



HOUSE OF REPRESENTATIVES
TWENTIETH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
P.O. BOX 500586, SAIPAN, MP 96950

Ivan A. Blanco
Chairman
Judiciary and Governmental Operations Committee

Adopted - 11/21/17
STANDING COMMITTEE REPORT NO. 20-84
DATE: OCTOBER 19, 2017
RE: HOUSE BILL NO. 20-036

The Honorable Rafael S. Demapan
Speaker of the House of Representatives
Twentieth Northern Marianas
Commonwealth Legislature
Capitol Hill
Saipan, MP 96950

Dear Mr. Speaker:

Your Committee on Judiciary and Governmental Operations, to which House Bill No. 20-036 was referred, entitled:

“To amend 1 CMC § 8357, to reestablish the special annuity for the Governor and Lieutenant Governor; and for other purposes.”

begs leave to report as follows:

I. RECOMMENDATION:

After reasonable discussion and deliberation on the bill, the Committee recommends that the House pass House Bill No. 20-036 in the form of House Draft 1.

HOUSE CLERK'S OFFICE
RECEIVED BY *[Signature]*
DATE: 11/6/17 TIME: 12:12m

II. ANALYSIS:

A. Purpose:

The purpose of House Bill No. 20-036 is to reestablish the special annuity for the Governor and Lieutenant Governor.

B. Amendments:

In addition to non-substantive technical amendments, the Committee made the following amendments to strengthen the intent of House Bill No. 20-036.

- **Page 2**

- **Line 9**

- After the word “served” **inserted** the following language “at least one full term or the remaining term”.

C. Committee Findings:

Your Committee finds that Article III, Section 5 of the Commonwealth Constitution provides that “The governor shall receive an annual salary of twenty thousand dollars and the lieutenant governor an annual salary of eighteen thousand dollars.” In addition, the Constitution also states that “Upon the recommendation of the advisory commission on compensation provided for by article II, section 10, the legislature may change the salary of the governor or lieutenant governor. Neither salary may be changed during a term of office.” The Committee acknowledges that ten years ago, Section 4(g) of Public Law 15-70(Senate Bill 15-76, HD 1) repealed 1 CMC § 8357 which repealed the special benefits for the Governor and Lieutenant Governor who served in office after June 14, 2007. In addition, with respect to the governor and lieutenant governor in office and any other persons, Public Law 15-70 froze the statute so that no additional benefits will accrue to such persons under 1 CMC § 8357.

Furthermore, your Committee also acknowledges that the CNMI Constitution provides for the succession of the governor and the lieutenant governor. In the event that the governor is removed, resigns or dies, the lieutenant governor becomes the governor and senate president becomes the lieutenant governor. The lieutenant governor in this case would not be entitled to the special annuity because the service would be less than a full term. The Committee finds that those who served as governors and lieutenant governors merits annuity benefits when they leave office regardless whether they serve a full term. Provided that the governor or lieutenant governor did not vacate the office due to impeachment or conviction of a felony while in office or conviction of other misconduct while in office. Therefore, your Committee agrees with the

intent and purpose of House Bill No. 20-036 and recommends its passage in the form House Draft 1.

D. Public Comments:

Comment(s) were solicited from various agencies. Comment(s) that were received before Committee action were from:

- Honorable Edward Manibusan, Attorney General, Office of the Attorney General.
- David, S. Demapan, Fiscal Analyst, Legislative Bureau.
- Perry John P. Tenorio, Fiscal Analyst, Legislative Bureau.

E. Legislative History:

House Bill No. 20-036 was introduced by Representative John Paul P. Sablan on January 31, 2017 to the full body of the House and was referred to the House Standing Committee on Judiciary and Governmental Operations for disposition.

A similar legislation was introduced in the Nineteenth Legislature, namely Senate Bill No. 19-057, was introduced by Senator Justo S. Quitugua on July 20, 2015 and was passed by the full body of the Senate on September 18, 2015. It was transmitted to the House on September 22, 2015 as Senate Communication 19-68 and was subsequently referred to the House Standing Committee on Judiciary and Governmental Operations for disposition. No further action was taken.

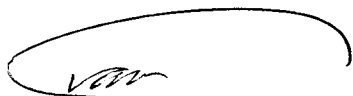
F. Cost Benefit:

The enactment of House Bill No. 20-036 will result in additional costs to the CNMI Government. The government shall make contributions to the fund each year necessary to fund special retirement annuities.

III. CONCLUSION:

The Committee is in full accord with the provisions of House Bill No. 20-036 and recommends the passage of this legislation in the form of House Draft 1.

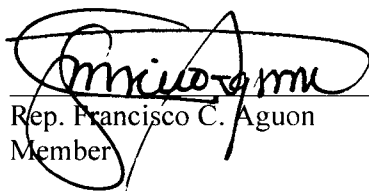
Respectfully submitted,



Rep. Ivan A. Blanco
Chairman



Rep. John Paul P. Sablan,
Vice Chairman



Rep. Francisco C. Aguon
Member

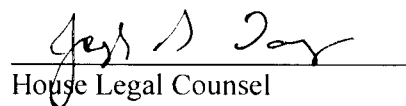
Rep. Edwin P. Aldan,
Member



Rep. Blas Jonathan "BJ" T. Attao
Member

Rep. Jose I. Itibus
Member

Rep. Edmund S. Villagomez
Member
Reviewed by:



House Legal Counsel

Attachment: Letter dated March 08, 2017 from the Office of the Attorney General.
Letter from the Fiscal Analyst of the Legislative Bureau.
Letter from the Fiscal Analyst of the Legislative Bureau.

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Mary Dickinson

mary_dickinson@cnmio... Search emails

Inbox (43)

Re: HB 20-036

Mary Dickinson <mary_dickinson@cnmioag.org> Today at 8:28 AM To: charmasiwemai@yahoo.com

Good morning Charlene,

Due to a typographical error, HB 20-035 on page two of OAG letter to Rep. Ivan Blanco dated March 8th (OAGHB: 2017-08) should be changed to indicate HB 20-036. We apologize for the inconvenience.

Thank you and have a pleasant day!

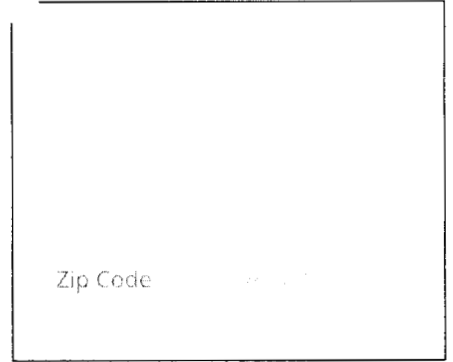
Regards, Kit

Mary "Kit" S. Dickinson Special Assistant to the Attorney General Office of the Attorney General Commonwealth of the Northern Mariana Islands 2nd Floor Hon. Juan A. Sablan Memorial Building Caller Box 10007, Capital Hill Saipan, MP 96950 Tel: 670-237-7500; Fax: 670-664-2349

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Commonwealth of the Northern Mariana Islands
Office of the Attorney General

2nd Floor Hon. Juan A. Sablan Memorial Bldg.
Caller Box 10007, Capitol Hill
Saipan, MP 96950

Office of Rep. Blanco
RECEIVED
DATE: 3/09/17 - 9:00P

EDWARD MANIBUSAN
Attorney General

LILLIAN A. TENORIO
Deputy Attorney General

March 8, 2017

OAGHB: 2017-08

Hon. Ivan Blanco
Chairman
Committee on Judiciary & Governmental
Operations
House of Representatives
20th Northern Marianas Commonwealth
Legislature
Saipan, MP 96950

Re: H.B. 20-005; H.B. 20-035, HD1; H.B. 20-036

Dear Chairman Blanco,

Thank you for requesting comments from the Office of the Attorney General on HB 20-005, H.B. 20-035, HD1, and H.B. 20-036. We have reviewed the versions of the bills that were attached to your letter of March 1, 2017. Please note that our comments on HB 20-003 and 20-012 will be submitted in a separate letter.

H.B. 20-005

The bill proposes to reduce the fee collected from the registration of pickup, jeeps, sedans, automobile, and other motor vehicles not exceeding six passengers or one-half ton capacity and weighing less than 2,000 pounds. Rather than the current fee of \$50 for all such vehicles, the following fee schedule would be assessed based on the model year of the vehicle: (1) five most recent models years: \$35; (2) older vehicles: \$25. Because the bill would lower the fee, the Committee should consider the bill's impact on the collection of revenue if it is enacted. The Department of Finance should provide that information to your committee. The only other comment is that appropriation language in Section 3 should state that the special fund would be maintained by the Department of Finance.

H.B. 20-035, HD1

The bill proposes to change the compensation certain government officials, board members, and employees. We have no comment on the proposed bill.

Civil Division
Telephone: (670) 237-7500
Facsimile: (670) 664-2349

Criminal Division
Telephone: (670) 237-7600
Facsimile: (670) 234-7016

Attorney General's Investigative
Telephone: (670) 237-7625
Facsimile: (670) 234-7016

Division Domestic Violence Intervention Center
Telephone: (670) 664-4583
Facsimile: (670) 664-4589

H.B. 20-035 34 (Please see email attachment)

The bill would amend the current statute governing the retirement annuity for the Governor and Lieutenant Governor by removing the requirement that the annuity would be available upon serving one full term in office. It would also establish a special retirement annuity of 65% of the last annual salary paid. The proposed changes would apply retroactively to those who served in office during and after June 14, 2007. The Committee should assess the fiscal impact of the proposed amendment and determine the source of revenue for the anticipated increase for funding the special annuities for Governors and Lieutenant Governors.

Please do not hesitate to contact us if you have any questions concerning the legislation before your committee.

Sincerely,



EDWARD MANIBUSAN
Attorney General

cc: Deputy Attorney General
All Members, House of Representatives

David Demapan

To: Ivan Blanco
Cc: Char Masiwemai
Subject: RE: Fiscal Impact for HB 20-36

Good Morning Honorable Chairman Blanco (Ivan),

For the past four fiscal years (FY2014 to FY2017), the CNMI legislature had appropriated funds for the retirement of the governors and lieutenant governors:

	FY2017	FY2016	FY2015	FY2014
Retirement (Gov/Lt. Gov)	\$185,526	\$185,526	\$185,526	\$142,986

The intent of HB20-036 is to include those governors or lieutenant governors who had served regardless if they did not serve a full term. Obviously, our CNMI Constitution allows an incomplete term for either a governor and lt. governor.

Financial Impact:

The retirement annuity for the Governors and Lieutenant Governors will increase due to the additional members and requires additional funding needs from the CNMI General Fund.

Please call on me at your convenience to discuss the analysis further.

David S. Demapan
Fiscal Analyst, MSA

MEMORANDUM

TO : Representative Ivan A. Blanco
Chair, the House Standing Committee on Judiciary and
Governmental Operations

FROM : Perry John P. Tenorio
Fiscal Analyst, Legislative Bureau

DATE : April 3, 2017

SUBJECT : House Bill 20-36 Fiscal Impact

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The House Standing Committee on Judiciary and Governmental Operations has requested the Legislative Bureau to provide a fiscal impact report on House Bill 20-036 entitled "to amend 1 CMC § 8357, to reestablish the special annuity for the Governor and Lieutenant Governor; and for other purpose.

FINDINGS:

- Article III, Section 5 of the Commonwealth Constitution provides that the Governor and Lt. Governor shall receive an annual salary of \$25,000 and \$18,000 respectively. Additionally, it notes that neither salary may be changed during a term of office. Affected administrations: Camacho/Ada and the first term of Tenorio/Tenorio.
- PL 4-32 increased the annual salaries of the Governor and Lt. Governor to \$50,000 and \$40,000 respectively. The new compensation shall take effect on the 2nd Monday of January 1985. Affected administrations: second term of Tenorio/Tenorio and Deleon Guerrero/Manglona.
- PL 7-31 increased the annual salaries of the Governor and Lt. Governor to \$70,000 and \$60,000 respectively. It was signed into law June 1991, by Governor Lorenzo De Leon Guerrero. The increase in salary shall be in accordance with Article III, Section 5 of the Commonwealth Constitution and was effectuated in the Tenorio/Borja administration and forward.
- PL 15-70 Section 4 (g) repeals 1 CMC § 8357 for the Governors and Lt. Governors in office and those assuming office after June 14, 2007.
- Lt. Governor Timothy Villagomez was found guilty of felony charges relating to the misuse of government funds on April 24, 2009. He resigned on April 26, 2009.

- Governor Benigno Fitial was impeached on 18 different charges by the CNMI House of Representatives on February 11 and 12, 2013 but not convicted by the Senate. He resigned his position on February 20, 2013.
- Important provisions in 1 CMC § 8357:
 - Subsection (a) notes that any Governor or Lieutenant Governor who is impeached or convicted of a felony while in office or convicted of other misconduct while in office shall forfeit all rights to the benefits provided under this section;
 - Subsection (c) provides that no former Governor or Lieutenant Governor receiving annuities authorized by this section may receive any other compensation (except for costs, such as travel or per diem) for the performance of any service or any employment or consultation whatsoever for any branch, agency or department of the Commonwealth of the Northern Mariana Islands government; provided, however, that a former Governor or Lieutenant Governor may elect to receive such compensation in lieu of the payments provided in this section, but not both.
 - Subsection (d) he/she must elect to receive either that retirement compensation or the special retirement annuity under this section, but not both;
 - Subsection (e) any Lieutenant Governor who qualifies for a special retirement annuity as a Governor shall forfeit all rights under this section as a Lieutenant Governor; and
 - Subsection (f) all rights for a special retirement annuity under this section shall terminate upon the death of the recipient.
- New provision as provided by HB 20-36:
 - Section 2 (a) strikes the requirement for a Governor or Lt. Governor to serve at least one full term to qualified for this special annuity; and
 - Section 2 (b) sets the annuity level at 65% of the last annual salary paid.

Taking the aforementioned into consideration, please note the estimated special retirement annuities and fiscal impact per annum for prior Governors and Lt. Governors of the Northern Mariana Islands:

TABLE A

NAME	TERM OF OFFICE	SALARY	ANNUITY at 65%
Governor Carlos Sablan Camacho	01/09/78 to 01/11/82	\$ 25,000	\$ 16,250
Lt. Governor Pedro Agulto Tenorio	01/11/82 to 01/08/90	\$ 50,000	\$ 32,500
Governor Froilan Cruz Tenorio	01/10/94 to 01/12/98	\$ 70,000	\$ 45,500
Lt. Governor Jesus Camacho Borja	01/10/94 to 01/12/98	\$ 60,000	\$ 39,000
Governor Pedro Pangelinan Tenorio	01/12/98 to 01/14/02	\$ 70,000	\$ 45,500
Lt. Governor Jesus Rosario Sablan	01/12/98 to 01/14/02	\$ 60,000	\$ 39,000
Governor Juan Nekai Babauta	01/14/02 to 01/09/06	\$ 70,000	\$ 45,500
Lt. Governor Diego Tenorio Benavente	01/14/02 to 01/09/06	\$ 60,000	\$ 39,000
Governor Benigno Repeki Fitial	01/09/06 to 02/20/13	\$ 70,000	\$ 45,500
		TOTAL	\$ 347,750

In PL 19-68, the Appropriations and Budget Authority Act of 2017, an amount of \$185,526 was budgeted for the Governor/Lt. Governor Pension (Business Unit 1601). As HB 20-36 effectuates its provisions upon becoming law, the following schedule prescribes the amount need to fund the additional liability for FY 2017. Please note that BU 1601 as prorated monthly is \$15,461 and \$28,979 per month as per Table A total. The funding required is the difference between 12 months amount and \$185,526.

	BU 1601	HB 20-36	Annuity prorated by month	
	\$ 15,461	\$ 28,979		
1	6 Months	6 Months	12 Months	Funding Req.
	\$ 92,763	\$ 173,875	\$ 266,638	\$ 81,112
2	7 Months	5 Months	12 Months	Funding Req.
	\$ 108,224	\$ 144,896	\$ 253,119	\$ 67,593
3	8 Months	4 Months	12 Months	Funding Req.
	\$ 123,684	\$ 115,917	\$ 239,601	\$ 54,075
4	9 Months	3 Months	12 Months	Funding Req.
	\$ 139,145	\$ 86,938	\$ 226,082	\$ 40,556
5	10 Months	2 Months	12 Months	Funding Req.
	\$ 154,605	\$ 57,958	\$ 212,563	\$ 27,037
6	11 Months	1 Months	12 Months	Funding Req.
	\$ 170,066	\$ 28,979	\$ 199,045	\$ 13,519
7	12 Months	0 Months	12 Months	Funding Req.
	\$ 185,526	\$ -	\$ 185,526	\$ -

Calculation for the incumbent Governor and Lt. Governor and former Lt. Governor Jude Hofschneider¹ upon electing to receive their special retirement annuities:

TABLE B

NAME	TERM OF OFFICE	SALARY	ANNUITY at 65%
Lt. Governor Jude Untalan Hofschneider	02/20/13 to 01/12/15	\$ 60,000	\$ 39,000
Governor Ralph Deleon Guerrero Torres	Incumbent	\$ 70,000	\$ 45,500
Lt. Governor Victor Borja Hocog	Incumbent	\$ 60,000	\$ 39,000
		TOTAL	\$ 123,500

PL 19-83 Section 4 (a) increased the annual salaries of the Governor and Lt. Governor to \$120,000 and \$100,000 respectively. The following is the special retirement annuities for future Governors and Lt. Governors upon opting to receive their annuities.

¹ Former Lt. Governor Jude U. Hofschneider is currently a member of the Senate, 20th NMC Legislature.

TABLE C

NAME	TERM OF OFFICE	SALARY	ANNUITY at 65%
Governor		\$ 120,000	\$ 78,000
Lt. Governor		\$ 100,000	\$ 65,000
		TOTAL	\$ 143,000

Please note the following Governors and Lt. Governors that are affected by subsections (a)² and (f) of 1 CMC § 8357. For those serving multiple capacities, I only listed there most recent service.

TABLE D

NAME	TERM OF OFFICE	STATUS
Lt. Governor Francisco Castro Ada	01/09/78 to 01/11/82	Passed away on March 2, 2010.
Lt. Governor Benjamin Taisacan Manglona	01/08/90 to 01/10/94	Passed away on April 24, 2016.
Governor Lorenzo Iglecias Deleon Guerrero	01/08/90 to 01/10/94	Passed away on October 6, 2006.
Lt. Governor Timothy Pangelinan Villagomez	01/09/06 to 04/24/09	Convicted of a felony on August 2008.
Governor Eloy Songao Inos	01/12/15 to 12/29/15	Passed away on December 28, 2015.

On a final note, this analysis assumes that former Governors and Lt. Governors opt to receive their special retirement annuities in lieu of any other retirement compensation from the NMI government. The NMI Settlement Fund should be consulted to see if any prior Governor or Lt. Governor are members.

* * * E N D * * *

² Lt. Governor Villagomez, after his conviction, resigned his positons.

MEMORANDUM

TO : Representative Ivan A. Blanco
 Chair, the House Standing Committee on Judiciary and
 Governmental Operations

FROM : Perry John P. Tenorio
 Fiscal Analyst, Legislative Bureau

DATE : April 17, 2017

SUBJECT : House Bill 20-36 Fiscal Impact - Update

At the House Standing Committee on Judiciary and Governmental Operations meeting on April 5, 2017, the members tabled discussion on House Bill 20-036 and requested the Chair to obtain the details of the Governor/Lt. Governor Pension (Business Unit 1601) from the Secretary of Finance. As of this date, we have not received the requested information but we were able extract it from the Governor's budget submission for Fiscal Year 2018. Below are the details.

NMIRF - GOVERNOR/LT. GOVERNOR PENSION
 BU 1601 - GOV/LT.GOV PENSION

Position ID	Position Description	Incumbent	Actual			Proposed		
			Class	Grade	Base Salary	Class	Grade	Base Salary
910001	Former Governor	Tenorio, Froilan C.	ESC	ESC	45,044.88	ESC	ESC	45,044.88
901200	Former Governor	Tenorio, Pedro P.	ESC	ESC	45,044.88	ESC	ESC	45,044.88
1291002	Former Governor	Camacho, Carlos S.	ESC	ESC	12,870.00	ESC	ESC	12,870.00
115024	Former Lieutenant Governor	Borja, Jesus C.	ESC	ESC	38,999.79	ESC	ESC	38,999.79
1315002	Former Lieutenant Governor	Tenorio, Pedro A.	ESC	ESC	25,999.92	ESC	ESC	25,999.92
Total PERSONNEL & NOPS					5			\$167,959
WAGES & OTHERS								
Excepted Service (61100)					5			167,959
Total WAGES & OTHERS								167,959
FRINGE BENEFITS								
Total FRINGE BENEFITS								0
Total NOPS, WAGES & FRINGE BENEFITS					5			167,959

Of the living chief executives eligible for this benefit, the worksheet above excludes Lt. Governor Jesus R. Sablan, Governor Juan N. Babauta and Lt. Governor Diego T. Benavente. The assumption is that they have opted to receive their retirement benefits instead.

Please note that per the worksheet of BU 1601, the following is the base salary used for calculating the annuity: Carlos S. Camacho - \$19,800.00; Froilan C. Tenorio - \$69,299.82; Jesus C. Borja - \$59,999.68; and Pedro P. Tenorio - \$69,299.82. I will be using the base salary of \$69,299.82

and \$59,999.68 for the Governor and Lt. Governor respectively. Lastly, BU 1601 is subject to the Public Auditor 1% fee so the total budget level for is **\$169,639**.

During the committee meeting, there was a difference of opinion as to the eligibility of former Governor Benigno R. Fitial. That said, please see below fiscal impact upon the passage of HB 20-36.

TABLE A

NAME	BASE SALARY	ANNUITY at 65%
Governor Carlos Sablan Camacho	\$ 19,800.00	\$ 12,870.00
Lt. Governor Pedro Agulto Tenorio	\$ 39,999.87	\$ 25,999.92
Governor Froilan Cruz Tenorio	\$ 69,299.82	\$ 45,044.88
Lt. Governor Jesus Camacho Borja	\$ 59,999.68	\$ 38,999.79
Governor Pedro Pangelinan Tenorio	\$ 69,299.82	\$ 45,044.88
SUB-TOTAL		\$ 167,959.47
PUBLIC AUDITOR'S FEE		\$ 1,679.59
TOTAL ANNUITY		\$ 169,639.07

With the inclusion of the following:

Governor Benigno Repeki Fitial	\$ 69,299.82	\$ 45,044.88
SUB-TOTAL		\$ 213,004.36
PUBLIC AUDITOR'S FEE		\$ 2,130.04
TOTAL ANNUITY		\$ 215,134.40

Table A and below assumes that former Lt. Governor Jude Hofschneider will not be opting for his annuity this fiscal year.

As HB 20-36 effectuates its provisions upon becoming law, the following schedule prescribes the amount needed to fund the additional liability for FY 2017. Assuming the eligibility of former Governor Fitial, an additional \$3,791 will be required per month.

P R O R A T E D I N F Y 2 0 1 7	BU 1601	Inclusion of Gov. Fitial	Annuity prorated by month	
	7 Months	5 Months	12 Months	Funding Needed
1	\$ 98,956	\$ 89,639	\$ 188,595	\$ 18,956
2	\$ 113,093	\$ 71,711	\$ 184,804	\$ 15,165
3	\$ 127,229	\$ 53,784	\$ 181,013	\$ 11,374
4	\$ 141,366	\$ 35,856	\$ 177,222	\$ 7,583
5	\$ 155,502	\$ 17,928	\$ 173,430	\$ 3,791
6	\$ 169,639	\$ -	\$ 169,639	\$ -

*** END ***

Twentieth Northern Marianas Commonwealth Legislature

IN THE HOUSE OF REPRESENTATIVES

JANUARY 31, 2017

First Regular Session, 2017

H. B. 20-36, HD 1

A BILL FOR AN ACT

To amend 1 CMC § 8357, to reestablish the special annuity for the Governor and Lieutenant Governor; and for other purposes.

**BE IT ENACTED BY THE TWENTIETH NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:**

1 **Section 1. Findings and Purpose.** The Legislature acknowledges that
2 Public Law 15-70 repealed the special benefits for the Governor and Lieutenant
3 Governor who served in office after June 14, 2007. In addition, Public Law 15-70
4 froze as of June 14, 2007 with respect to the governor and lieutenant governor in
5 office and any other persons, so that no additional benefits will accrue to such
6 persons under 1 CMC § 8357. The Legislature also acknowledges that the NMI
7 Constitution provides for the succession of the governor and the lieutenant
8 governor. In the event the governor is removed, resigns or dies, the lieutenant
9 governor becomes the governor and senate president becomes the lieutenant
10 governor. The lieutenant governor in this case would not be entitled to the special
11 annuity because the service would be less than a full term.

12 The Legislature finds that those who served as governors and lieutenant
13 governors deserve to receive annuity benefits when they leave office regardless
14 whether they serve a full term. Provided that the governor or lieutenant governor

1 did not vacate the office due to impeachment or conviction of a felony while in
2 office or conviction of other misconduct while in office.

3 The purpose of this Act is to reestablish the special annuity for the
4 Governor and Lieutenant Governor.

5 **Section 2. Amendment.** 1 CMC § 8357 is amended to read:

6 “§ 8357. Special Benefits for Governor and Lieutenant Governor.

7 (a) Special retirement annuities under this section shall only be
8 available to former Governors and Lieutenant Governors of the
9 Commonwealth of the Northern Mariana Islands who have served at least
10 one full term or the remaining term ~~at least one full term~~ in office. Any
11 Governor or Lieutenant Governor who is impeached or convicted of a
12 felony while in office or convicted of other misconduct while in office
13 shall forfeit all rights to the benefits provided under this section.

14 (b) Every former Governor and Lieutenant Governor of the
15 Commonwealth of the Northern Mariana Islands shall be entitled to a
16 special retirement annuity of 65% of the last annual salary paid to them as
17 governor or lieutenant governor, respectively.

18 (c) No former Governor or Lieutenant Governor receiving
19 annuities authorized by this section may receive any other compensation
20 (except for costs, such as travel or per diem) for the performance of any
21 service or any employment or consultation whatsoever for any branch,
22 agency or department of the Commonwealth of the Northern Mariana

1 Islands government; provided, however, that a former Governor or
2 Lieutenant Governor may elect to receive such compensation in lieu of the
3 payments provided in this section, but not both. In the event a special
4 retirement annuity is discontinued as a result of such an election by a
5 former Governor or Lieutenant Governor, the special retirement annuity
6 will recommence upon the subsequent election by that former Governor or
7 Lieutenant Governor to once again receive the special retirement annuity
8 in lieu of any other such compensation.

9 (d) If any former Governor or Lieutenant Governor is entitled to
10 any other retirement compensation from the government of the
11 Commonwealth of the Northern Mariana Islands, he or she must elect to
12 receive either that retirement compensation or the special retirement
13 annuity under this section, but not both.

14 (e) Any Lieutenant Governor who qualifies for a special retirement
15 annuity as a Governor shall forfeit all rights under this section as a
16 Lieutenant Governor.

17 (f) All rights for a special retirement annuity under this section
18 shall terminate upon the death of the recipient.

19 (g) After May 7, 1989, the Governor and Lieutenant Governor
20 shall not be required to contribute to the fund pursuant to 1 CMC § 8361
21 while serving in those capacities to be eligible for the benefits of this part.

1 (h) The government shall make contributions to the fund each year
2 necessary to fund special retirement annuities which result from this
3 section. Such government contributions shall be in addition to, and a
4 separate line item from, the contributions to the fund pursuant to 1 CMC §
5 8362.

6 ~~(i) 1 CMC § 8357 is repealed with respect to governors and~~
7 ~~lieutenant governors assuming office after the effective date of this Act~~
8 ~~[June 14, 2007], and is frozen as of the effective date of this Act [June 14,~~
9 ~~2007] with respect to the governor and lieutenant governor currently in~~
10 ~~office and any other persons, so that no additional benefits will accrue to~~
11 ~~such persons under § 8357.”~~

12 **Section 3. Retroactive Application.** This Act applies to former and
13 current governors and lieutenant governors who served in office during and after
14 June 14, 2007.

15 **Section 4. Severability.** If any provision of this Act or the application of
16 any such provision to any person or circumstance should be held invalid by a
17 court of competent jurisdiction, the remainder of this Act or the application of its
18 provisions to persons or circumstances other than those to which it is held invalid
19 shall not be affected thereby.

20 **Section 5. Savings Clause.** This Act and any repealer contained herein
21 shall not be construed as affecting any existing right acquired under contract or
22 acquired under statutes repealed or under any rule, regulation, or order adopted

HOUSE BILL 20-36, HD 1

1 under the statutes. Repealers contained in this Act shall not affect any proceeding
2 instituted under or pursuant to prior law. The enactment of the Act shall not have
3 the effect of terminating, or in any way modifying, any liability, civil or criminal,
4 which shall already be in existence on the date this Act becomes effective.

5 **Section 6. Effective Date.** This Act shall take effect upon its approval by
6 the Governor or becoming law without such approval.

Prefiled: 1/31/17

Date: 1/31/17

Introduced by: /s/ Rep. John Paul P. Sablan
/s/ Rep. Edwin P. Aldan
/s/ Rep. Glenn L. Maratita

Reviewed for Legal Sufficiency by:

/s/ John F. Cool
House Legal Counsel