu man komprende fino English nu kulang taiguenao enao ile'lekña. Buenu. i otro na asunto sa kadada tiempoku guini, sinko ha minutus. Ya malago yu na para bai funhayan antes di hu fatto enao na tednu. i uttimo guini malago yu para bai share yan I ma honorabli na Senadót. Yanggen este ha man onorabli kapasidata na klasin legislation i para ta fan dispensa nu ayu siha na kometsiante man dige'geru, nu hafa na klasin*

*message enao para i famagu'onta ni man kahuhulu ya guaha intension niha para hu fan halom guini na onorablin guma? Gai minakkat este nu para ta explain para guatu i famagu'onta na gef gai bali dimugeru sa yanggen dimugeru hao ma premiu hao. Ma na'i hao acknowledgement na apasi iyo-mu tax, i mean munga man apasi tax sa yanggen mu lobby hao siña hao ha ma dispensa. Ti gef maolek enao na para guahu na klasin message para i famagu'on. i otro, yanggen en konsidera i situasióna i Commonwealth pot este asuntun kometsiante, mampos hit ti man selective gi hayi para ta na halom sa pot i mampos hit man desesperado sa ta na nisisita finansiat, ta nisisita ekonomiata na para hu maolek mona, ta aksepta ha maseha hayi na kometsiante malago hu malom man baba business. Lao hu suspe'pecha Mr. President yan miembro na gi halom este para ta dispensa na kometsiante siha lokkue ayu i ti ha repo'port halom iyon niha actual tax liability. Ha digeru'ruiy nai i CNMI Government sa dos lepbloña. Okay para ta dispensa ta'lo ayu. Siha lokkue este na kometsiante i man muñeru man man hire taotao tano sa ilékña ti man kapás. Para ta dispensa ta'lo enao. No, sa man digegeru. Okay basta ni ma digeruruyi hit sa munga man man hire taotaota ha digeruyi hit ta'lo sa munga gue man apasi tax. Siha lokkue este na kometsiante i man ma tinas ganansia ya ma remit huyong i salape niha. Todu manera hana fa koko hit lao hita ahe. Mampos hit man yo'ase. Mampos hit man gai konsiderasión para ta konsidera ta'lo este siha na kometsiante ya para ta dispensa na chukka ha fagagaga hit. Pues po'lo ya hamyo enao un disidi man onorabli na miembro kao para un konsidera este ya para ta sigi ha man ma fababa. Dánkolo na Si Yu'us Ma'ase, Buenos tattedes.*

**President Ralph Dlg. Torres:** *Si Yu'us Ma'ase Mr. Quitugua ni iyon-mu comment. Guaha ta'lo hayi malago para hu kuentos go gallery? Yanggen taya pues bai close. Okay, Si Yu'us Ma'ase. Let the record clerk reflect that no one in the gallery would like to make public comment and we are moving forward with our agenda today.*

The Chair recognizes Floor Leader Ray N. Yumul.

## REPORTS OF STANDING COMMITTEES

1. **Standing Committee Report No. 18-15-** June 17, 2013 – Committee on Executive Appointments and Government Investigations reporting on the appointment of Ms. Laura T. Ogomoro to serve as the Secretary for the Department of Community and Cultural Affairs.
2. **Standing Committee Report No. 18-16** – June 17, 2013 - Committee on Executive Appointments and Government Investigations reporting on the appointment of Dr. Marty Rohringer to serve as a member of the Health Care Profession Licensing Board representing Physician.

**Floor Leader Ray N. Yumul:** Thank you, Mr. President. I can see the audience is here for one reason. So, if no objection, I would like to move to item L, Reports of Standing Committees so we can dispose of the two committee reports. The first committee report, Standing Committee Report No. 18-16 dated June 17, 2013. The Committee on Executive Appointments and Governmental Investigations, reporting on the appointment Dr. Marty Rohringer to serve as a member of the Health Care professional Licensing Board representing physician. I move for its adoption.

The motion was seconded by Vice President Victor B. Hocog.

**President Ralph Dlg. Torres:** The motion has been made to adopt Standing Committee Report No. 18-16, regarding the appointment of Dr. Marty Rohringer and has been seconded. I would like to acknowledge our Chairman, Senator Cruz

**Senator Francisco Q. Cruz:** Thank you Mr. President. Mr. President and members of the Senate, this is Standing Committee Report No. 18-16. Mr. President and members of the Senate, your Standing Committee on Executive Appointment and Government Investigation to which was referred the appointment Dr. Martin Rohringer to serve as a member of the Healthcare Professional Licensing Board, appointed by Governor Eloy S. Inos on March 12, 2013 pursuant to Public Law No. 15-105 as amended by Public Law No. 16-25. Mr. President, it is the intent of your committee on Executive Appointments on Government Investigations to assure the appointment of Dr. Martin Rohringer is in conformance with the mandated duties and responsibilities pursuant to Public Law No. 15-105 as amended by Public Law No. 16-25. Dr. Martin Rohringer has submitted all required documents in conformance with Section 5, under Rule 7, of the Senate Rules. However, your Standing Committee has examined all pertinent documents submitted relating to Dr. Martin Rohringer's overall credential. In addition, we also took into account all oral testimonies presented during the Public Hearing. After much deliberation on the based on our overall assessment of Dr. Martin Rohringer credentials, experiences, and positive testimonials and all other relevant issues considered, we are convinced that Dr. Rohringer possess the qualification and leadership skills necessary to serve as a member of the Healthcare Professional Licensing Board. In summation, your Standing Committee Executive Appointments and Government Investigation recommends that the members of the full Senate gives its advice and consent to confirm the appointment of Dr. Martin Rohringer to serve as a member of the Healthcare Professional Licensing Board. Again, I kindly ask your full support in supporting the Standing Committee Report No. 18-16. Thank you Mr. President.

**Senate President Ralph Dlg. Torres:** Thank you Chairman. Is there any other comment? Ready? Clerk please roll call.

The Clerk called the roll on the motion to adopt **Standing Committee Report No. 18-16.**

|                            |        |
|----------------------------|--------|
| Senator Juan M. Ayuyu      | Absent |
| Senator Francisco M. Borja | yes    |
| Senator Joaquin H. Borja   | yes    |
| Senator Francisco Q. Cruz  | yes    |
| Senator Victor B. Hocog    | yes    |
| Senator Pete P. Reyes      | yes    |
| Senator Jovita M. Taimanao | yes    |
| Senator Ray N. Yumul       | yes    |
| Senator Ralph Dlg. Torres  | yes    |

**Senate President Ralph Dlg. Torres:** With all 8 members voting yes, Standing Committee Report No. 18-16 hereby is adopted by the Senate. Floor Leader?

**Floor Leader Ray N. Yumul:** Thank you Mr. President. At this time, I move for the adoption of Standing Committee Report No. 18-15, dated June 17, 2013, from the Committee on Executive Appointments and Government Investigations reporting on the appointment on Ms. Laura T. Ogumoro to serve as a Secretary for the Department of Committee and Cultural Affairs. I so move..

**President Ralph Dlg. Torres:** The motion has been seconded to adopt Standing Committee Report No. 18-15 regarding Ms. Laura T. Ogumoro to serve as the Secretary of the Department of Committee and Cultural Affairs. It has been seconded. Senator Cruz, Chairman?

**Senator Francisco Q. Cruz:** Thank you, Mr. President. Mr. President and members of the Senate this is Standing Committee Report No. 18-15. Mr. President and members, your Standing Committee on Executive Appointments and Government Investigations to which was referred the appointment of Ms. Laura T. Ogumoro to serve as the Secretary for the Department of Community and Cultural Affairs appointed by Governor Eloy S. Inos on April 16, 2013 pursuant to Article 3, Section 14, of the NMI Constitution and 1 CMC § 2352. Mr. President and members of the Senate, it is the intent of your Committee on Executive Appointments and Government Investigation to assure the appointment of Ms. Laura T. Ogumoro is in conformance with the mandated duties and responsibilities pursuant to Article 3, Section 14 of the NMI Constitution and CMC § 2352. Ms. Laura T. Ogumoro has submitted all required documents in conformance with Section 5, under Rule 7 of the Senate Rules. However, your Standing Committee examined all pertinent documents submitted relating to Ms. Laura T. Ogumoro's overall credentials. In addition, we also took into account all written and oral testimonies presented during the Public Hearing. After much deliberation and base on our overall assessment of Ms. Ogumoro's credentials, experiences, and overwhelming positive testimonials and all other relevant issues considered, we are convinced that Ms. Ogumoro possess the qualifications and leadership skills necessary to serve as the Secretary for the Department of Community and Cultural Affairs. In summation, your Standing Committee on Executive Appointments and Government Investigations recommends the members of the full Senate to give his advice and consent to confirm the appointment of Ms. Laura T. Ogumoro to serve as the Secretary for the Department of Committee and Cultural Affairs. Again, I ask for your support on Standing Committee No. 18-15. Thank you, Mr. President.

**President Ralph Dlg. Torres:** Thank you Chairman and again the Standing Committee Report No. 18-15 has been seconded for adoption. Discussion? Ready, Clerk, please roll call.

The Clerk called the roll on the motion to adopt **Standing Committee Report No. 18-15.**

|                            |        |
|----------------------------|--------|
| Senator Juan M. Ayuyu      | Absent |
| Senator Francisco M. Borja | yes    |
| Senator Joaquin H. Borja   | yes    |
| Senator Francisco Q. Cruz  | yes    |
| Senator Victor B. Hocog    | yes    |
| Senator Pete P. Reyes      | yes    |
| Senator Jovita M. Taimanao | yes    |
| Senator Ray N. Yumul       | yes    |
| Senator Ralph Dlg. Torres  | yes    |



**President Ralph Dlg. Torres:** Thank you Clerk. With eight members voting yes, to adopt Standing Committee Report No. 18-15 hereby is adopted by the Senate. Congratulations. We have a short recess.

**The Senate recessed at 11:20 a.m.**

**And**

**The Senate reconvened at 11:30 a.m.**

**President Ralph Dlg. Torres:** We are back in session. We just finished adopting Standing Committee Report No. 18-15 and 18-16. We are now back to the agenda. Floor Leader.

**Floor Leader Ray N. Yumul:** Thank you Mr. President. If there is no objection from the members, I like to move to item F, Communications from the House specifically to House Communication No. 18-40. This is a transmission of House Joint Resolution No 18-08 so that we can act on this and then we can come back and discuss the rest of the....

**President Ralph Dlg. Torres:** No objection. Floor Leader, go ahead.

**Floor Leader Ray N. Yumul:** Thank you. I would like to move and accept House Communication No. 18-40 reporting on House Joint Resolution 18-08, so moved.

**President Ralph Dlg. Torres:** The motion has been made to accept House Joint Resolution No. 18-18, House Communication No. 18-40. The motion has been seconded. Is there a second to the motion?

The motion has been seconded by Vice President Victor B. Hocog.

**President Ralph Dlg. Torres:** Those in favor to accept say “aye”.

Several members voiced, “aye”.

**President Ralph Dlg. Torres:** All opposed say, “nay”.

The motion was carried by voice vote.

**Floor Leader Ray N. Yumul:** Thank you Mr. President. If there is no further objection, I move to suspend the Rules of Procedure, Rule 8, Section 6,7 and 8 in order to place House Joint Resolution No. 18-08 on our Resolution Calendar in compliance with the Open Government Act requirement and our Senate Rules, I so move.

The motion was seconded by Senator Francisco Q. Cruz.

**President Ralph Dlg. Torres:** The motion has been made to amend our Order of Business and to comply with the Open Government Act and it has been seconded. Is there any discussion? Under discussion, Senator Reyes.

**Senator Pete P. Reyes:** Thank you Mr. President. First, just a minor correction on page 3 line 6; the small letter s, this is a technical correction that the Legal Counsel could correct. I just wanted to ask the nature of the amendment, are we moving funds from grant application 69-0203 to 69-0001 in order to increase the block grant from 753,814.55 to 968,000 and if so, what is the purpose of those changes? Anyone can answer this. I appreciate it.

The Chair recognizes Floor Leader Ray N. Yumul.

**Floor Leader Ray N. Yumul:** Thank you. First, I guess were still in the discussion to place it on the calendar but the amendment that needs to be made is basically to change the figures primarily on page 3, to change for example, on line 4, of page 3, the one point one five five million dollars to one point three four two, then down on line 8, seven hundred and fifty three thousand to nine hundred sixty eight thousand and some change and so forth. I believe the SD1 has been distributed and then I would like to ask our good Senator Reyes to introduce the substitute.

**Senator Pete P. Reyes:** Let me do that first Mr. President because that is where the question is. I would like to make a motion to substitute House Joint Resolution No. 18-08 with Senate Joint Resolution 18-08, SD1 on Calendar.

**President Ralph Dlg. Torres:** Just for clarification, we are going to be putting House Joint Resolution No. 18-08, SD1 on the calendar. That's the motion that we have now. So are we okay then? Senator Reyes, we move forward. Clerk, please roll call. This is to place House Joint Resolution No. 18-08 on the calendar.

The Clerk called the roll on the motion to place House Joint Resolution No. 18-08 on calendar.

|                            |        |
|----------------------------|--------|
| Senator Juan M. Ayuyu      | Absent |
| Senator Francisco M. Borja | yes    |
| Senator Joaquin H. Borja   | yes    |
| Senator Francisco Q. Cruz  | yes    |
| Senator Victor B. Hocog    | yes    |
| Senator Pete P. Reyes      | yes    |
| Senator Jovita M. Taimanao | yes    |
| Senator Ray N. Yumul       | yes    |
| Senator Ralph Dlg. Torres  | yes    |

**President Ralph Dlg. Torres:** With eight members, we have now we put House Joint Resolution No. 18-08 on the Resolution Calendar. Floor Leader.

**Floor Leader Ray N. Yumul:** Thank you Mr. President. At this time, I move to recall our action on Senate Joint Resolution 18-04, which we have acted on in our prior session due to a technical error so that we can recall it and correct what needs to be done to the resolution and then pass it. Once again, my motion is to recall our action on Senate Joint Resolution No. 18-04. I so move.

The motion was seconded by Senator Pete P. Reyes.

**President Ralph Dlg. Torres:** That is Senate Joint Resolution No. 18-04 to recall our action. Those in favor say “aye”. Clerk do we get to vote or okay Clerk roll call.

The Clerk called the roll on the motion to **recall Senate Joint Resolution No. 18-04.**

|                            |        |
|----------------------------|--------|
| Senator Juan M. Ayuyu      | Absent |
| Senator Francisco M. Borja | yes    |
| Senator Joaquin H. Borja   | yes    |
| Senator Francisco Q. Cruz  | yes    |
| Senator Victor B. Hocog    | yes    |
| Senator Pete P. Reyes      | yes    |
| Senator Jovita M. Taimanao | yes    |
| Senator Ray N. Yumul       | yes    |
| Senator Ralph Dlg. Torres  | yes    |

**President Ralph Dlg. Torres:** With eight members voting yes, we now recall our action on Senate Joint Resolution No. 18-04. Floor Leader.

**Floor Leader Ray N. Yumul:** Thank you. Mr. President at this time, I move for the adoption of House Joint Resolution No. 18-08.

**Senate President Ralph Dlg. Torres:** There’s a motion for the adoption of House Joint Resolution No. 18-08. It has been seconded. Is there any discussion?

The Chair recognizes Senator Pete P. Reyes.

**Senator Pete P. Reyes:** Thank you Mr. Chairman and Mr. President. It’s just a minor correction first, let me point that out on line 6, the small letter s after emergency and before solutions and also on line 7, the application No. 001 should have been probably 0001; instead of two zeros it should be three, but those are minor technical corrections that perhaps the Legal Counsel can be authorized to go ahead and make those corrections. The question is increasing the application B13ST690001 from 753,814.55to 968,331 and whether or not the addition increase came from ST69-0203 by reducing the original funding of three because it doesn’t look like it jives on the amount but I would like to request if any member wish to comment on the reason why the increase and the decrease occurred in the SD1. Thank you.

The Chair recognizes Floor Leader Ray N. Yumul.

**Floor Leader Ray N. Yumul:** Thank you Mr. President. At this time, the motion is to adopt House Joint Resolution No. 18-08. SD1 has not yet been offered, so unless one of the members here wants to offer it first and then we can discuss the question posed by the Senator Reyes. Thank you.

**Senator Pete P. Reyes:** I thought I made a motion for the substitute bill, on House Joint Resolution 18-08?

**Floor Leader Ray N. Yumul:** And now we are on discussion. Okay, thank you for that clarification. I cannot answer specifically why the figures have changed. This is what the House had sent up asking for a correction to be made in the Senate. They actually wanted to recall their action on this resolution but because it was already accepted by our Senate Clerk, it became the property of the Senate so the request was to have the amendment done by this body. As to the actual figure changes, I do not know if this is the final figures. I assume it is but we can defer action and ask CDA or NMHC to come up and answer some questions. Thank you.

**President Ralph Dlg. Torres:** Floor Leader let just make a comment on that. The Acting Speaker, I spoke to him actually a couple days ago regarding this resolution and the numbers was just updated apparently the numbers was just given when this resolution was introduced. This was the number that was given. Apparently, when they went back the numbers that was given was incorrect and so that's what the Acting Speaker mentioned that the numbers that he requested be changed. It's just the correct numbers but nothing in the application and so forth has changed.

The Chair recognizes Senator Pete P. Reyes.

**Senator Pete P. Reyes:** Thank you Mr. President. I remember now that there has been a correction on the amount so I withdraw my own question except for the simple changes that needs to be corrected but I recall the correction on the figure.

**President Ralph Dlg. Torres:** Thank you, Senator Reyes. Vice President, are you good? We're good?

The Chair recognizes Senator Jovita M. Taimanao.

**Senator Jovita M. Taimanao:** Thank you very much and talking about number figures, its very important for the Senate to understand these kind of changes and based on the Senator Reyes's question, it's very valid and important at this point of time where we are adopting this number figures some decrease and some increased. So with this in mind, we do appreciate to receive from the source of this joint resolution because of the fact were talking verbally here and we don't have the exact data among us. I don't know whether it will suffice the question that was posed out and it is very important for us to really know the important data's on this and this should these data's be given to House for clarification and correction, it should be under attachment so that all of us who are voting at this point time should really have that concrete data on this. So that is my only concern because this is a very sensitive issue. We are in the middle of our session and we are changing numbers here and I totally agree with Senator Reyes that we need to really know the source and if the source says that it is coming from this CDBG Grant then we should have that attachment. Thank you for that comment.

The Chair recognizes Vice President Victor B. Hocog.

**Vice President Victor B. Hocog:** *[..inaudible..]* the Acting Speaker regarding to the changes of the figure reflecting on 18-08, SD1. Now, I heard Floor Leader that it was originally decided that the House wanted to recall this resolution but they are amendable that the Senate can proceed with the amendment to be in compliance with the new figure. I guess Senator Taimanao is very keen to know why the figure is changed from one point one to one point three and again on the resolving, another resolving closure is that there seems to be a reduction from three thirty seven to three twenty five and

from sixty four thousand to forty eight thousand . I guess with the same different dockets we just like also Mr. President to understand from your conversation with the Acting Speaker how did this change come around.

**President Ralph Dlg. Torres:** The Acting Speaker actually made a request first either to withdraw the resolution so they can incorporate the most updated and correct numbers, the amount or for us to go ahead and make the changes in the Senate. So I decided to go ahead and make the changes so that when it's done we pass it back out to the House and accept it. I believe they're having a session to address this issue. There's a deadline that they are waiting on and that's why it's critical for us to make the changes. Again, this numbers are just updated and more accurate on this resolution. It doesn't intel anything further with the application itself. Go ahead Vice President.

**Vice President Victor B. Hocog:** So in addition Mr. President maybe it will be good to have the communication that governing the change in figure from either CDA or whoever is undertaking the CDBG grant application and at least we can be aware of the changes that took place in 18-08 SD1 so that we do not install the importance of the resolution. I guess the resolution is also beating against times so I guess we can take the figure as amended by the Senate to be in good faith as what is being provided from the House of Representative in accordance with your communication with the Vice Speaker. Thank you.

**President Ralph Dlg. Torres:** Thank you with that confidence Vice President.

The Chair recognizes Senator Jovita M. Taimanao.

**Senator Jovita M. Taimanao:** [*..inaudible..*]

**President Ralph Dlg. Torres:** Short recess.

**The Senate recessed at 11:45 a.m.**

**And**

**The Senate reconvened at 11:47 a.m.**

## **RESOLUTION CALENDAR**

- 1. Senate Comm. Resolution No. 18-05**
- 2. S.R. No. 18-15**
- 3. H.J.R. No. 18-8, SD1**
- 4. S.J.R. No. 18-4, S1**

**President Ralph Dlg. Torres:** We are back in session and we have acknowledged the concern with Senator Taimanao's document and I've actually just got information from the Acting Speaker that he will be giving me that information and I'll furnish that document to the Senate Secretary and the

members of today's transaction regarding the resolution. Under discussion? Ready? For the adoption of House Joint Resolution 18-08, Senate Draft One as amended, Clerk please roll call.

The Clerk called the roll on the motion to adopt **House Joint Resolution No. 18-08, SD1.**

|                            |        |
|----------------------------|--------|
| Senator Juan M. Ayuyu      | Absent |
| Senator Francisco M. Borja | yes    |
| Senator Joaquin H. Borja   | yes    |
| Senator Francisco Q. Cruz  | yes    |
| Senator Victor B. Hocog    | yes    |
| Senator Pete P. Reyes      | yes    |
| Senator Jovita M. Taimanao | yes    |
| Senator Ray N. Yumul       | yes    |
| Senator Ralph Dlg. Torres  | yes    |

**President Ralph Dlg. Torres:** With eight members voting yes, House Joint Resolution No. 18-08, Senate Draft One is hereby adopted.

The Chair recognizes Floor Leader Ray N. Yumul.

**Floor Leader Ray N. Yumul:** Thank you Mr. President. At this time, I move for the adoption of Senate Commemorative Resolution No. 18-05, honoring the life and achievements of Anthony Pellegrino and commending him for his distinguished contributions to the Commonwealth of the Northern Mariana Islands and service to the people. I so move.

The motion was seconded by several members.

**President Ralph Dlg. Torres:** For the adoption of Senate Commemorative Resolution No. 18-05, those in favor say "aye".

Several members voiced, "aye".

**President Ralph Dlg. Torres:** All opposed say, "nay".

The motion was carried by voice vote.

The Chair recognizes Senator Pete P. Reyes.

**Senator Pete P. Reyes:** Just to ask you, if the resolution can be sponsored by the Committee of the Whole?

Several members voiced, "no objection".

**President Ralph Dlg. Torres:** Yes, Committee of a Whole. Thank you Senator Reyes. Floor Leader.

**Floor Leader Ray N. Yumul:** Short recess.

**President Ralph Dlg. Torres:** Short recess.

**The Senate recessed at 11:45 a.m.**

**And**

**The Senate reconvened at 11:47 a.m.**

**President Ralph Dlg. Torres:** We are back in session.

**Floor Leader Ray N. Yumul:** Thank you Mr. President. At this time, I move for the adoption of Senate Resolution No. 18-15, honoring the life and achievements of the late Honorable Senator Luis Palacios Crisostimo and commending him for his dedicated services and contributions to the Commonwealth of the Northern Mariana Islands and its people. I so move.

**President Ralph Dlg. Torres:** The motion has been seconded and with this resolution, I would like to ask, under this discussion Senator Reyes.

**Senator Pete P. Reyes:** Again, I ask the author if the resolution can be sponsored by the Committee of the Whole.

**President Ralph Dlg. Torres:** Yes, the resolution will be sponsor as the Committee of the Whole. Thank you. Under discussion. Ready? Those in favor of the adoption of Resolution No. 18-15 say “aye”.

Several members voiced, “aye”.

**President Ralph Dlg. Torres:** All opposed say, “nay”.

The motion was carried by voice vote.

The Chair recognizes Floor Leader Ray N. Yumul.

**Floor Leader Ray N. Yumul:** Ready? Thank you Mr. President. I now move for the adoption of House Joint Resolution, correction, Senate Joint Resolution 18-04.

The Chair recognizes Senator Pete P. Reyes.

**Senator Pete P. Reyes:** Thank you. I think the Floor Leader needs to make a motion to place this on Calendar because we need to vote to recall.

**Floor Leader Ray N. Yumul:** I apologize.

**President Ralph Dlg. Torres:** Thank you for the over sight.

The Chair recognizes Floor Leader Ray N. Yumul.

**Floor Leader Ray N. Yumul:** Thank you to Senator Reyes. Just withdraw my prior motion. The motion I would now move for is to place on calendar, Resolution calendar, Senate Joint Resolution No. 18-04 for action.

**President Ralph Dlg. Torres:** The motion has been made to place Senate Joint Resolution 18-04. It has been seconded. I would like to get a roll call on this one, Clerk.

The Clerk called the roll on the motion to place Senate Joint Resolution No. 18-04 on today's calendar.

|                            |        |
|----------------------------|--------|
| Senator Juan M. Ayuyu      | Absent |
| Senator Francisco M. Borja | yes    |
| Senator Joaquin H. Borja   | yes    |
| Senator Francisco Q. Cruz  | yes    |
| Senator Victor B. Hocog    | yes    |
| Senator Pete P. Reyes      | yes    |
| Senator Jovita M. Taimanao | yes    |
| Senator Ray N. Yumul       | yes    |
| Senator Ralph Dlg. Torres  | yes    |

**President Ralph Dlg. Torres:** With all eight members voting yes, we hereby place Senate Joint Resolution 18-04 on the Resolution Calendar.

The Chair recognizes Floor Leader Ray N. Yumul.

**Floor Leader Ray N. Yumul:** Thank you Mr. President. At this time, I move for the adoption of Senate Joint Resolution No. 18-04. I so move.

**President Ralph Dlg. Torres:** There is a motion to adopt Senate Joint Resolution No. 18-04. The motion has been seconded? Is there a second to the motion?

The motion was seconded by Vice President Victor B. Hocog.

**President Ralph Dlg. Torres:** The motion has been seconded. Under discussion?

The Chair recognizes Vice President Victor B. Hocog.

**Vice President Victor B. Hocog:** *[..inaudible..]* 18-04 is to make an amendment for Senate Substitute One on the caption of the resolution to reflect that change. The reflect of change will read now to respectively petition the United States Congress to amend the Radiation Exposure Compensation Act of 1990, to include the Commonwealth of the Northern Mariana Islands and to affirm that all Americans shall be given the same consideration when it comes to compensation for exposure to radiation from the US nuclear testing and to increase compensation for those affected. So that is the change on the caption of the Senate Joint Resolution.



**President Ralph Dlg. Torres:** Just for clarification Vice President. We are now looking at a Senate Joint Resolution 18-04 with the substitute one, correct?

**Vice President Victor B. Hocog:** Correct.

The Chair recognizes Senator Pete P. Reyes.

**Senator Pete P. Reyes:** The Floor Leader had requested earlier to place Senate Joint Resolution No. 18-04 on Calendar and we all voted. I think the next motion is to substitute it and maybe the Vice President can go ahead and make the motion to offer the substitute bill.

**Vice President Victor B. Hocog:** So move Mr. President on the substitute bill that I just read.

**President Ralph Dlg. Torres:** So the motion has been made for the substitute and has been seconded. Those in favor for substitute say, “aye”.

Several members voiced, “aye”.

**President Ralph Dlg. Torres:** All opposed say, “nay”.

The motion was carried by voice vote.

**President Ralph Dlg. Torres:** Motion carries. We hereby have Senate Joint Resolution No. 18-04, Substitute One. Under discussion. Ready? Those in favor for adoption of Senate Joint Resolution No. 18-04, Substitute One say, “aye”.

Several members voiced, “aye”.

**President Ralph Dlg. Torres:** All opposed say, “nay”.

The motion was carried by voice vote.

The Chair recognizes Floor Leader Ray N. Yumul.

## MESSAGES FROM THE GOVERNOR

1. **Gov. Msg. No. 18-86:** May 16, 2013 – Copy of resume, police clearance, statement of financial interest, drug test receipt/result of Mr. Pedro A. Tenorio, appointed to the position of the Secretary for the Department of Public Lands.
2. **Gov. Msg. No. 18-87:** May 20, 2013 – Copy of resume, financial interest, police clearance of Mr. Efrain M. Atalig to serve as a member of the Civil Service Commission.

3. **Gov. Msg. No. 18-88:** May 21, 2013 – Signed into local law H.L.B. 18-12, D1 – To appropriate \$60,000 from local license fees collected from poker and pachinko slot machines in the First Senatorial District; became **ROTA LOCAL LAW NO. 18-2.**
4. **Gov. Msg. No. 18-89:** May 24, 2013 – Signed into law S.B. No. 18-18, SS1, HD1, CCD1 – To amend 1 CMC § 8131(a), as amended by PL 17-80, by adding a new subsection (a)(13); became **PUBLIC LAW NO. 18-5.**
5. **Gov. Msg. No. 18-90:** May 30, 2013 – Executive Order No. 2013-11 – Declaration of Health Emergency.
6. **Gov. Msg. No. 18-91:** May 31 2013 – Signed into law S.B. No. 18-24 -To repeal Section V, Requirement of Attendance at NMC, in its entirety; became **PUBLIC LAW NO. 18-6.**
7. **Gov. Msg. No. 18-92:** May 31, 2013 – Signed into law S.B. No. 18-01 – To rename the Department of Public Safety (DPS) Building on Tinian, Gilbert Manglona Taisacan Building; became **PUBLIC LAW NO. 18-7.**
8. **Gov. Msg. No. 18-93:** May 31, 2013 – Signed into law S.B. No. 18-02 –To amend the Commonwealth Vehicle Code to authorize active duty U.S. military personnel stationed outside the CNMI in any state or territory to maintain or renew their vehicle registration in the CNMI, or register a new vehicle in the CNMI by complying with CNMI registration requirements or any comparable requirements in the state or territory where they are stationed; became **PUBLIC LAW NO. 18-8.**
9. **Gov. Msg. No. 18-94:** May 31, 2013 – Signed into law S.B. No. 18-23 –To amend 6 CMC Section 2208 (Office of Attorney General investigators as law enforcement officers); became **PUBLIC LAW NO. 18-9.**
10. **Gov. Msg. No. 18-95:** May 31, 2013 – Signed into law H.B. No. 18-35 –To amend Public Law 17-61, CNMI Veteran’s Cemetery; became **PUBLIC LAW NO. 18-10.**
11. **Gov. Msg. No. 18-96:** May 29, 2013 – Certification for annual salary in excess of \$50,000 for Mr. Robert Myer, AAG to receive \$57,000 per annum.
12. **Gov. Msg. No. 18-97:** June 06, 2013 – Signed into local law H.L.B. No. 18-16, D2 – To appropriate \$22,000 and re-appropriate the sum of \$14,039.00 from TLL 18-1 and 18-2; became **TINIAN LOCAL LAW NO. 18-4.**
13. **Gov. Msg. No. 18-98:** June 09, 2013 - Withdrawing appointment of Mr. Ramon K. Quichocho Jr. to serve as an Associate Judge of the Superior Court of the CNMI.
14. **Gov. Msg. No. 18-99:** June 10, 2013 – Certification of annual salary in excess of \$50,000 to Ms. Chrislaine DLR. Pangelinan, Medical Social Worker at Commonwealth Healthcare Corporation to receive \$52,000 per annum.

15. **Gov. Msg. No. 18-100:** April 05, 2013 – Certification of annual salary in excess of \$50,000 to Ms. Zenie P. Mafnas, Deputy Corporate Director, NMHC to receive \$58,000 per annum.
16. **Gov. Msg. No. 18-101:** May 09, 2013 – Nominating Mr. Ramon K. Quichocho Jr., Esq. to serve as an Associate Judge of the Superior Court of the CNMI.
17. **Gov. Msg. No. 18-102:** June 13, 2013 – Signed into local law, H.L.B. No. 18-9, S1 – To appropriate \$3,183,000 from revenues to be collected pursuant to SLL11-2 as amended for FY 2013; to re-appropriate fund balances from SLL 15-11 and 17-16; to amend SLL 18-1; became **SAIPAN LOCAL LAW NO. 18-3**.
18. **Gov. Msg. No. 18-103:** June 13, 2013 – Certification of annual salary in excess of \$50,000 to Mr. Wesley Bogdan, Legal Counsel to the Lt. Governor to receive \$70,000 per annum.
19. **Gov. Msg. No. 18-104:** June 14, 2013 – Certification of annual salary in excess of \$50,000 to Ms. Eden Schwartz, Assistant Public Defender, to receive \$55,000 per annum.

**Floor Leader Ray N. Yumul:** Thank you Mr. President. If no objection, at this time, I would like to move to item C, Messages from the Governor. Thank you. We have nineteen items from the Governor Office, Governor's Message No. 18-86 through Governor's Message No. 18-104. The floor is now open.

The Chair recognizes Senator Pete P. Reyes.

**Senator Pete P. Reyes:** Thank you. Mr President and members, perhaps I should not be specific about this, but whenever a practicing attorney is hired into a government office, normally the practicing attorney would release all clients and advise clients, and I would stand corrected by our Legal Counsel, if what in my opinion is incorrect. In this case, there is an attorney that is hired at the Attorney General's Office and in fact, I noticed that there is a Governor's Communication requesting to suspend the salary cap and increase the salary. I have no problem with that, my problem is this attorney has a client and unfortunately the client is me and I have not been informed that he accepted a position at the Attorney General's Office much less to come to the Senate where his client is and ask for an increase in salary. I want to find out from our Legal Counsel if this is ethical because he has been representing me and my family and I have not received any messages from him that he is transferring our case. This is a probate case so it's not a matter of a criminal case or anything to be worried about, but it's a case that involves the closure of an estate and I have not received any word from him that he is accepting an employment with the government. I also have not received any word from him that he is transferring his clients to another attorney and I wonder if this is a normal practice for attorneys, I direct this question the Legal Counsel. Thank you.

The Chair recognizes Legal Counsel Jose Bermudes.

**Legal Counsel Jose Bermudes:** *Senator Reyes, let me respond to that question in this way. My contract with the LB provides, specifically provides, that I may be allowed to represent anybody else other than the Senate but it has to be in writing and it has to be approved in writing. I think you are referring to Attorney Bogdan, West Bogdan. Oh okay. The only certification that I saw was Bogdan, well regardless of the person, regardless of the attorney, sometimes their contract will provide maybe similar to mine that allows them to continue their cases on a limited basis but if your attorney is no longer going to represent you, then it is his duty to let you know and I don't know what is the actual case but my response would be is he allowed by is contract with his current employment to continue serving other clients?*

The Cahir recognizes Senator Pete P. Reyes.

**Senator Pete P. Reyes:** Mr. President and members, the case already involves a full payment to include the closure of the probate case so he has been paid in advance to close the case. We have not done this and it's dragged on for already over a year and the only thing is the closure. The case cannot move on to effectively close until the court consents to it and without hearing anything from our attorney, I regret to say this, but I felt betrayed that we were not informed this is happening and perhaps what I should do is call the Attorney General and ask him if any provision of his contract allows him to represent other clients and my worry about this Mr. President and members, is now as an Assistant Attorney General, he is responsible in prosecution. What if he has cases that involve a defense of clients because this is a practicing attorney? Then he has conflict because now his job is to prosecute instead of defend and I am seriously worried about this because the case is a very simple matter and yet it has dragged on for if not for a year, then many, many months and I feel that it is over year. Probably more but I'm very concerned about this and if I had not seen this in the Calendar under Governor's Communication, I probably would not know about this. And what about other clients that are not privileged to this kind of information? So I want to put that on record. Thank you.

**President Ralph Dlg. Torres:** Thank you Senator Reyes. Under discussion on Governor's Message? Ready? Floor Leader.

## COMMUNICATIONS FROM THE JUDICIARY

NONE

## COMMUNICATIONS FROM HEADS OF EXECUTIVE DEPARTMENTS

NONE

## COMMUNICATIONS FROM THE HOUSE

1. **Hse. Comm. No. 18-33:** May 22, 2013 - Informing the Senate on the adoption of the CCR No. 18-1 reporting on S.B. No. 18-18, SS1, HD1, CCD1 - To amend 1 CMC § 8131(a), as amended by PL 17-80, by adding a new subsection (a)(13).

2. **Hse. Comm. No. 18-34:** May 22, 2013 - Returning with amendments S.B. No. 18-21, HD1 - To amend 1 CMC § 8282 (death benefits); and for other purposes. **(Senate action on House amendments)**
3. **Hse. Comm. No. 18-35:** May 22, 2013 - Returning with amendments S.B. No. 18-22, HD1 - To amend 6 CMC § 1434(b) (resisting arrest); and for other purposes. **(Senate action on House amendments)**
4. **Hse. Comm. No. 18-36:** April 01, 2013 - Returning without amendments S.B. No. 18-23 - To amend 6 CMC § 2208 (OAG investigators as law enforcement officers); and for other purposes.
5. **Hse. Comm. No. 18-37:** May 22, 2013 – Transmitting for Senate action H.J.R. No. 18-5 – To fully support the five-year extension of the transitional period of the Commonwealth only Transitional Worker Program beyond December 31, 2014 so that the Commonwealth of the Northern Mariana Islands will have an adequate amount of time to fully adjust to the transition.
6. **Hse. Comm. No. 18-38:** May 22, 2013 – Transmitting for Senate action H.J.R. No. 18-6 – Respectfully urging Governor Eloy S. Inos to concur and support the opinion of the Attorney General that former Governor Benigno R. Fitial had no authority to enter into the Power Purchase Agreement with Saipan Development, LLC.
7. **Hse. Comm. No. 18-39:** May 23, 2013 – Transmitting for Senate action H.B. No. 18-50, HD1 – To authorize the CDA to issue pension obligation bonds on behalf of the Commonwealth in an amount up to three hundred million U.S. Dollars to pay the Commonwealth Government’s obligation to the NMIRF.
8. **Hse. Comm. No. 18-40:** May 23, 2013 – Transmitting for Senate action H.J.R. No. 18-8 – To authorize the CNMI through its Governor, to submit to the U.S. Dept. of Housing and Urban Development, the Action Plan for the Community Dev. Block Grant Application No. M-13-ST69-0203; and, the Emergency Solutions Grant Application No. S—13-DC69-0001; to receive the funds requested therein, and to assume all responsibilities that may be imposed by the U.S. Dept. of Housing and Urban Development Block Grant, HOME Investment Partnership Program, and the Emergency Solutions Grant Programs.
9. **Hse. Comm. No. 18-41:** May 23, 2013 – Transmitting for Senate action H.B. No. 18-61 – To repeal in its entirety 1 CMC § 8213(g), to eliminate the bonus for employees who are frozen in Step 12 and 1 CMC § 8215, to eliminate the within-grade and merit increase.
10. **Hse. Comm. No. 18-42:** May 23, 2013 – Transmitting for Senate action H.B. No. 18-62 – To repeal NMIAC Section 10-20.21101 and restore mandatory salary increases for civil service employees.

11. **Hse. Comm. No. 18-43:** June 06, 2013 – Transmitting for Senate action H.B. No. 18-5, HD1 – To present to the voters in the Commonwealth in the next general election the question: “Shall there be a constitutional convention to propose amendments to the Constitution?”.
12. **Hse. Comm. No. 18-44:** June 06, 2013 – Transmitting for Senate action H.B. No. 18-11 – To amend Title 9, Division 2 Chapter 1 § 2116 (PL 14-16). (Veteran License Plates fees)
13. **Hse. Comm. No. 18-45:** June 06, 2013 – Transmitting for Senate action H.B. No. 18-19, HD1 – To establish a safety measure for instances where a vehicle overtakes a bicycle on a public road or highway.
14. **Hse. Comm. No. 18-46:** June 06, 2013 – Transmitting for Senate action H.B. No. 18-31, HD1 – To amend Title 4, Article 3, Pawnbroker Licenses, Fees and related matters.
15. **Hse. Comm. No. 18-47:** June 06, 2013 – Transmitting for Senate action H.B. No. 18-45, HD7 – To authorize, establish and regulate casino gambling within the Third Senatorial District.
16. **Hse. Comm. No. 18-48:** June 06, 2013 – Transmitting for Senate action H.B. No. 18-46, HD1 – To allow members of the Defined Contribution Plan to withdraw their account balance without terminating employment.

**Floor Leader Ray N. Yumul:** Thank you Mr. President. There being no items on item D and E Communications from the Judiciary and Communications from Heads of Executive Department, I now move down to item F, Communications from the House, we have sixteen communications, minus the one we had acted on, House Communication No. 18-33 through House Communication No. 18-48. The floor is now open.

**President Ralph Dlg. Torres:** Under discussion for line item F, ready?

The Chair recognizes Floor Leader Ray N. Yumul.

## COMMUNICATIONS FROM THE WASHINGTON DELEGATE

NONE

## UNFINISHED BUSINESS

NONE

## PRE-FILED BILLS AND RESOLUTIONS

1. **Senate Commemorative Resolution No. 18-05:** Honoring the life and achievements of Anthony Pellegrino and commending him for his distinguished contributions to the Commonwealth of the Northern Mariana Islands and service to the people. **(SEN. RALPH DLG. TORRES AND COMMITTEE OF THE WHOLE – 06/14/13)**
  
2. **Senate Resolution No. 18-15:** Honoring the life and achievements of the late Honorable Senator Luis Palacios Crisostimo and commending him for his dedicated services and contributions to the Commonwealth of the Northern Mariana Islands and its people. **(SEN. RALPH DLG. TORRES AND COMMITTEE OF THE WHOLE – 06/17/13)**

## INTRODUCTION OF BILLS AND RESOLUTIONS

1. **S.B. No. 18-26:** TO AUTHORIZE THE GOVERNOR TO NEGOTIATE A SETTLEMENT AND RESOLUTION OF THE JUDGMENTS ENTERED AGAINST THE CNMI GOVERNMENT.

**Floor Leader Ray N. Yumul:** Thank you, Mr. President. Also there be no items under G and H, Communications from the Washington Delegate and Unfinished Business, I now move to item I, Prefiled Bills and Resolutions. Okay withdraw, we did act on the two resolutions, my motion and now move to item J, Introduction of Bills and Resolutions. The floor is open.

The Chair recognizes Vice President Victor B. Hocog.

**Vice President Victor B. Hocog:** [*..inaudible..*]

**Floor Leader Ray N. Yumul:** Mr. President, point of clarification.

**President Ralph Dlg. Torres:** Vice President, can you repeat that please. We are on introduction of bills.

**Floor Leader Ray N. Yumul:** My point of clarification is not a legislation.

The Chair recognizes Floor Leader Ray N. Yumul.

**Floor Leader Ray N. Yumul:** I withdraw, thank you.

**Vice President Victor B. Hocog:** [*..inaudible..*] 18-26.

**President Ralph Dlg. Torres:** Thank you Vice President who just introduced Senate Bill No. 18-26.

The Chair recognizes Floor Leader Ray N. Yumul.

**REPORTS OF SPECIAL AND CONFERENCE COMMITTEES**

**NONE**

**BILL CALENDAR**

**FIRST READING**

| LEG. NO. | <u>TITLE</u> |
|----------|--------------|
|          |              |

**FINAL READING**

| LEG. NO.   | <u>TITLE</u>  |
|--|---|
| <b>S.B. No. 18-21, HD1</b><br>(Hse. Comm. No. 18-34)<br><b>PASSED</b>            | To amend 1 CMC § 8282<br>(death benefits – law enforcement officers)  |
| <b>S.B. No. 18-22, HD1</b><br>(Hse. Comm. No. 18-35)<br><b>PASSED</b>            | To amend 6 CMC § 1434(b)<br>(resisting arrest –AG and OPA investigators or other law enforcement officers)  |
| <b>H.B. No. 18-50, HD1</b><br>(Hse. Comm. No. 18-39)<br><b>PASSED</b>            | To authorize the Commonwealth Development Authority to issue pension obligation bonds on behalf of the Commonwealth in an amount up to three hundred million U.S. Dollars to pay the Commonwealth Government’s obligation to the Northern Mariana Islands Retirement Fund   |
| <b>H.B. No. 18-28, HD1</b><br>(Hse. Comm. No. 18-29)<br><b>PASSED as amended</b> | To provide an amnesty period to expire on January 1, 2014 for the filing of delinquent returns under Title 4, Chapters 2, 3, 4, 5 and 7, Division 1 of the Revenue and Taxation Act of 1982, as amended, and the payment of delinquent taxes without imposition of penalty and interest, with certain exceptions and for the waiver of penalty for failure to obtain a business license<br><br><b>RECESS: 12:55 p.m. RET.: 12:56 p.m.</b> |



**Floor Leader Ray N. Yumul:** Thank you Mr. President. There being no items on the Special and Conference Committee Reports, I now move to item O, the Bill Calendar. Thank you, Mr. President. At this time, I move for the passage on First and Final Reading, Senate Bill N. 18-21, House Draft One, to amend 1 CMC 8282, which is the death benefits for law enforcement officers. I withdraw my early motion. Short recess.

**President Ralph Dlg. Torres:** Short Recess.

**The Senate recessed at 12:06 p.m.**

**And**

**The Senate reconvened at 12:07 p.m.**

**President Ralph Dlg. Torres:** Okay, were back in session.

The Chair recognizes Floor Leader Ray N. Yumul.

**Floor Leader Ray N. Yumul:** Thank you Mr. President. Before we act on legislations on our Bill Calendar, I move to suspend Rules of Procedure, Rule 8, and section 6, 7 and 8 in order to place bills under the Bill Calendar in compliance with the Open Government Act requirement and our Senate Rules. I so move.

The motion was seconded by several members.

**President Ralph Dlg. Torres:** The motion has been made to suspend Open Government Act and also the Senate rules and the motion has been seconded. Is there any discussion? Clerk, please roll call.

The Clerk called the roll on the motion to suspend pertinent rules.

|                            |        |
|----------------------------|--------|
| Senator Juan M. Ayuyu      | Absent |
| Senator Francisco M. Borja | yes    |
| Senator Joaquin H. Borja   | yes    |
| Senator Francisco Q. Cruz  | yes    |
| Senator Victor B. Hocog    | yes    |
| Senator Pete P. Reyes      | yes    |
| Senator Jovita M. Taimanao | yes    |
| Senator Ray N. Yumul       | yes    |
| Senator Ralph Dlg. Torres  | yes    |

**President Ralph Dlg. Torres:** With eight members voting yes, we hereby amend the Order of Business.

The Chair recognizes Floor Leader Ray N. Yumul.

**Floor Leader Ray N. Yumul:** Thank you Mr. President. I now move to place on our Bill Calendar, House Bill No. 18-50, HD1. To authorize the Commonwealth Development Authority to issue pension obligation bonds on behalf of the Commonwealth in an amount up to three hundred million U.S. Dollars to pay the Commonwealth Governments obligation to Northern Marianas Island Retirement Fund and subsequently to withdraw from the respective committee if it's been so assigned. Further, I move to include House Bill No. 18-28, HD1, to provide an amnesty period to expire on January 1, 2017 for the filing of delinquent returns under Title 4, Chapters 2, 3, 4, 5 and 7, Division 1 of the Revenue and Taxation Act of 1982, as amended, to have them place on the Bill Calendar, I so move.

**President Ralph Dlg. Torres:** This is to place House Bill No. 18-50, HD1 and House Bill No. 18-28, HD1. Roll call please. This is to place it in the Bill Calendar for Final Reading. Clerk, please roll call.

The Clerk called the roll on the motion to place House Bill No. 18-50, HD1 and House Bill No. 18-28, HD1 on today's calendar for action.

|                            |        |
|----------------------------|--------|
| Senator Juan M. Ayuyu      | Absent |
| Senator Francisco M. Borja | yes    |
| Senator Joaquin H. Borja   | yes    |
| Senator Francisco Q. Cruz  | yes    |
| Senator Victor B. Hocog    | yes    |
| Senator Pete P. Reyes      | yes    |
| Senator Jovita M. Taimanao | yes    |
| Senator Ray N. Yumul       | yes    |
| Senator Ralph Dlg. Torres  | yes    |

**President Ralph Dlg. Torres:** With eight members voting yes, we hereby have House Bill No. 18-50, House Draft One and House Bill No. 18-28, House Draft One into our Bill Calendar.

The Chair recognizes Floor Leader Ray N. Yumul.

**Floor Leader Ray N. Yumul:** Thank you Mr. President. At this time, I move for the passage on First and Final Reading, Senate Bill No. 18-21, HD1, to amend 1 CMC 8282 and for other purposes. I so move.

The motion was seconded by several members.

**President Ralph Dlg. Torres:** The motion has been seconded for the passage of Senate Bill No. 18-21, House Draft One. Is there any discussion? Ready? Clerk, please roll call for the passage.

The Clerk called the roll on the motion to **pass Senate Bill No. 18-21, HD1.**

|                            |        |
|----------------------------|--------|
| Senator Juan M. Ayuyu      | Absent |
| Senator Francisco M. Borja | yes    |
| Senator Joaquin H. Borja   | yes    |
| Senator Francisco Q. Cruz  | yes    |
| Senator Victor B. Hocog    | yes    |
| Senator Pete P. Reyes      | yes    |
| Senator Jovita M. Taimanao | yes    |
| Senator Ray N. Yumul       | yes    |
| Senator Ralph Dlg. Torres  | yes    |

**President Ralph Dlg. Torres:** With eight members voting yes, Senate Bill No. 18-21, House Draft One, hereby passes the Senate.

The Chair recognizes Floor Leader Ray N. Yumul.

**Floor Leader Ray N. Yumul:** Thank you Mr. President. I now move for the passage on First and Final Reading, Senate Bill No. 18-22, House Draft One. A bill for and act to amend 6 CMC 1434 B and for other purposes. I so move.

The motion has been seconded by several members.

**President Ralph Dlg. Torres:** The motion has been made and seconded for the passage of Senate Bill No. 18-22, House Draft One. Is there any discussion? Ready? Clerk, please roll call for the passage.

The Clerk called the roll on the motion to **pass House Bill No. 18-22, HD1.**

|                            |        |
|----------------------------|--------|
| Senator Juan M. Ayuyu      | Absent |
| Senator Francisco M. Borja | yes    |
| Senator Joaquin H. Borja   | yes    |
| Senator Francisco Q. Cruz  | yes    |
| Senator Victor B. Hocog    | yes    |
| Senator Pete P. Reyes      | yes    |
| Senator Jovita M. Taimanao | yes    |
| Senator Ray N. Yumul       | yes    |
| Senator Ralph Dlg. Torres  | yes    |

**President Ralph Dlg. Torres:** With the eight voting yes on Senate Bill No. 18-22, House Draft One, hereby passes the Senate.

The Chair recognizes Floor Leader Ray N. Yumul.

**Floor Leader Ray N. Yumul:** Thank you Mr. President. I now move for the passage on First and Final Reading, House Bill No. 18-50, HD1. A bill for an act to authorize the Commonwealth Development Authority to issue pension obligation bonds on behalf of the Commonwealth in an amount up to three hundred million U.S. Dollars to pay the Commonwealth Governments obligation to Northern Marianas Island Retirement Fund. I so move.

**President Ralph Dlg. Torres:** The motion has been made. Is there a second to the motion?

The motion was seconded by Vice President Victor B. Hocog.

**President Ralph Dlg. Torres:** The motion has been seconded. Is there any discussion?

The Chair recognizes Senator Jovita M. Taimanao.

**Senator Jovita M. Taimanao:** Thank you Mr. President and members for your support. This bill has been referred to the Fiscal Affairs and comments had been given out to the members and the CDA and as well as the Retirement. The feedbacks came from both agency, the Retirement Fund and also from the CDA and the committee reviewed respectively to the feedbacks and made all kinds of questions in terms of the impact. How would it impact the government the CNMI in terms of the payment of the bonds. So with this again, the committee is very appreciative in the cooperation and the feedbacks from the members. There were very positive remarks and the committee as well as the Senate stands ready to support the intension to solidify the issue of the Retirement Fund under the pension obligation fund. So once again, thank you committee members.

**President Ralph Dlg. Torres:** Thank you Chair and I thank the committee members as well and your leadership Senator Taimanao for the expeditious of action on this. Under discussion? Ready? Clerk, please roll call.

The Chair recognizes Vice President Victor B. Hocog.

**Vice President Victor B. Hocog:** Just for a point of information, clarification. Mr. President the proposed House Bill to authorize the Commonwealth Development Authority to issue pension obligation bond, I just want to be on record that while I do support the intent of the bill, I just want to be heard that I have a concern as to the bill faith in finding where actually the revenue that will come from to insure that the *[..inaudible..]* of such bound that it's debt service will be well taking care of. I would like to see that we do have some sort of debt reserved to insure that the bound that we are to authorize for CDA to negotiate and issue do have some resources that we can insure the payment of the debt service of the bound. I understand that it is very important to do this in lure of the many impending obligation that our CNMI government must take care or undertake critical programs that need assistance to continue the programs implementation. I hope that when this authorization is engaged that the legislature will do again have some say so as to what resources will pledge or will be committed for its debt service and that is my concern that I need to officially air with this legislation. Thank you.

**President Ralph Dlg, Torres:** Thank you Vice President. For the passage, clerk please roll call.

The Clerk called the roll on the motion to **pass House Bill No. 18-50, HD1.**

|                            |        |
|----------------------------|--------|
| Senator Juan M. Ayuyu      | Absent |
| Senator Francisco M. Borja | yes    |
| Senator Joaquin H. Borja   | yes    |
| Senator Francisco Q. Cruz  | yes    |
| Senator Victor B. Hocog    | yes    |
| Senator Pete P. Reyes      | yes    |
| Senator Jovita M. Taimanao | yes    |
| Senator Ray N. Yumul       | yes    |
| Senator Ralph Dlg. Torres  | yes    |

**President Ralph Dlg. Torres:** With eight members voting yes, House Bill No. 18-50, House Draft One, hereby passed the Senate.

The Chair recognizes Floor Leader Ray N. Yumul.

**Floor Leader Ray N. Yumul:** Thank you Mr. President. At this time, I move for the passage on First and Final Reading, House Bill No. 18-28, HD1, to provide an amnesty period to expire on January 1, 2017 for the filing of delinquent returns under Title 4, Chapters 2, 3, 4, 5 and 7, Division 1 of the Revenue and Taxation Act of 1982, as amended, I so move.

**President Ralph Dlg. Torres:** Thank you very much Floor Leader. The motion has been made and seconded for the passage of House Bill No. 18-28, House Draft One.

The Chair recognizes Senator Jovita M. Taimanao.

**Senator Jovita M. Taimanao:** Yes, thank you Mr. President and members. I offer a motion for amendment on House Bill No. 18-28, HD1. The amendment on page 8, can we all look on page 8? Okay, after line 10, we add on a section for letter (e) which is line 11 and the amendment reads, the tax per person, sole proprietor, company, partnership, or corporation who received amnesty under Public Law No. 12- 50 or Public Law No. 14-28 shall not be eligible for tax amnesty pursuant to this act. Once again, I offer House Bill No. 18-28, HD1, SD1.

The motion was seconded by Vice President Victor B. Hocog.

**President Ralph Dlg. Torres:** Thank you very much. The motion has been seconded for the amendment made by our Senate Secretary that on page 8, line 11, a new Section (e) and she read with the adoption here for the passage. Under discussion?

The Chair recognizes Senator Francisco Q. Cruz.

**Senator Francisco Q. Cruz:** Thank you Mr. President. I am in support of this but I hope that this is the last time that the legislature pass such kind of legislation. I took very seriously the statement of the Mr. Quitugua and that he has a very ligament point as he stated this morning. I know that this is to bring in people and also for them to continue to pay taxes but like what the individual or the gentlemen had mentioned that we cannot continue to allow business to continue to cheat the

government. I hope that this is the last time that we see this kind of bill in the Senate. I will support it at this time and give them sort of like a consideration but this is only my opinion Mr. President and members of the Senate. Although I am not really comfortable with this but I will support it just to give them consideration at this time. Thank you.

The Chair recognizes Vice President Victor B. Hocog.

**Vice President Victor B. Hocog:** Thank you Mr. President. While the amendment takes care of concerns in the future, it looks like the tax amnesty bill has undergone a couple of public laws that has been passed by the legislature and signed by the Governor such as Public Law No. 12-51, and Public Law No. 14-28. This has gone way back Mr. President and now we are also considering tax amnesty in this legislature. Well, I have the heart to assist these people. I just have to air my concerns about actually who are these business individuals or corporation that we are giving our support to waive unpaid taxes or dues to the CNMI Government. The statement made by former Congressman Danny Quitugua really has substantial meaning to us and if a repeated tax payer will wait for another amnesty bill to come around, I guess we are sending a bad prescient to continue to bring this kind of leverage to others that are really paying their taxes through our CNMI Government. However, this bill will address again and perhaps this is the last time that it will come around to prevent these businesses probably from closing and rather encourage them by virtual of having another amnesty bill to encourage them to pay their taxes due on a monthly basis. When this bill becomes into law, and I believe they consider this bill as a revenue generating bill, but in essence to me it is not really a revenue generating bill. It's a bill of forgiveness that the revenue supposedly these businesses to pay the Commonwealth has not been paid on time and decided not to pay at all. I guess that we feel that by providing them another amnesty bill it's the least that they can pay their monthly BGR and taxes due between the time when this bill becomes law until such time that the bill has a sunset clause to end it. The concern here also Mr. President and members, is what reward do we give those taxpayers that have been paying their dues to the government from day one or from years of doing business and we are mindful that perhaps this legislation will ensure these businesses that are having hard time to come out with the needed financial obligation to pay their past dues is probably to retain them and detain them from closing. Hopefully, in the future they will continue to provide us the needed revenue by virtue of giving them again another chance but the bill, the amendment that is now before us, is perhaps a one-step better than the past when previous clients that applied for tax amnesty in the past public laws are probably well recorded by the Secretary of Finance of the revenue and this amendment will cartel for business to take advantage on an annual basis or whatever time there is an amnesty bill to again be qualified. The amendment for me, is to probably assist those only that have not filed or being recipient of tax amnesty and those that have been using the tax amnesty as their way of getting away from paying their taxes to the government will not be qualified under this amendment. I just hope that in the future that we try to avoid or stay away from this kind of legislation. Mr. President and members, as you may know that if we look at all this mom and pop stores and other retail stores, I don't know if they are local, really local, that were looking into assisting them also in this hard times. If we look at the business around they are all outsiders coming in and invading the market in retail. I have something to say during Miscellaneous when we reach to the Miscellaneous about the issue of business threatening to leave the Commonwealth and here we are again giving them the opportunity in hope to for them to continue to stay and provide the necessary services and commodity that our people need for their families and the home. If we look at it, who really is this bill exactly aiming to provide this. I just hope that people do not take advantage of this kind of legislation and that those who are qualified under this bill, I hope to God that they come forward and start paying their dues on a monthly basis and hope that they will not again try to avoid payments in future and hope for another amnesty bill. I will

support the bill on the basis Mr. President and members, in hope that these businesses will maintain and still open their business on Saipan and other areas of the Commonwealth for the purpose of additional revenue generation on a monthly basis. Thank you.

The Chair recognizes Senator Pete P. Reyes.

