



HOUSE OF REPRESENTATIVES
FOURTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
SECOND REGULAR SESSION, 2004

PUBLIC LAW NO. 14-45
H. B. No. 14-258, HD4, SS1, SD1

AN ACT

To reprogram \$7,800,000 from appropriations under Section 5(C)(3) of Public Law 11-119 for the construction and completion of the Department of Public Health/Hemodialysis Expansion Project and for the Kagman III and Kagman III-Phase 4 road paving project; and for other purposes.

BE IT ENACTED BY THE FOURTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 1. Findings. The Legislature finds that the construction of the Department of Public Health/Hemodialysis Expansion Project is undergoing; however, the appropriated funds for the construction are insufficient to complete the project. One reason is that several change orders have been undertaken to correct certain design defects and accommodate unforeseen circumstances during construction. The said change orders were incurred by the Department of Public Works without further appropriation of funds. As a result, the original appropriation has been depleted and the remaining balance of \$857,000 is insufficient to complete the construction of the building. The Department of Public Works requires an additional \$5,800,000 to complete the project.

The Legislature further finds that at the same time, \$9,100,000 out of an appropriation of \$10,000,000 for the Kagman wastewater system pursuant to Public Law 11-119 remains unused. These funds, which include federal grants, may likely remain unused for at least another eighteen months because of design changes and permitting delays. While unused, these funds lose value. In addition, allowing the Kagman wastewater system funds to remain unused jeopardizes future federal grant funding because the Office of Insular Affairs has

1 instituted a policy conditioning future capital improvement grants on prompt expenditure and
2 project completion.

3 The Legislature further finds that the Governor has recommended a reprogramming
4 of \$5,800,000 from the Kagman wastewater system appropriation for the completion of the
5 Department of Public Health/Hemodialysis Expansion Project. Recognizing the importance
6 of protecting the aquifer and the environment in Kagman as well as residents of the area, the
7 Governor is committed to replacing funds needed for the Kagman wastewater system
8 beginning with FY'07 capital improvement grants. The Governor has additionally initiated a
9 request for proposals for the design, build, finance, and operation of the wastewater system
10 that is expected to significantly reduce the project cost and allow the system to be built
11 sooner than it would have under the original design concept. Moreover, the Governor has
12 committed to reinstate funds for the construction of the Dandan wastewater system in the
13 FY'07 capital improvement grants.

14 The Legislature further finds that it is imperative and necessary to complete the
15 construction of the Department of Public Health/Hemodialysis Expansion Project because the
16 existing building lacks much needed office spaces and exam rooms and the number of
17 patients requiring dialysis services continue to grow each month. In addition, the
18 construction is undergoing and the longer the delay of completion, the more costly it will be
19 for the Commonwealth.

20 **Section 2. Reprogramming.** Notwithstanding the reprogramming provision under
21 Section 7 of Public Law 11-119, the amount of seven million eight hundred thousand dollars
22 (\$7,800,000) from Section 5(C)(3) of Public Law 11-119 is hereby reprogrammed as follows:

- 23 a) \$5,800,000 to complete the construction of the New Department of Public
24 Health Building and Dialysis Center; and
25 ~~b) \$2,000,000 for road paving projects in Kagman III and Kagman III Phase 4.~~

26 ~~Provided, that no part of the funds reprogrammed pursuant to this section may be expended~~
27 ~~unless and until the expenditure authority for the projects secures a surety bond, such as a~~
28 ~~payment, performance, or other bond deemed appropriate to protect the total amount of funds~~
29 ~~reprogrammed.~~

Item Vetoed
QNB

Section 3. Comprehensive Infrastructure Master Plan. In order to ensure that the priority infrastructure needs of the entire Commonwealth receive necessary funding, and to ensure that that the CNMI's annual application for capital improvements funds receives the most favorable consideration by the United States Department of Interior under the terms of the Special Representatives' Agreement of 2004, the Governor and CIP Administrator shall work with the Legislature and general public to establish a five-year Comprehensive Infrastructure Master Plan for the CNMI to be completed prior to the submission of the FY 2007 CIP plan to the U.S. Department of the Interior.

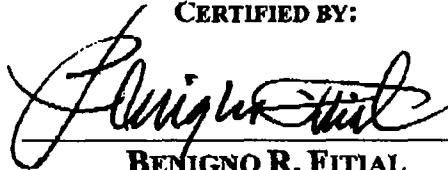
Section 4. Expenditure Authority. The expenditure authority for the appropriated funds under Section 2 of this Act shall be the Secretary of the Department of Public Works; provided that any remaining fund balance available after the completion of the projects shall revert back to Section 5(C)(3) of Public Law 11-119.

Section 5. 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 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 6. 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 7. Effective Date. This Act shall take effect upon its approval by the Governor or becoming law without such approval.

CERTIFIED BY:



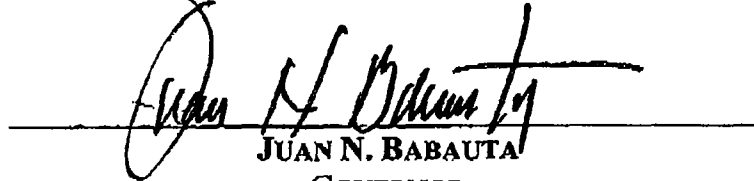
BENIGNO R. FITIAL
SPEAKER OF THE HOUSE

ATTESTED TO BY:



EVELYN C. FLEMING
HOUSE CLERK

Approved on this 10th day of December, 2004



JUAN N. BABAUTA
GOVERNOR

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS