



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Eloy S. Inos
Governor

Jude U. Hofschneider
Lieutenant Governor

Honorable Joseph P. Deleon Guerrero
Speaker, House of Representatives
Eighteenth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

04 DEC 2014

Honorable Ralph DLG. Torres
Senate President, The Senate
Eighteenth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

Dear Mr. Speaker and Mr. President:

This is to inform you that I have signed into law House Bill No. 18-94, HD1, entitled, "To repeal and re-enact Public Law 17-69 to effectively repeal and re-enact Title 4 of the Commonwealth Code, sections 6106 (i), 6513, repeal and re-enact 4 CMC §6453, amending section 6514 to add a new subsection, and amending section 6454 to add a new subsection as set forth herein," which was passed by the House of Representatives and the Senate of the Eighteenth Northern Marianas Commonwealth Legislature.

This bill becomes **Public Law No. 18-69**. Copies bearing my signature are forwarded for your reference.

Sincerely,

A handwritten signature in black ink, appearing to read "Eloy S. Inos", with a long horizontal stroke extending to the right.

ELOY S. INOS

cc: Lt. Governor; Lt. Governor's Legal Counsel; Attorney General's Office; Department of Commerce; Commonwealth Treasurer; Public Auditor; Special Assistant for Administration; Special Assistant for Programs and Legislative Review



House of Representatives

18th NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

P.O. BOX 500586

SAIPAN, MP 96950

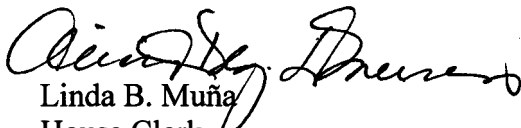
October 29, 2014

The Honorable Eloy S. Inos
Governor
Commonwealth of the Northern
Mariana Islands
Capitol Hill
Saipan, MP 96950

Dear Governor Inos:

I have the honor of transmitting herewith for your action H. B. No. 18-94, HD1, entitled: *"To repeal and re-enact Public Law 17-69 to effectively repeal and re-enact Title 4 of the Commonwealth Code, sections 6106 (i), 6513, repeal and re-enact 4 CMC §6453, amending section 6514 to add a new subsection, and amending section 6454 to add a new subsection as set forth herein.."*, which was passed by the House of Representatives and the Senate of the Eighteenth Northern Marianas Commonwealth Legislature.

Sincerely yours,


Linda B. Muña
House Clerk

Enclosure



Eighteenth Legislature
of the
Commonwealth of the Northern Mariana Islands
IN THE HOUSE OF REPRESENTATIVES

First Day, Sixth Special Session

July 19, 2013

Representative Edmund S. Villagomez, of Saipan, Precinct 3 (*for himself*), in an open and public meeting with an opportunity for the public to comment, introduced the following Bill:

H.B. No. 18-94, HD1

AN ACT

TO REPEAL AND RE-ENACT PUBLIC LAW 17-69 TO EFFECTIVELY REPEAL AND RE-ENACT TITLE 4 OF THE COMMONWEALTH CODE, SECTIONS 6106 (I), 6513, REPEAL AND RE-ENACT 4 CMC §6453, AMENDING SECTION 6514 TO ADD A NEW SUBSECTION, AND AMENDING SECTION 6454 TO ADD A NEW SUBSECTION AS SET FORTH HEREIN.

The Bill was referred to the House Committee on Commerce, which submitted Standing Committee Report 105; adopted May 6, 2014

THE BILL WAS PASSED BY THE HOUSE OF REPRESENTATIVES ON FIRST AND FINAL READING, JUNE 18, 2014;
with amendments in the form of H. B. 18-94, HD1 and transmitted to the
THE SENATE.

The Bill was referred to the Senate Committee on Judiciary, Government, and Law.
THE BILL WAS PASSED BY THE SENATE ON FIRST AND FINAL READING, OCTOBER 24, 2014;
without amendments and returned to
THE HOUSE OF REPRESENTATIVES.

THE BILL WAS FINALLY PASSED ON JUNE 18, 2014.


for **Linda B. Muña**, House Clerk



Eighteenth Legislature
of the
Commonwealth of the Northern Mariana Islands
IN THE HOUSE OF REPRESENTATIVES

SECOND DAY, SECOND SPECIAL SESSION

JUNE 18, 2014

H. B. 18-94, HD1

AN ACT

TO REPEAL AND RE-ENACT PUBLIC LAW 17-69 TO EFFECTIVELY REPEAL AND RE-ENACT TITLE 4 OF THE COMMONWEALTH CODE, SECTIONS 6106 (I), 6513, REPEAL AND RE-ENACT 4 CMC §6453, AMENDING SECTION 6514 TO ADD A NEW SUBSECTION, AND AMENDING SECTION 6454 TO ADD A NEW SUBSECTION AS SET FORTH HEREIN.

Be it enacted by the Eighteenth Northern Marianas Commonwealth Legislature:

1 **Section 1. Short Title.** This Act may be cited as “The Escheat Act of 2013.”

2 **Section 2. Findings.** The Legislature finds that banking institutions servicing the
3 CNMI community have from time to time encountered consumer savings/checking accounts
4 that have gone dormant or unclaimed. Depending on the banking institution, the amount of
5 time of inactivity to have elapsed before a bank can declare an account as dormant/inactive
6 varies from 1 year to 2 years or more. Further, banks have historically charged
7 dormant/inactive fees ranging from \$15 to \$20 per month. These bank charges on dormant
8 accounts can chip away at the savings account and balances quickly and over term may cause
9 the account to reach a balance of zero.

HOUSE BILL 18-94, HD1

1 Certain states and territories such as Connecticut and American Samoa have put
2 forward legislation to prevent banking institution from raiding savings accounts in an effort
3 to protect the account holder from losing their hard earned funds.

4 Lastly, this legislation shall repeal and re-enactment of Public Law 17-69 was enacted
5 on February 6, 2012. Thus, the amendments effectuated by Public Law 17-69 to the CNMI
6 Code, specifically the amendments to Section 6106 (i) are hereby repealed and re-enacted as
7 set forth herein. The section 3 language of Public Law 17-69 was not codified at the time of
8 this amendment. This legislation amends and repeals section 3 of Public Law 17-69 and
9 establishes it as a new subsection, 4 CMC 6514 (b).

10 **Section 3. Repealer and Re-enactment.** 4 CMC § 6106 (i) is hereby repealed and
11 re-enacted to read as follows:

12 “(i) To have access at all reasonable times to such books, records, vouchers,
13 documents, cash, and securities of any bank, and to call upon the manager or any
14 officer designated by the manager of any bank for such information or explanation as
15 the director of Banking or designee may reasonably require for the purposes of
16 enabling the director or designee to perform all required functions under this division.
17 However, the director shall only have access to the account of a depositor of a bank or
18 to any information, matter or thing relating to the affairs of any customer of a bank
19 pursuant to an order of the Commonwealth Trial Court made on the grounds that there
20 are no other means of obtaining the information required by the director.”

21 **Section 4. Repealer and Re-enactment.** Title 4 of the Commonwealth Code section
22 6513 entitled, “Dormant and Inactive Accounts and Unclaimed Funds” is hereby repealed
23 and re-enacted to read as follows:

24 “(a) A bank account shall be considered inactive as follows:

25 (i) A savings account shall be considered inactive if no deposits or
26 withdrawals are made to/from the account for a period of twenty-four (24)
27 months since the last transaction on the account. A transaction means any
28 deposit or withdrawal on the account.

29 (ii) A checking account shall be considered inactive if no deposits,
30 issuance of checks or withdrawals are made to/from the account for a period

HOUSE BILL 18-94, HD1

1 of six (6) months since the last transaction on the account. A transaction
2 means any deposit, checks issued or withdrawal on the account.

3 (iii) A passbook savings account shall be considered inactive if no
4 deposits or withdrawals are made to/from the account for a period of twenty-
5 four (24) months since the last transaction on the account. A transaction
6 means any deposit or withdrawal on the account.

7 (b) If an account is Inactive, and the depositor cannot be located, a bank shall
8 transfer the balance of the account to the Commonwealth Treasurer for the account of
9 the depositor. The transfer shall be in accordance with the Commonwealth
10 Department of Commerce regulations.

11 (c) Prior to transferring the balance of any accounts to the Commonwealth
12 Treasurer as provided in the subsection (b) of this section, the financial institution
13 shall notify the depositor in writing that the funds shall be transferred to the
14 Commonwealth Treasurer in accordance with regulations adopted by the Department
15 of Commerce.

16 (d) If a bank holds deposits or other funds, including Certificates of Deposits,
17 Money Market Certificates and other types of depository certificates which have
18 matured for twelve (12) months, the owner of which cannot be located, the bank shall
19 transfer the balance of the account to the Commonwealth Treasurer for the account of
20 the depositor, in accordance with regulations adopted by the Department of
21 Commerce.

22 (e) If a bank holds exchanges, bank drafts, cashier's checks, or drafts which
23 have not been presented for payment for eighteen (18) months, a bank shall, if the
24 owner cannot be located, transfer the balance of such account to the Commonwealth
25 Treasurer for the account of the owner, in accordance with regulations adopted by the
26 Department of Commerce.

27 (f) If the bank holds unidentified loan payment for six (6) months, a bank shall
28 transfer the balances of the account to the Commonwealth Treasurer for the account
29 of the payer, in the event such payer is later identified.

HOUSE BILL 18-94, HD1

1 (g) Before transferring funds to the Commonwealth Treasurer under this
2 section, the transferring bank may deduct all sums or cost due to the bank, including
3 cost of publication or other notice required by this section or regulations adopted by
4 the Department of Commerce. The transferring bank shall assume responsibility for
5 any error or fraudulent action caused by the bank prior to the transfer.

6 (h) The Commonwealth Treasurer shall maintain accurate records of these
7 sums in accordance with regulations adopted by the Department of Commerce. The
8 sums may be claimed at any time by the rightful owner or owners of such sums upon
9 furnishing proof satisfactory to the Commonwealth Treasurer of their right to the
10 funds. The depositor shall not accrue interest for funds deposited with the
11 Commonwealth Treasurer pursuant to this section. Nonetheless the Commonwealth
12 Treasurer may deposit such funds into an interest bearing account. Any interest
13 earned on such deposits shall be transferred to the general fund. The Commonwealth
14 Treasurer shall not be liable for damages or penalties for any payment to a claimant of
15 funds deposited pursuant to this section.

16 (i) The Department of Commerce shall adopt rules and regulations as
17 necessary to implement the provisions of this section.”

18 **Section 5. Amendment.** Title 4 of the CNMI Code, section 6514, entitled,
19 “Disclosure Requirement” shall be amended to add a new subsection (b) and shall be
20 renumbered (a) and (b) accordingly.

21 “Section 6514 (a)

22 (No change—just renumbering to reflect additional subsection).

23 The new subsection (b) shall read as follows:

24 (b) “Reporting. Banks operating in the CNMI shall prepare a report to the
25 CNMI Treasurer and the Department of Commerce’s Director of Banking a complete
26 listing of all Bank savings and checking accounts that have been classified closed due
27 to inactive/dormant status within the last five (5) years. The report shall include all
28 information applicable to identifying the account holder, the total fees deducted
29 because of inactivity/dormancy and the disposition of the account’s balance, if any.
30 Details of the report and deadlines will be in accordance with regulations adopted by

HOUSE BILL 18-94, HD1

1 the Department of Commerce. This reporting shall also be applicable to all other
2 instruments referred to on subsections (f) (g) and (h) of Title 4 of the Commonwealth
3 Code section 6513.”

4 **Section 6. Repealer and Re-enactment.** Title 4 CMC §6453 is hereby repealed and
5 re-enacted to read as follows:

6 “The right to privacy and the right to financial privacy protected by the
7 Covenant, incorporating the terms of the Constitution of the United States, and
8 Northern Mariana Island Constitution Article I, 10, of every customer of every bank
9 shall be respected by each director, officer, agent, employee or any person employed
10 or retained in any capacity by the bank within or without the Commonwealth and
11 neither they nor any one of them disclose any financial records of any customer that
12 may come into their possession to any governmental authority or any other person,
13 except in full compliance with the provisions of 4 CMC 6454. However, nothing
14 shall preclude a bank from sharing credit information normally shared between
15 lenders, nor sharing information with its chosen auditor as is necessary to conduct a
16 bank audit according to generally accepted accounting principles, nor sharing
17 information with the Director of Banking as required under the Dormant account laws
18 and regulations under 4 CMC § 6513.”

19 **Section 7. Amendment.** 4 CMC § 6454 entitled, “Financial Privacy Act Adopted.”
20 Shall be amended to add new subsection (b) and shall be renumbered (a) and (b) as follows:

21 “(a) Financial Privacy Act Adopted.

22 The United States Right to Financial Privacy Act of 1978 (12 U.S.C. § 3401 et
23 seq.), is adopted as a statute of the Commonwealth in its entirety except that for
24 purposes of application as a Commonwealth statute “government authority” as
25 originally defined in 12 U.S.C. § 3401(3) means “any agency or department of the
26 Commonwealth or any officer, employee, or agent thereof.

27 (b) Exception Right to Financial Privacy Act of 1978.

28 Notwithstanding 4 CMC §6454, the banks shall provide the Director of
29 Banking access to the account of a depositor of a bank to any information, matter, or

HOUSE BILL 18-94, HD1

1 thing relating to the affairs of any customer of a banks as required to meet the
2 requirements of this Act.”

3 **Section 8. Repealer.** Upon enactment of this provision, Public Law 17-69 which
4 was enacted on February 6, 2012 shall be repealed in its entirety and shall be replaced with
5 the instant legislation upon effective date and enactment. For the sake of clarity, section 3 of
6 Public Law 17-69 should now be replaced with the language set forth herein which should be
7 codified as 4 CMC section 6514 (b).

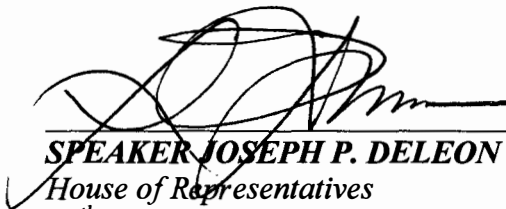
8 **Section 9. Severability.** If any provision of this Act or the application of any such
9 provision to any person or circumstance should be held invalid by a court of competent
10 jurisdiction, the remainder of this Act or the application of its provisions to persons or
11 circumstances other than those to which it is held invalid shall not be affected thereby.

12 **Section 10. Savings Clause.** This Act and any repealer contained herein shall not be
13 construed as affecting any existing right acquired under contract or acquired under statutes
14 repealed or under any rule, regulation, or order adopted under the statutes. Repealers
15 contained in this Act shall not affect any proceeding instituted under or pursuant to prior law.
16 The enactment of the Act shall not have the effect of terminating, or in any way modifying,
17 any liability, civil or criminal, which shall already be in existence on the date this Act
18 becomes effective.

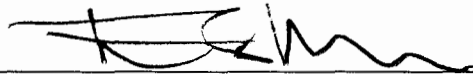
HOUSE BILL 18-94, HD1

1 **Section 11. Effective Date.** This Act shall take effect upon its approval by the
2 Governor, or its becoming law without such approval.

Attested to by: 
for: **Linda B. Muña, House Clerk**

Certified by: 
SPEAKER JOSEPH P. DELEON GUERRERO
House of Representatives
18th Northern Marianas Commonwealth Legislature

APPROVED this 04 day of December, 2014


ELOY S. INOS
Governor
Commonwealth of the Northern Mariana Islands