



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Eloy S. Inos
Governor

Jude U. Hofschneider
Lieutenant Governor

24 DEC 2014

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

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. 18-216, HS1, entitled, "To appropriate future MPLT interest distributions to meet the Commonwealth's Obligations under the Final Order re: Joint Stipulation," which was passed by the House of Representatives and the Senate of the Eighteenth Northern Marianas Commonwealth Legislature.

This bill becomes **Public Law No. 18-71**. 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 vertical line extending upwards from the end of the signature.

ELOY S. INOS

cc: Lt. Governor; Lt. Governor's Legal Counsel; Attorney General's Office; Department of Finance; Commonwealth Utilities Corporation; Commonwealth Healthcare Corporation; 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

December 24, 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. 18-216, HS1**, entitled: "To appropriate future MPLT interest distributions to meet the Commonwealth's Obligations under the Final Order re: Joint Stipulation.", which was passed by the House of Representatives and the Senate of the Eighteenth Northern Marianas Commonwealth Legislature.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Linda B. Muña".

Linda B. Muña

House Clerk

Attachment



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

Fourth Regular Session

December 15, 2014

Representative Antonio P. Sablan, of Saipan, Precinct 1 (*for himself*) in an open and public meeting with an opportunity for the public to comment, introduced the following Bill:

H. B. No. 18-216, HS1

AN ACT

**TO APPROPRIATE FUTURE MPLT INTEREST DISTRIBUTIONS
TO MEET THE COMMONWEALTH'S OBLIGATIONS UNDER THE
FINAL ORDER RE: JOINT STIPULATION.**

The Bill was not referred to a House Committee.

**THE BILL WAS PASSED BY THE HOUSE OF REPRESENTATIVES ON
FIRST AND FINAL READING, DECEMBER 18, 2014;**
with amendments in the form of H. B. 18-216, HS1 and transmitted to the
THE SENATE.

The Bill was referred to a Senate Committee.
THE BILL WAS PASSED BY THE SENATE ON FIRST AND FINAL READING, DECEMBER 23, 2014;
without amendments and returned to
THE HOUSE OF REPRESENTATIVES.

THE BILL WAS FINALLY PASSED ON DECEMBER 18, 2014.

A handwritten signature in black ink, appearing to be "L. Muña", written over a horizontal line.

Linda B. Muña, House Clerk



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

SEVENTH DAY, FOURTH REGULAR SESSION

DECEMBER 18, 2014

H. B. 18-216, HS1

AN ACT

**TO APPROPRIATE FUTURE MPLT INTEREST DISTRIBUTIONS TO
MEET THE COMMONWEALTH'S OBLIGATIONS UNDER THE
FINAL ORDER RE: JOINT STIPULATION.**

**Be it enacted by the Eighteenth Northern Marianas Commonwealth
Legislature:**

1 **Section 1. Findings and Purpose.** The Legislature finds that it must act swiftly to
2 address the Commonwealth's financial obligation under the Final Order Re: Joint Stipulation
3 ("Final Order") in *United States v. CUC*, Civil Case No. 08-0051 (D.N.M.I.) (Docket No.
4 151). Pursuant to the Final Order, the Commonwealth must deposit five million dollars in
5 the Court Registry established by the United States District Court for the Commonwealth of
6 the Northern Mariana Islands to fund capital projects under Stipulated Order No. 2. If the
7 Commonwealth does not meet this obligation, Commonwealth Utilities Corporation (CUC)
8 will be at risk of being placed under receivership.

9 The Legislature further finds that the general fund does not have sufficient funds to
10 meet the five million dollar obligation pursuant to the Final Order. To address this critical
11 situation, Marianas Public Land Trust (MPLT) is authorized to loan five million dollars to the
12 Commonwealth. The Department of Public Lands (DPL) has at least five million dollars

HOUSE BILL 18-216, HS1

1 from public land leases and shall immediately transfer said funds to MPLT. Pursuant to the
2 N.M.I. Constitution, MPLT has the discretion to invest five million dollars of those funds to
3 be transferred from DPL through a loan to the Commonwealth. The loan proceeds would be
4 specifically appropriated and used for the purpose of satisfying the Commonwealth's five
5 million dollar obligation under the Final Order, which ultimately benefits CUC in that the
6 funds will be used on CUC capital improvement projects.