**Senator Pete P. Reyes:** Thank you Mr. President and members. Let's try to understand the amendment. First, I think the bill is going to provide amnesty to all businesses operating on the island. The amendment is saying that taxpayer persons, sole proprietor, company partnership or corporations, who received amnesty under the Public Law No. 15-51 or 14-28, shall not be eligible for tax amnesty pursuant to this act. Under Public Law No. 12-51, all businesses on the island whether you comply or not, you receive that amnesty. You are entitled to that amnesty under that act. Under Public Law No. 14-28, all businesses on the island are also entitled to the amnesty. It does not discriminate; it covers every business on the island. So if we were to adopt this floor amendment then we don't need to pass any amnesty act because none of the businesses on the island are covered. Whether you comply or you don't you receive amnesty under Public Law No. 15-21, you're still covered under those public laws. I want to raise that up first and secondly, the purpose of the amnesty bill as I understand it, is to provide resources, to provide revenue very quickly because the government needs to raise revenue and part of the scheme to raise revenue is by encouraging businesses to bring themselves to compliance and one of those things is to take advantage of the tax amnesty and pay up whatever you need under the period covered by the amnesty act. From there on, you need to comply to be in compliance beyond the amnesty act. That is a responsibility of every taxpayer and I certainly agree with every member that spoke in support of the comments made by former Congressman Quitugua that maybe we should not do this anymore but this is done as a scheme to raise revenue in order to address the needs of this government. One way to do that is by bringing taxpayers to the compliance as helping them bring themselves to compliance. So I caution that and perhaps maybe we should question ourselves and maybe address this to the Legal Counsel. Can we pass legislation that will restrict benefits and maybe choose who can benefit from laws that we pass, who cannot? This is something that is probably a legal issue because if we are passing laws that is only applicable to certain people and certain businesses and applicable to other business then we may have a legal problem. So I just want to ask the Legal Counsel to respond to that.

**President Ralph Dlg. Torres:** Thank you Senator Reyes. I believe that we will go ahead and have our Legal Counsel make his opinion regarding the amendment itself, because I believe again its the amendment of having those that have not I guess avail on that is eligible and those corporation that has already in the past shall not be eligible for this but we have the Legal Counsel give us his legal opinion.

**Legal Counsel Jose Bermudes:** *That's the intent of the amendment because that is mentioned by some, I think even with Senator Reyes that once the idea in the past and even with this bill is once you are granted the amnesty, your expected to comply in the future so basically this amendment is saying well if you were granted amnesty in the past two public laws, you were expected to comply and comply with all tax laws. So if you didn't then somehow it's like giving you another opportunity to do it, to get the amnesty. So the amendment is basically saying if you were granted amnesty in either one of the public laws, the previous ones, then you should not be granted amnesty under this act. So it doesn't continue that habit of, because you were expected, if you were given a chance, next time comply.*

**President Ralph Dlg. Torres:** Counsel, the question I believe Senator Reyes, correct me if I am wrong but is there a legal problem with this language [*..inaudible..*]

**Legal Counsel Jose Bermudes:** *Possibly but I can't think, I mean any body, you know there is always, anything is subject to challenge so I have no recollection or done any research that will probably say yes or no to that question. It's possible that it may be brought to a challenge but until such time we don't know the answer. Well I don't know the answer.*

The Chair recognizes Senator Pete P. Reyes.

**Senator Pete P. Reyes:** Yeah Joe, one of the nagging problems I have is that if this bill becomes law those that have receive amnesty meaning that they have complied and brought themselves to compliance would be not be covered by this amnesty act but those who did not bring themselves to compliance would be covered by the amnesty act.

**Legal Counsel Jose Bermudes:** *I think your statement is partly correct. If a taxpayer is granted amnesty in the past either law, than they are not entitled because they are expected to comply subsequently to the amnesty. If they didn't come forward in the past, then the amendment doesn't restrict them from coming forward now to benefit the amnesty. That's my interpretation.*

**Senator Pete P. Reyes:** Well with this amendment, if a sole proprietor, company partnership or corporation, is partially in compliance, then that technically means that they have received amnesty under Public Law No. 12-51 and Public Law No. 14-28 and so those that have partially complied will no longer be entitled to amnesty under this new bill but those who were not, even partially complied will be eligible and it goes back to the question with the Vice President, are we awarding those that never complied over those that partially complied. For example in this case because those that fully complied do not need this amnesty act, correct?

**Legal Counsel Jose Bermudes:** *Well, the thing that we have to keep in mind is people that don't file taxes when there are supposed to file taxes, there's another remedy.*

**Senator Pete P. Reyes:** Are in violation of the law. Right, I understand that.

**Legal Counsel Jose Bermudes:** *The government can go after them for tax evasion or*

**Senator Pete P. Reyes:** I understand that.

**Legal Counsel Jose Bermudes:** *and all that stuff.*

**Senator Pete P. Reyes:** The amendment is my problem. If we were to leave the amendment out and just pass the bill by itself, then I have no problem with that because then we're not segregating those that are partially complying over those that have never complied. That is the issue here because others that are making an effort to comply, are willing to appear at Tax and Rev and say okay, I owe five thousand dollars, I am going to pay one thousand now and I am going to start paying hundred dollars a month to try and eventually be in compliance and fully satisfy the tax obligation they owe. Those that have never even appeared to Tax and Rev to even demonstrate a sign of willingness to bring themselves to compliance will still be entitled to the full benefit and protection



of this law and actually be bias against those that are partially complying and I just don't understand the logic of this. Thank you.

The Chair recognizes Senator Jovita M. Taimanao.

**Senator Jovita M. Taimanao:** Thank you Senator Reyes for your questions because actually you're bringing two scenarios here. One scenario saying that if a business, a partnership or any company individual who applied earlier and was granted the amnesty and had been faithful in paying taxes and another scenario you are saying that the said of above applied and complied partially on any of the public laws in the previous are not eligible. My amendments saying actually that those business or individual, or partnership, or corporation who had never received, if we have to turn this around and make it a positive sentence we will say that any individual or partnership or business who had never receive amnesty under any public law, are the only ones eligible. So this is very important in terms of safeguarding because we have heard Mr. Quitugua earlier and we don't not want to cater or promote any business who neglect to pay his or her own obligation in the tax because every business or individual applying for business licenses should and need to pay their business tax. Now in terms of what and I understand the Vice President when he said well the government needs these private businesses to move the government because of course the government gets funding and budget from the private business. So with the short period that this bill will allow the individual or the corporation, it has a life span of up to January 2<sup>nd</sup> 2014. So after, that this public law will die. So anyone who has not complied, actually it gives them about six to seven months upon the signature of this bill into law. So our position here is not to cater those who neglect to pay their tax obligation but our position here is to assist those businesses who had hard times or who have had hard times to come about and pay their monthly business tax. So again, colleagues this short amendment is only specifying that those individuals or corporations who had never been grantee amnesty in either of the laws on the previous amnesty law are the only ones that are eligible with the short period of six months after the passage of this bill up to January 2<sup>nd</sup>. So this is not going to be a habit and again the legislature and I understand also that the authors of this bill, Sablan, Benavente, Demapan and Dela Cruz, are very much keen and I can reference you on page 6, that there are *[...inaudible..]* individuals or corporation who had been under violation of tax laws or convicted of tax fraud or any source of income which is illegal or just filing something that is not true. I understand and I believe those authors are very mindful on the impact of this bill. So once again, colleagues, I ask you to support House Bill No. 18-28, HD1, SD1 and we are not catering any business who neglect to pay their business tax. We are only giving a period of a short time. Thank you members.

**President Ralph Dlg. Torres:** Thank you. Just for a clarification, it's House Bill No. 18-28 House Draft One, and it's not yet on the Senate draft because we have not yet adopted your amendment. The motion has been seconded. Under discussion, Senator Cruz.

**Senator Francisco Q. Cruz:** Thank you Mr. President and my good Chairwoman I am supporting the bill, I am just saying my comment on not making it a habit of coming back with another same type of an amnesty bill but I am supporting the bill because of economic reasons also. Thank you.

The Chair recognizes Senator Pete P. Reyes.

**Senator Pete P. Reyes:** Thank you Mr. President, I am also supporting the bill. The only thing that I am not supporting is the floor amendment because if we listen to Senator Taimanao saying that

those that have started to bring themselves to compliance are having a hard time making the a payments. These are the other people that we are trying to help. That's my understanding.

**Senator Jovita M. Taimanao:** Okay, correction on that Senator Reyes. Those that have never applied for amnesty on the previous public laws are the ones that will benefit with this amnesty bill. Thank you.

The Chair recognizes Vice President Victor B. Hocog.

**Vice President Victor B. Hocog:** This is making a references on even with those qualified businesses or individual that have been eligible under the two public laws that was originally implemented here, Public Law No. 14-28 and 12-51. I was just wondering with these two laws, what does *[..inaudible..]* for a person or a business that take advantage in the past to work out his taxes and payments. Meaning that I took it to mean that these people that had taken advantage on the two public laws, Senator Reyes is that, they are in compliance as a result of that and what I don't understand here is what do we mean when we say partially in compliance.

The Chair recognizes Senator Pete P. Reyes.

**Senator Pete P. Reyes:** Thank you for that question Vice President. Not every single business avails the opportunity to bring themselves to full compliance has been fully complied. Like loans in the bank, you go to the bank and you are having financial difficulty making the payments that originally is design for you to pay and then you refinance your loan so that you can lower your monthly payment. In the same manner, you can go to Rev and Tax and say you cannot pay because the economic situation, can we restructure the monthly payment on a bill but I am willing to come up and pay this much. If you restructure, you refinance, and will try to bring yourself to full compliance eventually. So they are partially in compliance and these are the people that are making an effort to bring themselves to compliance. If we don't allow them to participate on the amnesty bill, then we are actually allowing those that have never walked up to the door and say, "Here I am, I want to at least pay something." We are allowing these people to have more of an advantage under this act than those that are willing to come up and say I will try to bring my company or my corporation to some sort of compliance. This is where I am having a problem because I like the bill; I am in support of the bill. To be honest with you, I just cannot understand and make sense on the amendment but of course, if this is the desire of the members and they wish to support this amendment then majority always rules.

The Chair recognizes Vice President Victor B. Hocog.

**Vice President Victor B. Hocog:** I just want to reach you Senator on that partial compliance. Meaning that those people that are partially in compliance with their amnesty bill, who are taking advantage of the amnesty, meaning that they have already met with the authority to do even partial payment and that hasn't exit them from compliance on the two amnesty bill. So they are still okay with that. I would say that they are still okay with that though there is some little bit hardship in meeting the original agreement of their monthly payment or whatever but if they are still eligible and they can still have that open negotiation with Revenue and Taxation to reduce, meaning that they are still in there. They are still qualified under the previous amnesty bill. Now what I read, what I think of this amnesty bill today that we are looking into, is to address those business again that have taken

its toll on making their payments, that have not taken advantage on the prior amnesty bill, and I thought this bill is to address those and if we are to come back again and open back to those that have applied twice to come again and take advantage of this law, then I guess what revenue do we expect here?

**President Ralph Dlg, Torres:** For the last time so that we can move forward.

The Chair recognizes Senator Pete P. Reyes.

**Senator Pete P. Reyes:** For the last time Mr. President. I guess I should make myself absolutely clear on this and the example I did was so that everyone understands is when you start to pay because you are willing to bring yourself to compliance and economic situation dictates that you have to make a decision now whether you want to close your business or enter another settlement agreement with Rev and Tax. Let's say that you go to Rev and Tax and say you know under this public law we give you all this break. We agreed to refinance, you are not meeting your obligation to refinance. Despite the justification that this particular business, whatever it is, is having difficulty they are not earning enough money to pay the entire amount that they agreed on but is willing to reconsider to sit out and see how they can salvage or save their company. Of course we are not in the business of encouraging business to stay on business because that is what runs this government. So if there is any other way that we can address this kind of problem to help out these people who had made an effort to comply but cannot comply for some reason, I will leave that up to Rev and Tax to decide but if they are willing to comply and we are saying that you cannot comply because you have already received the amnesty waiver under different public laws but yet we are saying that those that have never came up, have never paid a single penny to try and still remain in operation, what are we doing? These people are willing to come in and pay but we are saying no, you close down now because you were already entitled to 12-51 and 14-28, we are not going to make you entitled to this so you have to close your business but we are saying to those that have never came up to pay, "Okay you bad guys, let's help you out." As we continue to argue, this bill is becoming less and less attractive and I will support the bill but I cannot support the amendment. Thank you.

**President Ralph Dlg, Torres:** For the amendment, for the passage, the motion has been seconded. For the adoption of the amendment made by Senator Taimanao, those in favor say, "aye". Roll call for the amendment made by Senator Taimanao.

**Senator Pete P. Reyes:** Mr. President, I think there is a clear indication that there's no aye's.

**President Ralph Dlg, Torres:** I would like to get a roll call on the amendment. Clerk, please roll call for the amendment.

The Clerk called the roll on the motion to pass the amendment made by Senator Taimanao on H.B. No. 18-28, HD1.

|                            |        |
|----------------------------|--------|
| Senator Juan M. Ayuyu      | absent |
| Senator Francisco M. Borja | yes    |
| Senator Joaquin H. Borja   | yes    |
| Senator Francisco Q. Cruz  | yes    |
| Senator Victor B. Hocog    | yes    |

|                            |     |
|----------------------------|-----|
| Senator Pete P. Reyes      | no  |
| Senator Jovita M. Taimanao | yes |
| Senator Ray N. Yumul       | yes |
| Senator Ralph Dlg. Torres  | yes |

**President Ralph Dlg. Torres:** With seven members voting yes, motion to adopt the amendment made my Senator Taimanao, with that being said we have House Bill No. 18-28, HD1, SD1. Under discussion?

Several members voiced, “ready”.

**President Ralph Dlg. Torres:** Ready for the passage of House Bill No. 18-28, HD1, SD1. Clerk, please roll call.

The Clerk called the roll on the motion to pass **House Bill No. 18-28, HD1, SD1.**

|                            |                                |
|----------------------------|--------------------------------|
| Senator Juan M. Ayuyu      | Absent                         |
| Senator Francisco M. Borja | yes                            |
| Senator Joaquin H. Borja   | yes                            |
| Senator Francisco Q. Cruz  | yes                            |
| Senator Victor B. Hocog    | yes                            |
| Senator Pete P. Reyes      | yes, with extreme reservations |
| Senator Jovita M. Taimanao | yes                            |
| Senator Ray N. Yumul       | yes                            |
| Senator Ralph Dlg. Torres  | yes                            |

**President Ralph Dlg. Torres:** With all eight members voting yes, we now hereby pass House Bill No. 18-28, House Draft One, Senate Draft One. Short recess.

**The Senate recessed at 12:55 p.m.**

**And**

**The Senate reconvened at 12:57 p.m.**

**President Ralph Dlg. Torres:** We are back in session.

The Chair recognizes Floor Leader Ray N. Yumul.

## PETITIONS, MEMORIALS AND MISCELLANEOUS COMMUNICATIONS

1. **Misc. Comm. No. 18-30:** May 31, 2013 – Northern Mariana Islands Retirement Fund comment in support of disapproving H.L.B. No. 18-9, S1 - To appropriate \$3,183,000.00 from revenues to be collected pursuant to Saipan Local Law 11-2 as amended for fiscal year 2013; to re-appropriate fund balances from Saipan Local Laws 15-11 and 17-16; to amend Saipan Local Law 18-1.

**Floor Leader Ray N. Yumul:** Thank you Mr. President. Under item P, Petitions, Memorials, and Miscellaneous Communications, we have one Miscellaneous Communication No. 18-30, dated May 31<sup>st</sup>, 2013 from the Northern Marianas Island Retirement Fund commenting on House Local Bill 18-09, S1 which became local law.

**President Ralph Dlg. Torres:** Thank you. Is there any discussion? Ready?

The Chair recognizes Floor Leader Ray N. Yumul.

## MISCELLANEOUS BUSINESS

**Floor Leader Ray N. Yumul:** Thank you Mr. President. We are now under item Q, Miscellaneous Business. The floor is open.

**President Ralph Dlg. Torres:** Ready?

The Chair recognizes Vice President Victor B. Hocog.

**Vice President Victor B. Hocog:** This morning's reports on both I believe the Tribune and the Variety about business entrepreneurs to me is just like demanding or moreless blaming the leaders for not moving forward on their long term status. You know, I feel very insulted by the way these business community are threatening the CNMI to pack up and leave because they do not have any long term status. Number one, what brings you to the CNMI in the absence of long term status? And with the mere twenty million investment of all these investors, I wonder how much million are they making and not reporting. So if they are threatening to leave the CNMI and go to Guam, I don't know what other basis or what difference do they have if they leave here and go to Guam. Would they get U.S. citizen or permanent resident as well? Its beyond this legislatures authority to grant them long term status. So the threat that their airing out is unwarranted and I do not appreciate that. If they want to continue doing their business and wait for U.S. Congress to give them and award them of their long term status so be it, but lets not threaten the CNMI as pulling out your businesses to continue your business here because you don't have your long term status. All of you can pack up and go to tomorrow and nobody is stopping you but we don't deserve those threats. You came here for a purpose. You don't come here to do to business because you want long term status or permanent residence. You want that, you could have applied and go to Guam and try to get your U.S. citizenship but those kinds of remarks in the media about how they feel doing business in the CNMI is unwarranted. Number one, I don't know whether the twenty million investment verses the

underworld exiting of revenue compliment generation for a wealthy and prosperous Commonwealth. God knows and here we are just passed again another amnesty bill. I hope that those people are not a party or a recipient to this amnesty bill. I want these Chinese business community Mr. President to understand that if they are threatening the CNMI with their status verses doing business here, oh my God, go ask the United States, don't ask us and if the United States don't give you that long term status then pack up and go. Maybe that will be the right answer. Thank you.

**President Ralph Dlg. Torres:** Thank you Mr. Vice President. I would like under miscellaneous, anyone else before I make a comment? As you know, our late Senate Crisostimo left us over the weekend. We have a Senate ceremony next week Friday on the 28<sup>th</sup> of June and we have a memo issued out by the offices, I would like to have everyone present who's on island. I know that there is the APIL in Hawaii next week. Those that would be gone for the conference, I understand but if you are able to make it on time, it would be greatly appreciated it. If not, we understand the situation. Those that are on island, I please recommend and that we all show up and be part of the ceremony on next week Friday. Also, I would just like to thank everyone here today as well as the community on last week Thursday for my brother's funeral and for the show of your support and the condolences given out to the family. I greatly appreciate it. Thank you very much.

The Chair recognizes Floor Leader Ray N. Yumul.

### ANNOUNCEMENT

**Floor Leader Ray N. Yumul:** Thank you Mr. President. We are now under item R, Announcements.

**President Ralph Dlg. Torres:** I am sorry. I got ahead of myself on the announcement but go ahead Senator Reyes.

**Senator Pete P. Reyes:** Thank you Mr. President. Just to inform the members, I will be leaving on Sunday to represent the Senate on the APIL General Assembly Meeting and will not be returning until the 29<sup>th</sup>. I hope there is a possibility to hold any sessions until I return. Of course, if it's an emergency and cannot be done, then I would like to ask to be excused but if at all possible, I would like to be present during session.

**President Ralph Dlg. Torres:** Thank you Senator Reyes for the announcement.

The Chair recognizes Floor Leader Ray N. Yumul.

### ADJOURNMENT

**Floor Leader Ray N. Yumul:** Thank you Mr. President. There being no further business on our Calendar and our Order of Business, I move for adjournment subject to your call.

**President Ralph Dlg. Torres:** Those in favor for the adjournment say, “aye”.

Several members voiced, “aye”.

**President Ralph Dlg. Torres:** All opposed say, “nay”.

The motion was carried by voice vote.

**President Ralph Dlg. Torres:** Before I officially adjourn, I would like to wish Senator Cruz Happy Birthday today and let’s just sing happy birthday real quick.

Happy Birthday was sung by several members.

**President Ralph Dlg. Torres:** Motion carries for adjournment. The Senate adjourns subject to the call of the Chair.

**The Senate adjourned at 1:05 p.m. subject to the call of the Chair.**

Respectfully Submitted,

/s/ Geraldine T. Cruz  
Senate Journal Clerk

**APPEARANCE OF SENATE LOCAL BILLS**

| LEG.<br>NO.             | <u>TITLE</u>   |
|-------------------------|--|
| <b>S.L.B.<br/>18-01</b> | To repeal Sections 5 and 6 of Rota Local Law No. 17-19<br>( <b>SEN. VICTOR B. HOCO</b> G – 05/14/13)<br>2 <sup>nd</sup> Appearance |
| <b>S.L.B.<br/>18-02</b> | To amend 10 CMC § 1901 as amended by RLL 17-2<br>( <b>SEN. VICTOR B. HOCO</b> G – 05/15/13)<br>2 <sup>nd</sup> Appearance          |

**The Senate may consider, debate, and/or act upon any item contained in this Order of Business at the time and place described herein.**