

THIRTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

SECOND REGULAR SESSION, 2002

PUBLIC LAW NO. 13-54

H. B. NO. 13-205

AN ACT

To authorize the Municipality of Tinian and Aguiguan to borrow Five Million Dollars (\$5,000,000) from the Marianas Public Land Trust to fund the design and construction of a Tinian Civic Center and for other purposes.

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

Section 1. Short Title. This Act may be cited as the “Tinian Civic Center Financing Act of 2002.”

Section 2. Findings. The Legislature finds that the interests of the people of the Commonwealth of the Northern Mariana Islands and the people of the Municipality of Tinian and Aguiguan would be served by funding the design and construction of a new Tinian Civic Center. The Legislature further finds that the Marianas Public Land Trust (MPLT) has adequate resources to provide the funding needed to finance the design and construction of a Tinian Civic Center by lending Five Million Dollars (\$5,000,000) to the Municipality of Tinian and Aguiguan.

The Legislature notes that pursuant to Article XI, Section 1 of the Commonwealth Constitution public lands belong "collectively to the people of the Commonwealth who are of Northern Marianas descent." Section 4(a) of Article XI emphasizes that public lands are to be managed "for the benefit of the people of the Commonwealth who are of Northern Marianas descent." Accordingly, the Legislature further finds that the loan provided for herein shall be repaid at a rate of six percent (6%) per annum over a period not to exceed twenty (20) years and shall be secured by a pledge to set aside no more than three percent (3%) of the total annual appropriations for the Second Senatorial District, such sum to be appropriated annually for the specific purpose of repaying the principal and interest owed on the loan. In addition, the loan shall also be secured by a separate local appropriation of Hundred Eighty Thousand

Dollars (\$180,000)' per annum to the Municipality of Tinian and Aguiguan, such sum to be set aside for the specific of repaying the principal and interest owed on the loan. The six percent (6%) rate of return for the beneficiaries of the MPLT will meet the fiduciary duty of the MPLT as set forth at Article XI of the NMI Constitution.

Section 3. Definitions. Except where the context otherwise clearly requires, as used in this Act:

(a) "Tinian Civic Center Loan Agreement" means the comprehensive loan agreement entered into between MPLT and the Municipality of Tinian and Aguiguan to fund the design and construction of a Tinian Civic Center as authorized by Section 4 of this Act.

(b) "Governmental agency" includes any branch, department, division, public corporation, authority, or other entity of the Commonwealth government; and

(c) "MPLT" means the Marianas Public Land Trust.

Section 4. Tinian Civic Center Loan Agreement Authorized.

(a) MPLT has the authority, consistent with its constitutional obligations, to enter into an agreement to loan Five Million Dollars (\$5,000,000) to the Municipality of Tinian and Aguiguan at an interest rate of six percent (6%) per annum over a period of not more than twenty (20) years for the Municipality of Tinian and Aguiguan's use in the design and construction of a Tinian Civic Center.

(b) The Municipality of Tinian and Aguiguan is hereby authorized to enter into an agreement to borrow funds in the amount of Five Million Dollars (\$5,000,000) from MPLT at an interest rate of six percent (6%) per annum over a period of not more than twenty (20) years for the Municipality of Tinian and Aguiguan's use in the design and construction of a Tinian Civic Center.

(c) MPLT and the Municipality of Tinian and Aguiguan shall execute a comprehensive loan agreement, hereinafter referred to as the Tinian Civic Center Loan Agreement, setting forth the terms and conditions of the loan to the Municipality of

Tinian and Aguiguan, such terms and conditions to be consistent with the provisions of this Act.

(d) Neither the Municipality of Tinian and Aguiguan nor any other governmental agency shall use the Five Million Dollars (\$5,000,000) authorized by this Act for any purpose other than the design and construction of a Tinian Civic Center.

(e) In no event shall the Five Million Dollars (\$5,000,000) authorized by this Act be used, directly or indirectly pay off or retire any current or existing indebtedness of the Municipality of Tinian and Aguiguan or any other governmental subdivision or agency.

(f) Any misuse or misallocation of the Five Million Dollars (\$5,000,000) authorized by this Act shall, in addition to any other penalty or remedy provided by law, subject the person or persons responsible for the misuse or misallocation to personal liability therefore.

