

THIRTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

FIRST REGULAR SESSION, 2002

Public Law 13-35
H.B. 13-106, SD1

AN ACT

To effectuate the terms of the Memorandum of Agreement between the Commonwealth Development Authority and the Commonwealth Utilities Corporation by requiring the Commonwealth Development Authority to waive \$16,068,750.00 of the principal owed and to waive certain specified interest payments; and for other purposes.

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

Section 1. Findings. The Commonwealth Development Authority (CDA) and the Commonwealth Utilities Corporation (CUC), both public corporations existing as autonomous agencies of the Government of the Commonwealth of the Northern Mariana Islands, have been involved in a legal dispute in the Superior Court of the Commonwealth. The parties desire to settle their disputes in an out-of-court settlement and have agreed on the terms of a mutual settlement that requires, among other things, a waiver of a portion of the debt owed by CUC to CDA and the conversion of the balance of debt to equity ownership. CUC and CDA have reduced the terms and conditions of their agreement to writing and seek the assistance of the legislature in effectuating certain provisions. The legislature finds that the out-of-court settlement reached by CUC and CDA is a reasonable resolution of their differences. The legislature further finds that the terms and conditions of the settlement are in the public interest.

Section 2. Amendments.

- a. Title 4 CMC, Division 10, Chapter 6 is hereby amended by adding a new Section to read as follows:

“§ 10602. CUC-CDA Loan and Interest Waiver.

Pursuant to the Memorandum of Agreement between the CDA and the Commonwealth Utilities Corporation [CUC], CDA may waive \$16,068,750.00 of the principal amount owed by CUC, such amount being the aggregate sum of all outstanding sewer and water project loans to CUC. Pursuant to the same Memorandum of Agreement, CDA may waive all accrued interest owed by CUC on all outstanding loans in accordance with the terms and conditions of the Memorandum of Agreement, such terms and conditions being incorporated herein by reference.”

Section 3. Severability. If any provisions of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Section 4. Savings Clause. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of the Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence on the date this Act becomes effective.

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

CERTIFIED BY:

ATTESTED TO BY:

/s/ _____
HEINZ S. HOFSCHEIDER
SPEAKER OF THE HOUSE

/s/ _____
EVELYN C. FLEMING
HOUSE CLERK

Approved this 10th day of December, 2003

/s/ _____
JUAN N. BABAUTA
GOVERNOR
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS