The Honorable Blas Jonathan “BJ” T. Attao  
Speaker, House of Representatives  
Twenty-First Northern Marianas  
Commonwealth Legislature  
Saipan, MP 96950

The Honorable Victor B. Hocog  
Senate President, The Senate  
Twenty-First 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. 21-98, HS1**, entitled, “To authorize the Governor to enter into agreements to offset the Commonwealth judgment liabilities against the judgment creditors tax liability,” which was passed by the House of Representatives and the Senate of the Twenty-First Northern Marianas Commonwealth Legislature.

This bill becomes **Public Law No. 21-32**. Copies bearing my signature are forwarded for your reference.

Sincerely,

[Signature]

RALPH DLG. TORRES  
Governor

cc: Lt. Governor; Press Secretary; Secretary of Finance; Law Revision Commission; Public Auditor; Special Assistant for Administration; Special Assistant for Programs and Legislative Review

Juan A. Sablan Memorial Building • Capitol Hill, Saipan  
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@GovernorCNMI
July 23, 2020

The Honorable Ralph DLG. Torres
Governor
Commonwealth of the Northern Mariana Islands
Capitol Hill
Saipan, MP 96950

Dear Governor Torres:

I have the honor of transmitting herewith for your action H. B. No. 21-98, HS1, entitled: “To authorize the Governor to enter into agreements to offset the Commonwealth judgment liabilities against the judgment creditors tax liability.”, which was passed by the House of Representatives and the Senate of the Twenty-First Northern Marianas Commonwealth Legislature.

Sincerely yours,

Linda B. Muna
House Clerk

Attachment
H. B. No. 21-98, HS1

AN ACT

TO AUTHORIZE THE GOVERNOR TO ENTER INTO AGREEMENTS TO OFFSET THE COMMONWEALTH JUDGMENT LIABILITIES AGAINST THE JUDGMENT CREDITORS TAX LIABILITY.

The Bill was referred to the House Committee on Ways and Means.

THE BILL WAS PASSED BY THE HOUSE OF REPRESENTATIVES ON FIRST AND FINAL READING, MAY 21, 2020;
with amendments in the form of H. B. No. 21-98, HS1 and transmitted to the
THE SENATE.

The Bill was referred to the Senate Committee on Fiscal Affairs, which submitted
THE BILL WAS PASSED BY THE SENATE ON FIRST AND FINAL READING, JULY 16, 2020;
without amendments and was returned to
THE HOUSE OF REPRESENTATIVES.


Linda B. Muña, House Clerk
H. B. No. 21-98, HS1
AN ACT
TO AUTHORIZE THE GOVERNOR TO ENTER INTO AGREEMENTS TO OFFSET THE COMMONWEALTH JUDGMENT LIABILITIES AGAINST THE JUDGMENT CREDITORS TAX LIABILITY.

BE IT ENACTED BY THE TWENTY-FIRST NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

SECTION 1. FINDINGS AND PURPOSE.
The Legislature finds that the Commonwealth government has been a party to a number of lawsuits that were not ruled in its favor. Certain rulings have obligated the government to pay millions of dollars to opposing parties. When the government fails to timely pay on judgments, interest accrues on both the principal and penalties imposed, worsening financial strain to the government. In the case of two judgments against the government, Tano Group, Inc. v. Department of Public Works (Civ. No. 05-0100) and Manglona v. CNMI (Civ. No. 97-0486), interest continues to accrue on outstanding balances as a result of insufficient funds appropriated pursuant to Public Law 20-42, Section 2(i).
The purpose of this Act is to authorize the Governor to enter into agreements with the respective judgment creditors in these cases to offset the government's judgment liability against the judgment creditors' outstanding Commonwealth tax liabilities.

SECTION 2. ENACTMENT.
The following is hereby enacted:

“(a) The judgment against the Commonwealth Government in *Tano Group, Inc. v. DPW et al.*, Civ. No. 05-0100 may be offset against any tax liability, including penalties and interest, of the judgment creditor in such action.

(b) The judgment against the Commonwealth Government in *Manglona v. CNMI*, Civ. No. 97-0486 may be offset against any tax liability, including penalties and interest, of the judgment creditor in such action, as well as tax liabilities, including penalties and interest, of other individuals and entities agreed upon between the judgment creditor and Governor.

(c) The Governor in consultation with the Secretary of Finance shall determine and approve the amount of the offset to be applied.”

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 its becoming law without such approval.

Attested to by:

Linda B. Muña, House Clerk

Certified by:

SPEAKER BLAS JONATHAN "BJ" T. ATTAO
House of Representatives
21st Northern Marianas Commonwealth Legislature

Approval this 31st day of August, 2020

RALPH DLG. TORRES
Governor
Commonwealth of the Northern Mariana Islands