



House Journal

FOURTH SPECIAL SESSION, 2004

First Day

May 13, 2004

The House of Representatives of the Fourteenth Northern Marianas Commonwealth Legislature convened its **First Day, Fourth Special Session**, on **Wednesday, May 13, 2004**, at **10:45 a.m.**, in the House Chamber on Capitol Hill, Saipan, Commonwealth of the Northern Mariana Islands.

The Honorable Benigno R. Fitial, Speaker of the House, presided.

A moment of silence was observed.

The Clerk called the **roll and seventeen** members were present. Representative Martin B. Ada was absent.

Speaker Fitial: A quorum is present for this morning's session. Representative Ada just entered the Chamber, let the record reflect that he's physically present.

ADOPTION OF JOURNALS

Second Day, Second Special Session Journal (04/22/04)

First Day, Third Special Session (04/28/04)

Floor Leader Babauta moved for the adoption of the **Second Day, Second Special Session Journal** and the **First Day Third Special Session Journal**, was seconded and carried by voice vote.

PREFILED AND INTRODUCTION OF BILLS

H. B. NO. 14-179: A Bill for an Act to authorize the Governor to reprogram the sum of \$438,000.00, from lapsed and unobligated Tobacco Control Fund to the Northern Marianas College to cover unbudgeted personnel expenditures in FY 2004.

Offered by: Rep. Justo S. Quitugua
Referred to: Committees on Ways and Means

H. B. NO. 14-180: A Bill for an Act to repeal and reenact Sections 1103 through 1106 of Chapter 1, Chapter 8, and Chapter 9 of 4 CMC Division 1 (Revenue and Taxation); to make technical corrections to the Revenue and Taxation Code; and for other purposes.

Offered by: Rep. Claudio K. Norita and nine others
Referred to: Committees on Ways and Means

H. B. NO. 14-181: A Bill for an Act to require all temporary businesses germane to the celebration of the July 4th Liberation Day festivities be centralized in the location designated by the Mayor of each senatorial district; and for other purposes.

Offered by: Rep. Crispin M. Ogo

H. L. B. NO. 14-21: A Local Bill for an Act for the Third Senatorial District to name the Susupe softball field as the “Miguel Basa Pangelinan Softball Field” in recognition and appreciation of the late Miguel B. Pangelinan for his untiring and outstanding contributions to baseball and to the people of the Commonwealth of the Northern Mariana Islands.

Offered by: Rep. Claudio K. Norita

H. L. B. NO. 14-22: A Local Appropriation Bill for an Act to appropriate Five Hundred Thousand Dollars (\$500,000.00) for the Fina Sisu Sewer System Project from Saipan Local Law 11-2, as amended by Saipan Local Law 13-8; and for other purposes.

Offered by: Rep. Timothy P. Villagomez

H. L. B. NO. 14-23: A Local Appropriation Bill for an Act to appropriate \$121,648.00 from the local license fees for pachinko slot machines and poker machines in the First Senatorial District; and for other purposes.

Offered by: Rep. Crispin M. Ogo

The Chair recognized Rep. Hofschneider

Rep. Hofschneider: I don't have a bill to introduce but I would like to request or encourage the members to place H. B. NO. 14-181 on the Calendar. I think **it is** appropriate **and timely since it is** getting closer to the July 4th festivities. I suggest that we pass this bill.

Floor Leader Babauta: Mr. Speaker, I see no controversy and since the comment of Congressman Hofschneider is germane to the bill, I guess **it is** also germane that action should be considered on today's....

Rep. Hofschneider: There is a problem typically every July 4th when there are multi-decentralized activities going on. It makes it very difficult for the Department of Public Safety and just creates chaos in terms of coordination.

Speaker Fitial: We decided on having another session tomorrow. If no objection, I would like to place H. B. No. 14-181 in today's calendar for passage.

PREFILED AND INTRODUCTION OF RESOLUTIONS

H. R. NO. 14-51: A House Resolution to express our heartfelt condolences to the family of the late Sergeant Yihjyh “I-Chih Eddie” Lang Chen of the United States Army, for making the ultimate sacrifice in our nation’s struggle to bring peace to the people of Iraq.

Offered by: Rep. Ray N. Yumul and seventeen others

H. R. NO. 14-52: A House Resolution relative to expressing the sorrow of the people of Saipan upon the passing of a master craftsman and a dear friend of our island, the late Segundo De Leon Guerrero Blas, better known as Tun Segundo/Master Carver, for his extraordinary contributions to our island and our people, and to acknowledge his work in the preservation of the Chamorro art of canoe carving and teaching the skills to the next generation, as Saipan’s Master Carver.

Offered by: Rep. David M. Apatang and seventeen others

H. R. NO. 14-53: A House Resolution to requesting the Board of the Marianas Public Lands Authority to authorize the expenditure of \$2,000,000.00 for road improvements in Kagman III, Phase IV.

Offered by: Rep. David M. Apatang and seventeen others

H. R. NO. 14-54: A House Resolution requesting the Governor to distribute the Compact Impact Funds received equitably amongst the affected agencies.

Offered by: Rep. Crispin M. Ogo and seventeen others

H. R. NO. 14-55: A House Resolution to recognize the week of May 16-22, 2004 as National Emergency Medical Week.

Offered by: Rep. Ramon A. Tebuteb and seventeen others

H. R. NO. 14-56: A House Resolution to recognize May 19, 2004 as the 2nd National Emergency Medical Services for Children’s Day.

Offered by: Rep. Ramon A. Tebuteb and seventeen others

H.C.R. NO. 14-1: A House Concurrent Resolution to approve revenues and resources of the Commonwealth of the Northern Mariana Islands, in accordance with Article III, Section 9(a) of the Constitution, as amended, and 1 CMC Division 7, for Fiscal Year 2005 beginning October 1, 2004 and ending on September 30, 2005.

Offered by: Norman S. Palacios and seven others.

Referred to: Committees on Ways and Means

Speaker Fitiaf: The House Concurrent Resolution that Rep. Palacios introduced will be referred to the committee for further consideration. The Director of Finance or the Department of Finance will be providing data on the resources as we have agreed during our series of meetings these past weeks.

Rep. Hofschneider: May we put it on the calendar so that we...not to deliberate for passage but just to allow us to point out some things that may be considered.

Speaker Fitiaf: There is only one figure in the concurrent resolution and that is the amount--the total resources that the committee has identified to be available for expenditure in the fiscal year 2005.

Rep. Hofschneider: There's one Mr. Speaker that should be corrected. The debt service is an operational cost of the government and should be included.

Speaker Fitiaf: ...(inaudible) are resources that I know from which the cost of the debt service will be taken from.

Rep. Hofschneider: But there's no recognition in the concurrent resolution as to the obligation of the government as an expenditure item in the debt service. It is mentioned in the whereas, clauses, that the debt service has been taken out of the total revenue but what that concludes to be is non specific, it's not mentioned specifically that the debt service is such an amount.

Speaker Fitiaf: The debt service is an obligation of the government. So we're only identifying the resources from which...

Rep. Hofschneider: But \$190,000,000.00 as the ceiling is set in the Concurrent Resolution is being authorized for the expenditure of the government, the entire CNMI government that should include the debt services. It's an operational cost of the government.

Speaker Fitiaf: That's true. So when the Governor submits a revised budget that would be the bottom line, the total resources for that planned expenditure for this year 2005, and that planned expenditure for 2005 will include the debt service.

Rep. Hofschneider: The effective clause in the resolving clause of the resolution sets the limit of the expenditure for the government. In the resolving clause, the authorization total expenditure is \$190,000,000.00 exclusive of the debt service, which is an operational cost of the government.

Speaker Fitiaf: But that would be part of the \$190,000,000.00 resources.

Rep. Hofschneider: No it is not because in the...

Speaker Fitiaf: It should be.

Rep. Hofschneider: In the preceding "Whereas" clause explained, it is not.

Speaker Fitiaf: What we have now are only unaudited figures and we're expecting to receive the audited figures from the Director of Finance.

Rep. Attao: Mr. Speaker, does that include uncollected taxes and unobligated fund balances?

Speaker Fitial: Anything that goes in the general fund.

Rep. Attao: Can I recommend that the federal grants that the CNMI is receiving be part of this so that we will know how much they receive after...

Speaker Fitial: For resources we're only considering the general fund revenues.

Rep. Attao: I'm concerned about the receivables, Mr. Speaker.

Speaker Fitial: That is part of the Governor's submission so we have that information.

Rep. Attao: Okay.

MESSAGES FROM THE GOVERNOR

Gov. COMM. 14-44 – [4/30/04] – Informing the House that he signed H. L. B. NO. 14-11 (Naming the Prison Facility “Vicente Taman Seman Memorial Building”).

Gov. COMM. 14-45 [5/01/04] – Informing the House that he signed H. B. NO. 14-140 (Appropriating \$67,096.95 from PL 13-3; Amending Section 3 of PL 13-3) into **Public Law No. 14-4**.

Speaker Fitial: Any comments? If none, we move to Senate Communications.

SENATE COMMUNICATIONS

SEN. COMM. 14-48: Return of H. B. NO. 14-17, HD2 (To reappropriate fund balance from PL 11-79 to various road projects in Precinct 1), which was passed by the Senate without amendment on April 28, 2004. [Before the Governor]

SEN. COMM. 14-49: Return of H. B. NO. 14-32, HD1 (To reprogram and reappropriate \$20,176 from PL 91-; \$3,071 from PL 11-43 and \$11,108 from PL 12-49 CIP funds for Beach Road Roadside beautification project in Precinct II), which was passed by the Senate without amendment on April 28, 2004. [For info - Will go to Governor]

SEN. COMM. 14-50: Return of H. B. NO. 14-153 (To amend Title 9 CMC, Division 5, Article 2 Section 5755(b) to include the word pathway), which was passed by the Senate without amendment on April 28, 2004. [Before the Governor]

SEN. COMM. 14-51: Transmittal of S. B. NO. 14-35, SD1, entitled, “To amend the Commonwealth state funeral statute; and for other purposes,” which was passed by the Senate on April 28, 2004. [For action]

SEN. COMM. 14-52: Transmittal of S. B. NO. 14-45, entitled, "To create a marine reserve area on Tinian from Southwest Carolinas Point and to Puntan Diablo; and for other purposes," which was passed by the Senate on April 28, 2004. [For action]

SEN. COMM. 14-53: Transmittal of S. B. NO. 14-47, SD1, entitled, "To amend 2 CMC § 4310, to ensure that homestead permits of homesteaders serving in the United States Armed Forces are not revoked while the homesteader is in active duty; and for other purposes," which was passed by the Senate on April 28, 2004. [For action]

SEN. COMM. 14-54: Return of H. B. NO. 14-98, HD1, entitled, "To amend Title 2, Division 3 of the Commonwealth Code by adding a new Chapter to require that waste containers have a lid or cover and to prohibit the accumulation of trash or garbage without a waste container; and for other purposes," which was passed by the Senate without amendment on May 05, 2004. [Before the Governor]

SEN. COMM. 14-55: Return of H. B. NO. 14-103, HS1, entitled, "To amend Chapter I of Division 2 Title 9 of the Commonwealth Code to add a new Section 2116; and for other purposes," which was passed by the Senate without amendment on May 05, 2004. [Before the Governor]

SEN. COMM. 14-56: Return of H. B. NO. 14-170, HS1, "To amend 2 CMC §§ 5106(b) and 5107, as amended by Public Law No. 13-8," which was passed by the Senate without amendment on May 05, 2004. [Before the Governor]

SEN. COMM. 14-57: Transmittal of S.B. No. 14-40, SD1, entitled, "To require death investigations of unexpected death of children under the age of eighteen in the Commonwealth; and for other purposes." The Senate passed the Bill on May 05, 2004. [For action]

SEN. COMM. 14-58: Transmittal of S.B No. 14-53 entitled, "To repeal and reenact P.L. No. 12-48 to include motorcycle and to repeal 9 CMC § 5703 in its entirety; and for other purposes." The Senate passed the Bill on May 05, 2004. [For action]

SEN. COMM. 14-59: Return of H. B. NO. 14-169, entitled, "To waive any statute of limitation defense against current and former employees who were entitled to the payment of retroactive salary adjustment compensation under Public Law No. 7-31; and for other purposes," which was passed by the Senate with amendments on May 5, 2004 in the form attached as H. B. NO. 14-169, SD1. [For action on Senate amendment]

SEN. COMM. 14-60: Return of H. B. NO. 14-85, HS1, HD2 (Park Rangers Act of 2004) which was passed by the Senate with amendments on May 6, 2004 in the form attached as H. B. NO. 14-85, HS1, HD2, SD1. [For action on Senate amendment]

The Chair recognized Floor Leader.

Floor Leader Babauta: Thank you, Mr. Speaker. I move to accept SEN. COMM. 14-48 to SEN. COMM. 14-60.

Speaker Fitial: Discussion. Rep. Tebuteb.

Rep. Tebuteb: I just have a few concerns or maybe clarification on SEN. COMM. 14-51 relative to S. B. NO. 14-35, SD1. On line 18, page 2, on “any other enforcement.” Would that be the Division of Immigration, Division of Fish and Wildlife and...

Speaker Fitial: Can we vote on the motion first to accept all the Senate Communications?

The motion to accept the Senate communications on the day’s agenda was carried by voice vote.

Speaker Fitial: Motion carries. I would like to refer the following Senate Communications to the respective House Standing Committees; SEN. COMM. 14-51 is referred to the Committee on Health & Welfare, SEN. COMM. 14-52 and SEN. COMM. 14-53 are referred to the Committee on Natural Resources, SEN. COMM. 14-57, is referred to Committee on Health and Welfare, and SEN. COMM. 14-58 is referred to the Committee on Judiciary and Governmental Operations. SEN. COMM. 14-59 and SEN. COMM. 14-60 are going to be calendared.