7 The said loan would be repaid by MPLT withholding its annual remittance of interest
8 earned on the trust funds to the Commonwealth General Fund until the five million dollar
9 loan plus the annual interest rate of seven percent is paid in full.

10 **Section 2. Loan Authorized; Deposit with District Court.**

11 (a) *Authorization.* The Department of Public Lands shall immediately transfer at
12 least five million dollars (\$5,000,000) to the Marianas Public Land Trust. Upon the receipt of
13 at least \$5,000,000 from DPL, MPLT is hereby authorized, consistent with its constitutional
14 obligations, to loan \$5,000,000 to the Commonwealth at an interest rate of not less than seven
15 percent per annum to be used to satisfy the Commonwealth's obligation under the Final
16 Order Re: Joint Stipulation ("Final Order") in *United States v. CUC*, Civil Case No. 08-0051
17 (D.N.M.I.). The Secretary of Finance shall then cause the deposit of said amount into the
18 Court Registry established by the United States District Court for the Northern Mariana
19 Islands to satisfy the Commonwealth's obligation under the Final Order Re: Joint Stipulation
20 in *United States v. CUC*, Civil Case No. 08-0051 (D.N.M.I.) (Docket No. 151). The loan
21 proceeds may not be used by the Commonwealth or any other government agency for any
22 purpose other than as set forth in this Section 2(a).

23 (b) *Loan Documents.* MPLT and the Commonwealth, acting through the
24 Governor, shall execute the loan documents for the loan authorized herein. After such
25 documents have been duly signed, MPLT shall cause the transfer of the \$5,000,000, to the
26 Department of Finance.

27 (c) *Authorization to Reserve, Appropriate and Withhold Future Income*
28 *Distributions for Repayment.* Five million dollars is hereby appropriated from MPLT's
29 future interest distribution and reserved for the purpose specified herein. Notwithstanding any

HOUSE BILL 18-216, HS1

1 provision of law to the contrary, the amount of \$5,000,000 plus 7% annual interest is hereby
2 reserved from future interest distributions that would have been transferred from the
3 Marianas Public Land Trust to the Commonwealth's general fund pursuant to
4 § 6 (d) of Article XI of the N.M.I. Constitution beginning Fiscal Year 2016 and future fiscal
5 years thereafter as necessary to re-pay MPLT for the \$5,000,000 loan plus the 7% annual
6 interest. Hence, the \$5,000,000 is hereby appropriated from future interest distribution
7 reserved for the purpose specified herein. MPLT is hereby authorized to withhold future
8 interest income that would otherwise be remitted to the Commonwealth beginning Fiscal
9 Year 2016 and future fiscal years thereafter until the \$5,000,000 loan plus seven percent (7%)
10 annual interest is fully paid. Thirty days after each fiscal year, MPLT shall notify the
11 Governor, the Secretary of Finance, and the Presiding Officers of the Legislature of the
12 amount withheld by MPLT for the repayment of the said loan for such fiscal year.

13 (d) Upon notification from the Secretary of Finance that the \$5,000,000 has been
14 deposited with the Court Registry, CUC shall credit \$1,738,940 for Public School System's
15 past due utility bills and \$3,261,060 for Commonwealth Healthcare Corporation's past due
16 utility bills. The \$1,738,940 credit for Public School System shall satisfy the
17 Commonwealth's outstanding obligation under the Maintenance of Effort Assurance.

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

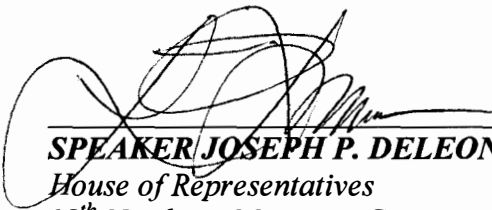
22 **Section 4. Savings Clause.** This Act and any repealer contained herein shall not be
23 construed as affecting any existing right acquired under contract or acquired under statutes
24 repealed or under any rule, regulation, or order adopted under the statutes. Repealers
25 contained in this Act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

HOUSE BILL 18-216, HS1

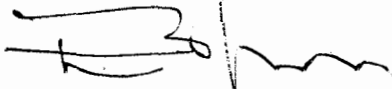
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Section 5. Effective Date. This Act shall take effect upon its approval by the Governor or becoming law without such approval.

Attested to by: 
Linda B. Muña, House Clerk

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

Approved this 24th day of December, 2014


ELOY S. INOS
Governor
Commonwealth of the Northern Mariana Islands