Section 5. Guarantee and Security for Loan.

(a) The Five Million Dollars (\$5,000,000) loan from MPLT to the Municipality of Tinian and Aguiguan shall be secured by the CNMI Legislature's appropriation of not more than three percent (3%) of the total annual appropriations for the Second Senatorial District, provided that such sum shall not be less than Three Hundred Twenty Thousand Dollars (\$320,000) per annum, such appropriation to be made annually for a period not to exceed twenty (20) years for the specific purpose of repaying the principal and interest owed on the loan.

(b) The Five Million Dollars (\$5,000,000) loan from MPLT to the Municipality of Tinian and Aguiguan Legislature shall also be secured by a separate local appropriation, enacted and adopted pursuant to the rules and procedures of the Local Law Act of 1983 set forth at 1 CMC § 1401, et seq., of Hundred Eighty Thousand Dollars (\$180,000) per annum by the Municipality of Tinian and Aguiguan, such sum to be annually appropriated for the specific purpose of repaying the principal and interest owed on the loan. MPLT may require that the enactment of such a local

law be a condition precedent to the final ratification or effectuation of the Tinian Civic Center Loan Agreement.

(c) The Commonwealth Government hereby fully, absolutely and unconditionally guarantees, underwrites and secures all payments due MPLT under the terms and conditions of the Tinian Civic Center Loan Agreement provided that such terms and conditions are consistent with the provisions set forth herein. The Commonwealth Government accepts the Tinian Civic Center Loan Agreement as a general obligation of the Commonwealth Government and guarantees the full repayment of such loan by the full faith and credit of the Commonwealth Government.

(d) No forbearance by MPLT in the exercise of any right under this Act or the Tinian Civic Center Loan Agreement shall be construed as a waiver and no waiver shall be effective except as expressly stated in writing. No waiver by MPLT of any right or remedy under this Act or the Tinian Civic Center Loan Agreement with respect to one incident or set of circumstances shall be construed as including a waiver of any other right or remedy or with respect to any other incident or circumstances. Neither shall MPLT be stopped from asserting any right or remedy under this Act or the Tinian Civic Center Loan Agreement by virtue of any act, forbearance, or other conduct upon which the a movant claims reliance.

Section 6. Expenditure Authority / Authorized Use of Funds. The Mayor of the Municipality of Tinian and Aguiguan shall be the expenditure authority for the Five Million Dollars received from MPLT pursuant to the terms of this Act. The Mayor of the Municipality of Tinian and Aguiguan shall use the Five Million Dollars (\$5,000,000) from the Tinian Civic Center Loan Agreement with MPLT to finance the design and construction of a Tinian Civic Center and shall take all necessary steps to ensure that no funds authorized under this Act shall be used for any other purpose.

Section 7. MPLT to Obtain Secured Interest in Tinian Civic Center. MPLT shall retain a priority secured interest in the Tinian Civic Center until such time as all terms and conditions set forth in the Tinian Civic Center Loan Agreement that are consistent with the

provisions set forth herein have been fully satisfied. MPLT's secured interest shall be in the form of a deed of trust... Upon default by the Municipality of Tinian and Aguiguan, MPLT shall execute on the deed of trust and cause the sale of the property. All proceeds of execution, less administrative costs incurred by MPLT, shall be used to repay MPLT for all funds dispersed to the Municipality of Tinian and Aguiguan pursuant to the provisions of this Act and the terms and conditions set forth in the Tinian Civic Center Loan Agreement.

Section 8. Enforcement. The Office of the Public Auditor shall audit the Municipality of Tinian and Aguiguan annually to ensure that the Municipality of Tinian and Aguiguan is in compliance with all aspects of the Tinian Civic Center Loan Agreement.

Section 9. Severability. If any provision 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 of the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Section 10. Savings Clause. No specific grant of a cause of action by this Act shall be construed as limiting or eliminating any other cause of action which may exist or be implied at law or in equity. 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 this Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence at the date this Act becomes effective.

Section 11. Effective Date. This Act shall take effect upon its approval by the Governor or upon 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 30th day of June, 2003

/s/ _____

JUAN N. BABAUTA
GOVERNOR
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS