

FIRST SPECIAL SESSION, 1991

AN ACT

To authorize advance payment to the Commonwealth Utilities Corporation (CUC) of the Commonwealth of the Northern Marianas Islands (CNMI) utility charges and for other purposes.

BE IT ENACTED BY THE NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

1 Section 1. Short Title. This act may be cited as the
2 Advance Utility Payment Act of 1991.

3 Section 2. Finding and Purpose. The Legislature finds
4 that, during the period from October 13, 1990 through April 1,
5 1991, CUC incurred fuel charges in the aggregate amount of
6 \$7,446,297.59. Of this amount \$2,582,809.85 represents costs
7 associated with the increase in fuel prices as a result of the
8 Gulf Crisis, and the balance of \$4,863,487.74 represents fuel
9 costs at the contract price on the account.

10 The purpose of this Legislation is to authorize an
11 advance payment of CNMI government utility consumption in the
12 amount of \$7,446,297.59. In order that this advance not impair
13 the self-sufficiency of CUC as mandated by P.L. 4-47, this
14 amount shall be set off against future utility charges billed
15 to the CNMI government. This advance is in addition to the
16 advance payment made to CUC pursuant to P.L. 6-14, which is
17 estimated to be liquidated by February 1992. Provided however,
18 that the priority use of funds designated as CNMI government
19 utility charges payable after the liquidation of the P.L. 6-14
20 advance shall be for the guaranteed contingent liability
21 undertaken by the CNMI government pursuant to Senate Joint

1 Resolution 7-9. In the event that such contingent liability is
2 not triggered or if there are utility charges payable in
3 excess of that required to fulfill the guarantee under Senate
4 Joint Resolution 7-9, then such charges shall be credited
5 against the advance authorized under this Act.

6 Section 3. Authorization for Advance Payment of Utility
7 Charges.

8 (a) The Director of Finance is hereby
9 authorized to advance government utility payments
10 to or on behalf of the CUC up to the total amount
11 of \$7,446,297.59 for the specific and limited
12 purpose of liquidating CUC's fuel debt incurred
13 with its supplier from October 13, 1990 through
14 April 1, 1991.

15 (b) The amount advanced as government utility
16 payment pursuant to paragraph (a) above shall be in
17 addition to the advance authorized under P.L. 6-14.
18 Section 4. Liquidation of Advance Payment.

19 (a) The Director of Finance shall liquidate
20 the advance utility payments made to CUC pursuant
21 to Section 3 (a) of this Act, by credits against
22 the monthly utility bills of the CNMI, such
23 crediting to commence after the advance authorized
24 under P.L. 6-14 has been fully credited. The
25 liquidation of any advance made pursuant to this
26 Act, shall be made on a continuing basis until the
27 total amount advanced has been fully applied. The

1 credits shall be made against the total CNMI
2 utility bill, taken as a whole, not as credit
3 against individual departments, agents or branches
4 of government.

5 Provided however, that no liquidation of any
6 advance made under this Act shall impair the terms
7 of the contingent liability of the CNMI government
8 undertaken pursuant to Senate Joint Resolution 7-9.
9 The priority use of funds designated as CNMI
10 government utility payments after the liquidation
11 of the P.L. 6-14 advance, shall be for the
12 contingent liability undertaken pursuant to Senate
13 Joint Resolution 7-9. If there are utility charges
14 payable in excess of the contingent liability or if
15 the contingent liability is not triggered, then
16 such charges shall be credited against the advance
17 payment authorized under this Act.

18 (b) The Director of CUC shall maintain
19 accurate accounting records of the amount advanced
20 and shall properly reflect the applications of such
21 advance in the monthly utility billings issued to
22 the CNMI.

23 Section 5. Reporting. Within twenty (20) days after the
24 close of each month, the Director of Finance and the Executive
25 Director of the CUC shall submit to the Governor and to the
26 Presiding Officers of the Legislature, , a detailed accounting
27 of the funds advanced against the utility billings. The

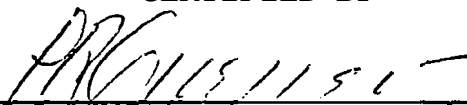
1 Executive Director of CUC shall also provide to the
2 Legislature an annual audit report produced by an independent
3 accounting firm and reviewed and certified by the Public
4 Auditor. Such annual audit report shall be submitted to the
5 Legislature no later than 120 days after the close of the
6 fiscal year.

7 Section 6. Severability. If any section of this Act
8 should be declared invalid or unenforceable by a court of
9 competent jurisdiction, the judicial determination shall not
10 affect the validity of the Act as a whole, other than the
11 particular part declared invalid or unenforceable.

12 Section 7. Effective Date. This Act shall take effect
13 upon its approval by the Governor or upon its becoming law
14 without such approval.


CERTIFIED BY:

ATTESTED BY:


PEDRO R. DELEON GUERRERO
Speaker of the House


JOAN P. KAIPAT
Acting House Clerk

APPROVED on this 12th day of APRIL, 1991


LORENZO I. DE LEON GUERRERO
Governor
Commonwealth of the Northern Mariana Islands