Floor Leader Babauta: Mr. Speaker, I move pursuant to Rule IX, Section 15 to place SEN. COMM. 14-59 to act on the Senate amendments to H. B. NO. 14-169 and SEN. COMM. 14-60 to act on H. B. NO. 14-85, HS1, HD2, SD1 under today’s Bill Calendar.

Speaker Fitial: Discussion. Representative Hofschneider, recognized.

Rep. Hofschneider: May we have a minute. You’re making a placement motion? I withdraw.

Speaker Fitial: Motion Carries.

H. B. NO. 14-169, SD1 and H. B. NO. 14-85, HS1, HD2, SD1 were placed on the Bill Calendar.

HOUSE COMMUNICATIONS

HSE. COMM. 14-12: From Rep. Yumul informing the Speaker that he will be off-island on May 15-16, 2004 for training with the Army Reserve Unit, and on the dates listed in the attached.

HSE. COMM. 14-13: From Rep. Ogo inviting the members of the House to Rota to participate in the presentation of the resolutions relative to Teacher’s Appreciation Week.

There was no discussion.

COMMUNICATIONS FROM THE JUDICIAL BRANCH

None

COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE

None

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

None

OTHER COMMUNICATIONS

None

REPORTS OF STANDING COMMITTEES

The Chair recognized the Floor Leader.

Floor Leader Babauta: Thank you, Mr. Speaker. If there's no objection from the floor, I move to place S. C. R. NO. 14-53, reporting H. B. NO. 14-166 on today's Order of Business.

The motion was seconded and carried by voice vote.

S. C. R. NO. 14-53 was placed on the calendar for consideration.

Speaker Fitial: Motion carries.

Speaker Fitial: Any objection? Adoption motion. Floor Leader.

Floor Leader Babauta: So moved, Mr. Speaker for the adoption of S. C. R. NO. 14-52 reporting on H. B. NO. 14-133.

The motion was seconded.

S. C. R. NO. 14-52: Reporting on H. B. NO. 14-133, entitled, "To amend 4 CMC § 5951(a) to modify the requirement for a \$100,000 security deposit for Foreign Investment Certificate applicants; and for other purposes." *Your Committee on Commerce and Tourism recommends passage of the bill as amended.*

Speaker Fitial: Discussion. Rep. Hofschneider recognized.

Rep. Hofschneider: Mr. Speaker, I would like the counsels to correct me if I'm wrong but I recall a law or a bill and I believed it became law that changed the \$100,000.00 cash deposit into the equivalent asset value of investment. There's no cash involved so long as the \$100,000.00 is met in minimum investment value, land lease, buildings, and renovation cost or new business coming in to spend a hundred thousand in equivalence. If I'm not mistaken, that became law so there's no cash deposit required. If that is the case, I believe that the bill is amending something that is not there anymore. I recall that bill was signed into law.

Speaker Fitial: Well, there are two statutes that we have requiring investors to place security deposits. One is the deposit required for short-term and the other is for long-term investors.

Rep. Hofschneider: So the short term is the \$100,000.00 we amended that and signed into law. So it requires no cash deposit of \$100,000.00 but in the equivalent. What we want to do at a minimum to get a certificate, you must invest in the Commonwealth or intend to invest in the Commonwealth

so if you secure a land lease or building lease or opening a shop and you spend a hundred thousand dollars, that meets the qualification. We removed the hundred thousand dollars actual cash deposit. So this bill is trying to amend something that is no longer there. The original bill, Mr. Speaker, was sponsored by former Representative Deleon Guerrero “KURI”. We came back and amended it. But the original bill I remember it was in the 8th Legislature.

Speaker Fitial: Short recess.

The House recessed at 11:08 a.m.

RECESS

The House reconvened at 11:26 a.m.

Speaker Fitial: The House shall reconvene. We’re discussing motion to adopt S. C. R. NO. 14-52. Since Representative Hofschneider has requested for some information concerning the security deposit for foreign investment and also for short-term businesses, I believe the data is being downloaded, so let’s suspend the discussion on S. C. R. NO. 14-52 and go to the next Standing Report, if there is no objection. Floor Leader.

Floor Leader Babauta: So move, Mr. Speaker for the adoption of S. C. R. NO. 14-53, reporting on H. B. NO. 14-166, CD1.

The motion was seconded.

S. C. R. NO. 14-53: Reporting on H. B. NO. 14-166 entitled, “To amend Title 9 CMC § 8205 (P.L. 11-55) to provide for the inclusion of taxicab operators in the mandatory automobile insurance coverage provided by insurance providers at the coverage rates set in 1 CMC § 2596(A)(6)(I-III) (P.L. 7-33, amended by P.L. 9-26); to amend 9 CMC § 8207 to authorize the administration of an assigned risk plan for otherwise qualified taxicab operators by the insurance commissioner; and, to clarify the amount of uninsured motorist coverage and delete any reference to uninsured motorist coverage for property damage; and for other purposes.” *Your Committee on Commerce and Tourism recommends passage as amended.*

Speaker Fitial: Discussion on the motion. Representative Apatang.

Rep. Apatang: I have several concerns on the committee report. According to the Northern Marianas Insurance Association, they’re reluctant to support this bill and based on the comment here, the legal counsel for the House and the counsel for the Secretary of Commerce agreed that we could actually force the insurance company to provide insurance for the taxis. I’m just concerned whether this is legal. Can we mandate the insurance company to provide a service to the taxicab owners and where does the liability fall here? If we force the insurance company to provide insurance to the taxicab owners and somebody gets into an accident, will the government be liable as part of this bill?

Speaker Fitial: Chairman Yumul, I know you have all the answers so...

Chairman Yumul: Right now the CNMI law regarding the vehicle insurance is that it is mandatory, so there's really no distinction. I mean, you know to separate taxicab and assume what the Congressman is saying, all other vehicles are required so that means someone can sue us for forcing them to have insurance on their vehicles.

Speaker Fitiaf: What about the first part of his question?

Chairman Yumul: The reason why the comments came out regarding the NMIA's comment, we had a discussion with some of the individual companies that came up late yesterday afternoon and it's centered around them not being fully aware that the president of NMIA had drafted a letter and presented it to this committee. After we had given them copies and they read through it, they had told myself that they were not in full support agreement with that statement. So we sat down with counsel and the insurance commissioner and we ask them how then do we need to construct this and the ARP too is somewhat where they wanted to go. They still had some minor issues regarding the tariffs as far as an increase when they ask for flat out 40% tariff increase, the commissioner said, no. I left that upon the commissioner because the committee felt that it's not our area that the commissioner has full authority to... (inaudible) his office whether to give 25 percent 40 or whatever the tariff increase, we left it to them. Our concern is to get these vehicles back on the road. If you continue on reading page 4 or 5, DFS as we know has a contract or negotiated with the taxicab associations and they've indicated that out of 193 previously licensed to do business with DFS, 130 have been taken out off that list so I think we're at a dire straits right now to compel the insurance companies to provide insurance and part of the terms between the insurance commissioner and the legislature or my committee, is to reduce the limits. We didn't feel that 15/30/15 is adequate for taxi occupants and instead the committee has agreed to work with 25/50/25 . We plan on revisiting of the entire taxi law and try to revamp it to update it to today's standards.

Rep. Arnold Palacios: Thank you, Mr. Speaker. My concern also is that we're compelling our insurance companies to cover taxicabs and then restricting the type of tariff that they can set and I think that is what the insurance companies have a problem with and that they do not agree with the insurance commissioners. I think that is where the problem is because for example just look at the Federal Government where a crop insurance for example, it's very, very risky over here. We don't compel insurance companies to insure farmers but they need to be. So what happens is that the USDA comes in and assists in subsidizing the risk. I'm concerned that we're forcing our insurance company to take on a very high risk, according to them, high-risk coverage and not allowing them to set the tariff at that risk. The problem here I think is the commissioner not allowing them a 40% increase in tariff.

Chairman Yumul: The problem, Mr. Speaker, was that the so-called 40% increase, we asked a couple of the members frankly where they came up with 40% but nobody had an answer. In other words, the problem is... (audible) we do not have a statistical information, nobody is keeping track of accidents rates and the operator's or driver's violations that they may have incurred or come across. Basically, we don't have anything at all and we're trying to broker something. The bill itself proposes that the commissioner have in place rules and regulations and I have a draft from the commissioner himself called ARP2, the reason why ARP2 is because we already have an assigned risk plan for persons who want to purchase insurance for privately owned vehicles. These are the persons that have D.U.I's for example, they will not get insurance over the counter they have to be assigned by the commissioner. The question circulates around whether the commissioner has the

constitutional right to assign taxicabs because it's a separate law that was enacted back in the 7th Legislature under 7-33 and amended by the 9th legislature under P. L. 9-46. May be if we can have a short recess Mr. Speaker, I can pass this out. The ARP2 calls for point system, point equating to \$50.00 and if a person or an operator or a driver through their abstract, has 3 points that's a \$150.00 on top of the tariff. In essence we're already making some concessions here.

The Chair recognized Rep. Hofschneider.

Rep. Hofschneider: I believed that the good Chairman and the committee must have looked at other jurisdictions to compare?

Chairman Yumul: We looked at Guam.

Rep. Hofschneider: And how do we fair?

Chairman Yumul: We're pretty much in the same ballpark. I wouldn't want to say that we're more advantageous. Guam has a consent rate whereby the party, the individual and the insurance provider would negotiate but I don't think that would be something that we would want to utilize here because if they fail to come to an agreement, the insurance commissioner will be compelled to act anyway and we don't want this. We want the commissioner to have a minimal input, we want the parties to basically look at the rules and regulations and be able to work it out themselves as a business instrument.

Rep. Hofschneider: Mr. Speaker, this is another example of great difficulty in trying to come up with a balance approach between people trying to make a living and the cost of such activities or endeavor to make a living. The taxicab business is just one but it all boils down to the end result and that is, no matter what coverage and I believe this is an issue of premium affordability or coverage affordability but in the end, I believe the 14th Legislature is working on the very issue. No matter what we put down in the end, there has to be concerted effort to legislate and again with a great degree of qualification and what I'm going to state is on the issue of tort law. In the end no matter what you put down as coverage, all it takes with such a small economy, small commerce activity, in the end, even if you have a premium and you have an insurance policy that is affordable, and it goes beyond the government institution, the insurance institution, we as people here also partake in the critical issue of how we award tort laws because all it takes in a small economy like ours is a one multi-million dollar lawsuit arising. Keep in mind that maybe 9 out of 10 insurance have parent companies that are critical already of the Commonwealth and are considering pulling out, so what do you do? Where do you draw the line? And how do you balance people trying to make a descent income or leaving particularly in the taxicab industry? I think that our job here is to try and find an amicable solution not wholly satisfactory to one party, to the insurance association and to the taxicab association or industry but find a middle ground. Our responsibility does not stop at finding a compromise. We need to do further and that is to educate the public also because in the end, like I said, all it takes is one multi-million dollar lawsuit. I mean, who would ever dream that a scuba tank accident that is insured by a parent company off-island would make a monumental shift in policy for the entire Commonwealth and decide to close their doors and we find ourselves with businesses without insurance or in difficulty. Someone has to pay for that, we the consumers, we the public eventually pay for those consequences. So the insurance commissioner must do more, we must do more, this community must do more because in the jury trials in the past, I'm not faulting the jurors

but there has to be a middle ground between the award amount and the lessons to be learned as a result of accident or negligence on the business side because the end game is really, can the parent company, insurance companies continue to afford binding or insuring the businesses on island. It does not rest there. This is about we as a maturing society or maturing society. We look at people with deep pockets and this is why the taxicab operators are finding it very difficult to earn a descent living because someone somehow, somebody's looking to make a big profit. An insurance company must justify the escalating rates and like you said, we don't have the statistics. What justifies a \$1,000.00 premium? Is it the rate of accident or the rate of negligence in the Commonwealth? Are we that bad of a driver or drivers here in the Commonwealth? Do we intend to injure people when we go on the road? This is the difficult part of the Legislature. The Legislature's responsibility is to find the balance without sending the wrong signal particularly to parent companies that insures the smaller insurance companies on island. So the short answer is if it is illegal, then that's why we have the third branch of government. But we need to do something and I applaud the author for moving on. However, next time I like to see more substantive analysis such as, what the savings would be with this bill? What is the current cost of insurance and undertaking of a taxicab driver or company? We can't surmise what's really beneficial about this because you can adjust like you said the 25/50/25, after three years it will inch up because we don't govern the premium, legislatively speaking. So it may soothe the pain now but eventually in two to three years, the tendency for businesses is to inch it up and recover that cost. We need to look at the fundamental problems. What is the illness? Are there many liabilities that are not recovered? I like to see what is the current cost attributed to current loss and the proposal that will benefit the taxicab so it is clear. Thank you.

Speaker Fitial: Anybody wishing to join the discussion before we end debate. Representative Apatang.

Rep. Apatang: Thank you, Mr. Speaker for the second time. Just for curiosity on the Committee Report, it says that the committee was advised that currently out of 193 previously licensed taxicab doing business with D.F.S., 130 had been denied access due to inability to obtain insurance. I wonder what happen to the other group that where given access? Are they actively doing business as taxicabs? And how did they get their insurance? Why can't the other group get insurance? What is the problem here?

Chairman Yumul: Our findings was that and there was one example, the only reason why one that was given for this one example over renewal for the next year was because he was a long-term customer of the company, nothing more. In other words, they're being selective, they're choosing whom to insure and who not to and not following the law. The law says they must be given insurance, they're not following it and the commissioner now is asking for authority to assign. Just out of curiosity, the current tariff rates for liability of 50/100/30, bodily injury is about \$607.00 for the year, property damage is \$175.00 and the total is about \$782.00 that's just for that coverage alone that's not including if the vehicle requires comprehensive property damage in collision which is going to add up to that.

Rep. Apatang: Is there such thing as a preferred customer in an insurance company? The problem here is that a lot of taxicab drivers have been denied insurance from some of the insurance companies. What can they do to obtain their insurance? Why is it that the others were given insurance and these people who are sitting in the gallery can't get insurance? Is there a statistics here that says they have bad records or...

Chairman Yumul: That's the problem that we're encountering, we do not have statistics and I'm extremely upset that nobody seems to have any kind of statistics better yet nobody seems to even want to.

Rep. Apatang: Or they have file claim against their previous insurance company and they don't want their business anymore? These are the things that we need to clarify here because I don't think it's right that others be given priority and these people are not.

Chairman Yumul: Mr. Speaker the intention of this bill obviously is to get the taxicabs back on the road, get them rolling. I am actively working with the committee and counsel to revisit the entire taxicab bureau and restructure it, if need be, and I think it's about time that we come back and reorganize.

Rep. Seman: According to the president of D.F.S., she mentioned to me that out of the 193 previously taxicab drivers that do have contracts to serve D.F.S., as of today they have lost over 30% due to non-renewals of their insurance. Come August, it will go up to 70% and come September they will lose 100% because the reason for that is that different cab drivers have different expiration dates of their insurance policies. But comes September, they anticipate that they will lose all 193 taxicabs drivers because they don't have the insurance, which is required.

Speaker Fitial: That's why we need to act on this bill right away. This is not the ultimately cure of this particular problem. If some of you may recall in 1983, we enacted the tort liability act and that act virtually removed all intents and purposes and intentions of attorneys to sue the government. Before the enactment of the tort liability act, the government was being sued left to right because sky was the limit. But then the tort liability act came and limited the liability of the government, in other words, you cannot sue the government more than \$50,000.00 So all the attorneys on the island got mad at me but it's okay because I saved the government millions and that's what I'm trying to get at. Chairman Yumul is also working on a tort liability act that would restrict liability of insurance carriers.

Rep. Attao: Does the insurance policy affect only the taxi association or inclusive of private and...

Speaker Fitial: This is general law.

Chairman Yumul: Just the taxi.

Rep. Attao: I think we have three categories here. We have the association, we have the private and we have the non-member.

Chairman Yumul: Anyone who operates.

Rep. Attao: On the committee report, this is on D.F.S. You mentioned here that 193 previously licensed went down to 130. Are this taxi operators members or non-members?

Chairman Yumul: They're pretty much members from throughout the island because they all converge on D.F.S. D.F.S. is the largest organization that deals with the largest group, hotels have

separate agreements but that we did not get information on because it's too small but this one is pretty dramatic considering how D.F.S. is at large contributor and the exact extent of the taxicabs being unavailable is deterrent to the tourism industry. Also, when we presented to the committee the 25/50/25, the insurance companies agreed to insure vehicles.

Rep. Hofschneider: What rate?

Chairman Yumul: I'm not sure. I'm assuming it's going to be dropped or reduced because of the tariff. We're not messing with the tariff, we're just reducing the limits.

Rep. Hofschneider: What are we trying to accomplish if getting a reduced coverage and now this bill is proposing to do a 25/50/25 versus the current and the rate is the same. Are we moving an inch forward?

Chairman Yumul: All I know is we're discussing the limit reduction and that the insurance companies are agreeing because I guess it reduces their exposure, they are still of the notion that some of the taxicab operators might still be of questionable characters so we're trying to find a way on what the two groups want. The insured wants to get insurance so that they can comply with the law, the provider wants to have a lower liability until we can resolve the internal issue which is really to get the point system or some way of having each operators abstract the contributing factor to the premium.

Rep. Hofschneider: So going back to D.F.S., in the committee report, would it allow D.F.S. to receive these people?

Chairman Yumul: Yes. D.F.S. would allow them to come back because they complied with the law.

Rep. Hofschneider: So what is the critical question today with the taxicab drivers that they can't avail themselves of an insurance premium? Is it cost, or the unwillingness of the insurance companies? So how did the 30 individuals that remain with Duty Free were able to procure?

Chairman Yumul: Some will be expiring soon.

Rep. Apatang: I'm supporting the bill. I want to see these people out doing business. We just want to make sure that we do things the right way when we pass this legislation so we don't have to come back and start redoing it again for their protection. I am the author of the liability insurance law so we want to make sure that this is done properly for the taxicab owners. I still have a lot of questions on this but I'm ready.

Several members voiced, "ready."

Speaker Fitial: No further discussion on the adoption motion on S. C. R. NO. 14-53?

There was no further discussion and the motion to adopt S. C. R. NO. 14-53 was carried by voice vote.

Speaker Fitial: Motion carries. Now let's go back to S. C. R. NO. 14-52.

S. C. R. No. 14-52: Reporting on H. B. NO. 14-133, entitled, "To amend 4 CMC § 5951(A) to modify the requirement for a \$100,000 security deposit for Foreign Investment Certificate applicants; and for other purposes."

The Chair recognized Rep. Hofschneider.

Rep. Hofschneider: Thank you, Mr. Speaker. Looking at the conditions set by law particularly subsection 5952, it does make sense to remove that \$100,000.00 since they're tagging on numerous fees and those were set pursuant to the authority provided in the act. The department is imposing numerous fees and it would have been more appropriate to itemize those in the committee report so that we see what the real cost of a foreign certificate is rather than making an assumption that the \$100,000.00 should be taken off. This is what I'm talking about -- cost benefit analysis. When it's poorly put together, it does leave a lot of ambiguities and unanswered questions and delays and in this sense just one condition. I was told by the counsel that even in spite of removing the \$100,000.00 on the certificate requirement there is a requirement that sets an obligatory \$10,000.00 deposit. I think we need to make a good sense of what we're trying to do in a logically manner, put it in perspective and then get the commerce departments fees schedule and show how much it really costs a foreign investor when he walks into the Commonwealth and tries to secure a certificate, because regulations change and we don't know what the current cost is. But the reservation to it all is we don't want to repeat an excessive number of businesses that are just nuisance and in spite of our endeavor, our willingness to invite foreign investors, we need to be making sure that the kind of quality investment is appropriate for this island. Thank you.

Speaker Fitiaf: One minute recess.

The House recessed at 12:03 p.m.

RECESS

The House reconvened at 12:07 p.m.

Speaker Fitiaf: The House shall reconvene. Again, the certificate of foreign investment law has a lot of provisions in it and we're only talking about one provision and that is the requirement of a security deposit and this deposit started out at \$100,000.00 and the 13th Legislature reduced it to \$25,000.00. So here we're attempting under this particular bill to zero it out. However, there is still that \$10,000.00 application fee requirement and we still have the investment requirement. In other words, we're only looking at individual investments of not less than \$100,000.00 or an aggregate investment of not less than \$2,000,000. So the application fee of \$10,000.00 is still there. We're removing this because we don't believe that we should require foreign investors to put up a security deposit, why don't we just let them use it to open their business with. This is the intent of this particular bill, to remove the security deposit in its entirety.

Rep. Hofschneider: But I think we need to qualify that it does not mean that anyone now can come in with no obligation at all.

Speaker Fitial: There is still the Investment Review Board. They have to review all the requirements of that particular investment application and there's a time limitation. That is imposed on the conditions of a foreign investment certificate application. So we have a statute. All we're doing here is to remove the hardship of requiring a security deposit which this legislature believes is unnecessary. The \$2,000,000 is still a minimum investment requirement for aggregate and a \$100,000.00 minimum investment requirement for an individual investor.

Rep. Attao: Does the \$2,000,000 only cover farming and fishing?

Speaker Fitial: No.

Rep. Attao: It covers all businesses.

Speaker Fitial: This is better than the qualifying certificate. No further discussion? Are you ready for the question?

There was no further discussion and the motion to adopt S. C. R. NO. 14-52 was carried by voice vote.

Speaker Fitial: Motion carries.

REPORTS OF SPECIAL AND CONFERENCE COMMITTEES

None

UNFINISHED BUSINESS

None

RESOLUTION CALENDAR

Floor Leader Babauta: Thank you, Mr. Speaker. I move to suspend Rule VII, Section 7 and Rule IX, Sections 9, 10 and 11 for the placement and passage of H. R. NO. 14-51, H. R. NO. 14-52, H. R. NO. 14-53, H. R. NO. 14-54, H. R. NO. 14-55 and H. R. NO. 14-56.

The motion was seconded and carried by voice vote.

Speaker Fitial: Motion carries. .

Floor Leader Babauta: So moved, Mr. Speaker, for the adoption of H. R. NO. 14-51, H. R. NO. 14-52, H. R. NO. 14-53, H. R. NO. 14-54, H. R. NO. 14-55 and H. R. NO. 14-56.

Several others seconded the motion.

H. R. NO. 14-51: A House Resolution to express our heartfelt condolences to the family of the late Sergeant Yihjyh "I-Chih Eddie" Lang Chen of the United States Army, for making the ultimate sacrifice in our nation's struggle to bring peace to the people of Iraq.

H. R. NO. 14-52: A House Resolution relative to expressing the sorrow of the people of Saipan upon the passing of a master craftsman and a dear friend of our island, the late Segundo De Leon Guerrero Blas, better known as Tun Segundo/Master Carver, for his extraordinary contributions to our island and our people, and to acknowledge his work in the preservation of the Chamorro art of canoe carving and teaching the skills to the next generation, as Saipan's Master Carver.

H. R. NO. 14-53: A House Resolution requesting the Board of the Marianas Public Lands Authority to authorize the expenditure of \$2,000,000.00 for road improvements in Kagman III, Phase IV.

H. R. NO. 14-54: A House Resolution requesting the Governor to distribute the Compact Impact Funds received equitably amongst the affected agencies.

H. R. NO. 14-55: A House Resolution to recognize the week of May 16-22, 2004 as National Emergency Medical Week.

H. R. NO. 14-56: A House Resolution to recognize May 19, 2004 as the 2nd National Emergency Medical Services' Children's Day.

Speaker Fitial: Discussion. Representative Norita.

Rep. Norita: On H. R. NO. 14-56, can I make a floor amendment? On the title itself, it should read Emergency Medical Service for Children Day. That is the official title of that program.

Speaker Fitial: Discussion on the floor amendment?

The motion was seconded and carried by voice vote.

Vice Speaker Villagomez: Mr. Speaker, on the H. R. NO. 14-55, may I request that title of these brave individuals or their ranks be put into this resolution.

Floor Leader Babauta: No objection.

Speaker Fitial: Further discussion on the amendment.

There was no discussion and the motion to amend H. R. NO. 14-56 as offered by Representative Norita was carried by voice vote.

Speaker Fitial: Motion carries. Ready for the main motion?

Several members voiced, "ready" and the motion to adopt H. R. NO. 14-51, H. R. NO. 14-52, H. R. NO. 14-53, H. R. NO. 14-54, H. R. NO. 14-55 and H. R. NO. 14-56, HD1 was carried by voice vote.

BILL CALENDAR

Floor Leader Babauta: I move to suspend Rule VII, Section 7, Rule IX, Section 9, 10 and 11 for the placement and passage on H. B. NO. 14-181 and H. B. NO. 14-133, and H. B. NO. 14-166.

The motion was seconded and carried by voice vote.

Speaker Fitial: Motion carries. Passage.

Floor Leader Babauta: So moved, Mr. Speaker, for the passage on Second and Final Reading of H. B. NO. 14-155 under S. C. R. NO. 14-47.

The motion was seconded.

H. B. NO. 14-155: TO ALLOW THE FULL MEMBERSHIP OF THE MVA BOARD OF DIRECTORS TO PARTICIPATE IN THE APPOINTMENT OF THE MANAGING DIRECTOR.

The Chair recognized Chairman Yumul.

Chairman Yumul: I would like to add the comments. On April 29, I received comments from MVA indicating that the Board of Directors and Management of MVA is informing my committee that they're in full favor of the bill. What strikes me is on May 7th, on Marianas Variety, Mr. David Sablan, Chairman of MVA made comments that he obviously endorses the bill but what is bothersome is that he said that, "it has been a practice of MVA Board to allow the...(inaudible) members to vote on the selection of the Managing Director which is the top management position in the tourism agency, we had always practiced it. Now I'm concern that he's been violating the law and with that, Mr. Speaker, I think this bill needs to move forward so that we can make sure that they do not break the law anymore. Thank you.

Speaker Fitial: Ready. Rep. Tebuteb, recognized.

Rep. Tebuteb: So when we do pass this bill then will the entire board go through Senate confirmation?

Chairman Yumul: No.

Several members voiced, "ready."

Speaker Fitial: Ready. Roll call.

The roll called on the motion to pass H. B. NO. 14-155 on Second and Final Reading is as follows:

Rep. Martin B. Ada

yes

Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Heinz S. Hofschneider	no
Rep. Jesus SN. Lizama	yes
Rep. Janet U. Maratita	yes
Rep. Claudio K. Norita	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes
Rep. Norman S. Palacios	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Timothy P. Villagomez	yes
Rep. Ray N. Yumul	yes
Rep. Benigno R. Fitial	yes

Speaker Fitial: H. B. NO. 14-155 passes the House on Second and Final Reading, 17-1.

Floor Leader Babauta: So moved for the passage of H. B. NO. 14-181 on First and Final Reading.

H. B. NO. 14-181: A BILL FOR AN ACT TO REQUIRE ALL TEMPORARY BUSINESSES GERMANE TO THE CELEBRATION OF THE JULY 4TH LIBERATION DAY FESTIVITIES BE CENTRALIZED IN THE LOCATION DESIGNATED BY THE MAYOR OF EACH SENATORIAL DISTRICT; AND FOR OTHER PURPOSES.

Speaker Fitial: Discussion. Representative Apatang.

Rep. Apatang: Thank you, Mr. Speaker. Just for curiosity, on the “temporary businesses permit,” it says “but not limited to amusement rides, circus or events.” Does this allow the permitting for liquor or gambling? All of them? Thank you.

Rep. Ada: May I ask the author--usually we have the Queen candidates and then you have all these concessions along beach road where particular candidates set up their booths prior to July 4th, I need clarification whether they are also affected by this bill. The bill is intended for all those businesses that want to establish from the beginning of June 4th all the way to July 4th including the candidates’ fundraising.

Rep. Hofschneider: I was raising my hand before Rep. Ada because I was going to offer an amendment to satisfy but he asked the question. There should be an amendment that the Mayor of each senatorial district shall designate the site or sites so that it will address his concern if there are fundraising for particularly his example of the Queens is off the site that the Mayor has designated for the overall activity. I was going to offer an amendment to satisfy his concern. May I offer?

Speaker Fitial: Just put “s” after “e”.

The Chair recognized Representative Arnold Palacios.

Rep. Arnold Palacios: Thank you, Mr. Speaker. I want to raise a concern on this type of issue. I know for a fact that couple of years ago there was, on these , a circus in town but at a different site.

Now, will this legislation require that this circus be sanctioned by the Office of the Mayor from having an activity at a different site on the same dates. Is that what we're trying to do here that you have to go through the Mayor's Office even if you're not going to call it a Liberation Day Celebration. Would that restrict this individual from having these activities on those days?

Speaker Fitial: No connection to the Liberation Day festivities?

Rep. Arnold Palacios: Not necessarily but it's a carnival situation. It is a circus.

Speaker Fitial: Representative Ogo has the answer.

Rep. Ogo: That's why we drafted this bill so we want to make sure that anyone who has the intention of putting up a circus or any other entertainment that they go through the Mayor's Office, apply and rent it if the Mayor allows it. It's up to the Mayor.

Rep. Deleon Guerrero: I'm not sure that this specific piece of legislation will address that. It says that any activity germane to the Liberation Day festivities shall be subject to this act, but if a circus decides to come by and is offering and it's not necessarily germane to the Liberation Day festivities then the intent of this act will not accomplish its intended purpose. So how do you define germane? Is it any activity happening between the set dates?

Rep. Ogo: Yes.

Speaker Fitial: Can you respond to that so that we can have it on record.

Rep. Ogo: Yes. Mr. Speaker.

Rep. Deleon Guerrero: If I was to open a horse riding activity and I decided to put it in a more germane area such as Marpi because of the space during that period of time, I cannot do so unless the Mayor sanctions this?

Rep. Ogo: Okay, look at it this way, you decided to have your horse riding during the Liberation Day festivities but you haven't even establish before the Liberation, that will showcase that the intention is because you want to capitalize on that month alone. That's why within this period of time, June 4th to July 4th, we want to make sure that whoever wants to make or capitalize from this Liberation Month, goes through the Mayor's Office.

Rep. Deleon Guerrero: I'm having a little bit of reservation about this because in the event that a bigger carnival or circus decides to come to town and the Mayor designates wherever but the circus is so large that the space limitation may not be able to accommodate, this may prevent such an activity from being here.

Rep. Attao: But we will have a problem in the Third Senatorial District. For this upcoming July 4th Hopwood Junior High School is designated to be part of the Liberation Day activities while Mt. Carmel is proposing to be part of the carnival. So what will happen here if the Mayor doesn't approve Mt. Carmel to be part of this site? So what's going to happen?

Speaker Fitial: We don't vote for the mayor again.

Rep. Attao: This is serious, Mr. Speaker. You know that we're dealing with private and public property.

Speaker Fitial: I'm sure that the Mayor will receive proper advice to situate the activity where it's suitable.

Rep. Apatang: Just to clarify whether this bill only applies from the first Friday of June through the weekend of July? So after July 5th, you can bring in the circus?

Rep. Ogo: Of course.

Several members voiced, "ready."

Speaker Fitial: Roll call.

The roll called on the motion to pass H. B. NO. 14-181 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Heinz S. Hofschneider	yes
Rep. Jesus SN. Lizama	yes
Rep. Janet U. Maratita	yes
Rep. Claudio K. Norita	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes
Rep. Norman S. Palacios	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Timothy P. Villagomez	yes
Rep. Ray N. Yumul	yes
Rep Benigno R. Fitial	yes

Speaker Fitial: H. B. NO. 14-181 passes the House on First and Final Reading unanimously.

Floor Leader Babauta: I move to accept Senate amendment to H. B. NO. 14-169.

The motion was seconded.

H. B. NO. 14-169, SD1: A BILL FOR AN ACT TO WAIVE ANY STATUTE OF LIMITATION DEFENSE AGAINST CURRENT AND FORMER EMPLOYEES WHO WERE ENTITLED TO THE PAYMENT OF RETROACTIVE SALARY ADJUSTMENT COMPENSATION UNDER PUBLIC LAW NO. 7-31; AND FOR OTHER PURPOSES.

Speaker Fitial: Discussion. Roll Call.

The roll called on the motion to accept Senate amendment to H. B. NO. 14-169 (SD1) is as follows:

Rep. Martin B. Ada	yes
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Heinz S. Hofschneider	yes
Rep. Jesus SN. Lizama	yes
Rep. Janet U. Maratita	yes
Rep. Claudio K. Norita	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes
Rep. Norman S. Palacios	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Timothy P. Villagomez	yes
Rep. Ray N. Yumul	yes
Rep. Benigno R. Fitial	yes

Speaker Fitial: Senate Amendments on H. B. NO. 14-169 are hereby accepted 18-0.

Floor Leader Babauta: So move on First and Final Reading H. B. NO. 14-133.

The motion was seconded.

H. B. NO. 14-133: A BILL FOR AN ACT TO AMEND 4 CMC § 5951(A) TO MODIFY THE REQUIREMENT FOR A \$100,000 SECURITY DEPOSIT FOR FOREIGN INVESTMENT CERTIFICATE APPLICANTS; AND FOR OTHER PURPOSES.

Speaker Fitial: Discussion. Roll call.

The roll called on the motion to pass H. B. NO. 14-133 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Heinz S. Hofschneider	yes
Rep. Jesus SN. Lizama	yes
Rep. Janet U. Maratita	yes
Rep. Claudio K. Norita	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes
Rep. Norman S. Palacios	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes

Rep. Ramon A. Tebuteb	yes
Rep. Timothy P. Villagomez	yes
Rep. Ray N. Yumul	yes
Rep. Benigno R. Fitial	yes

Speaker Fitial: H. B. NO. 14-133 passes the House on First and Final Reading.

Floor Leader Babauta: So move for the passage of H. B. NO. 14-166, CD1 on First and Final Reading.

The motion was seconded.

H. B. No. 14-166, HD1: A BILL FOR AN ACT TO AMEND TITLE 9 CMC § 8205 (P.L. 11-55) TO PROVIDE FOR THE INCLUSION OF TAXICAB OPERATORS IN THE MANDATORY AUTOMOBILE INSURANCE COVERAGE PROVIDED BY INSURANCE PROVIDERS AT THE COVERAGE RATES SET IN 1 CMC § 2596(A)(6)(I-III) (P.L. 9-26); AND TO AMEND 9 CMC § 8207 TO AUTHORIZE THE ADMINISTRATION OF AN ASSIGNED RISK PLAN FOR OTHERWISE QUALIFIED TAXICAB OPERATORS BY THE INSURANCE COMMISSIONER; AND, TO CLARIFY THE AMOUNT OF UNINSURED MOTORIST COVERAGE AND DELETE ANY REFERENCE TO UNINSURED MOTORIST COVERAGE FOR PROPERTY DAMAGE.

Speaker Fitial: Discussion. Representative Apatang.

Rep. Apatang: Thank you, Mr. Speaker. I just want to ask the legal counsel if we can include a penalty clause on this bill. Can we better enforce, by putting a provision in this bill for those illegal taxicab operators underground?

Legal Counsel Peterson: On the committee report if you notice, there's also a discussion that there's going to be an additional bill coming out that's going to address other issues because there was some concerns as to the illegal taxicabs. This bill is primarily dealing just with the insurance.

Rep. Apatang: The reason why I'm bringing that up is because there are illegal taxicab operators on the island and these people are losing business. We have a \$3.00 taxicab running around the island from San Antonio to Marpi. So we want to make sure that if that bill is coming out, we want to include that provision in there for the protection of the legal operators. Thank you.

Several members voiced, ready.

Speaker Fitial: Roll call.

The roll called on the motion to pass H. B. NO. 14-166, HD1 is as follows:

Rep. Martin B. Ada	yes
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Heinz S. Hofschneider	yes
Rep. Jesus SN. Lizama	yes
Rep. Janet U. Maratita	yes

Rep. Claudio K. Norita	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes
Rep. Norman S. Palacios	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Timothy P. Villagomez	yes
Rep. Ray N. Yumul	yes
Rep. Benigno R. Fitial	yes

Speaker Fitial: H. B. NO. 14-166, HD1 passes the House on First and Final Reading 18-0.

Floor Leader Babauta: I move to accept Senate Amendment on H. B. No. 14-85, HS1, HD2, SD1.

The motion was seconded.

H. B. NO. 14-85, HS1, HD2, SD1: PARK RANGERS ACT OF 2004

Speaker Fitial: Discussion. Representative Tebuteb.

Rep. Tebuteb: Just clarification from the committee members or anybody-I submitted the designated sites for the respective tourist sites or recreational areas, are there already designated sites from MPLA in the First and Second Senatorial Districts?

Speaker Fitial: Any member of the committee wish to respond to that question? Rep. Norita, since you heard the question and you're the Vice Chairman, can you spare the Chairman?

Rep. Norita: I have no knowledge of any designated sites on Rota or Tinian, Mr. Speaker.

The Chair recognized Representative Ogo.

Rep. Ogo: I don't see any for Rota as of now.

Chairwoman Maratita: Based on the legal counsel's opinion, I would like to ask and move that the Senate amendments be rejected due to the inconsistencies on page 3, line 13 versus page 4, line 20 all the way to 23.

The motion to reject SEN. COMM. 14-60 was seconded by voice vote.

Speaker Fitial: This particular bill will be referred to a conference committee, which I will be appointing right after this session.

Floor Leader Babauta: With respect to the conference committee, may I request the Chair to include because since Rep. Arnold Palacios has experience with the Department of Lands and Natural Resources before probably he can contribute to the conference committee on this issue.

MISCELLANEOUS BUSINESS

None

ANNOUNCEMENTS

Speaker Fitial: You know I mentioned earlier that we will be reconvening tomorrow but I just remembered that we have a 10:00 a.m. function down at the Police Station and then at 2:00 p.m. we will be meeting with the Lieutenant Governor and his legal advisors concerning the MRC issue. As you all know, this issue is now under arbitration and the Lieutenant Governor advised me that it is becoming to be a very serious issue that might warrant...The session will not take place tomorrow morning because of the D.P.S. ceremony.

Rep. Apatang: Can we go back to Miscellaneous?

Without objection, the House went back to Miscellaneous.

MISCELLANEOUS BUSINESS

Rep. Apatang: Thank you, Mr. Speaker. I'm glad that the Lieutenant Governor is coming tomorrow so that we can clarify this MRC issue. It's been on the Marianas Variety lately that I introduced a bill to take away the MRC funding and that is completely incorrect. The bill that I introduced with respect to the \$800,000.00 is not coming from the MRC funding. MRC funding is reserved already and it's coming out of the \$140,000,000.00 bond. The \$800,000.00 that I introduced is coming out of P.L. 11-102, same bill that Congressman Arnold Palacios introduced, same bill that the Chairman on Ways and Means introduced. I don't know where the idea of MRC came from and I want that clarified and I'm not taking the money from MRC. The bill that I introduced is coming out of the \$4.2 M bond interest. So I would like that corrected, I want the information retracted and I don't know where I'm coming from. When I introduce a bill, I know where the money is coming from so I want that statement corrected. I want that to be on the headline tomorrow, Mr. Speaker.

Rep. Tebuteb: Thank you, Mr. Speaker. I know that we did a piecemeal on the previous bills that we introduced on that bond monies and those that were reintroduced included the \$300,000.00 for the Palacios Ball Field. Coincidentally, I was watching Marianas Cablevision regarding the Sports Complex they did over in Guam and part of that is to of course entice besides the tourist but also the sports people in the region who travels throughout the world. We have missed a few opportunities in the area of track and field specifically when we had the Sidney games as well as some of the Olympics that took place in Korea. We could have and I think we're still on track if we, and I'm going to ask the indulgence of the members and the Committee on Ways and Means, to really consider that and put that on your discussions during your meetings with your Committee on Ways and Means to look into. Along that line, the CNMI Baseball League that came to the Chamber to ask for help in sending the five selected team to represent the CNMI, they have asked me to extend their appreciation to all who contributed and at this point they have met the first payment so that they'll be able to participate.

Speaker Fitial: On a more serious note, earlier the Chairman of the Ways and Means introduced the concurrent resolution to approve the Fiscal Year 2005 resources. The Leadership met with the

Secretary of Finance and his staff and reviewed the general fund resources that the CNMI has and for the first seven months from October 1, 2003 to April 30, 2004, the total actual collection was \$107,330,000.00. That is not audited but that is what was given to the members of the leadership. If you annualize that, divide it by 7 and multiply it by 12 and you will get the total collections for Fiscal Year 2005. That is less than \$190,000,000.00. We believe that if we pass the enforcement and collection provisions according to the tax attorneys at Revenue and Taxation that may or very likely will enhance revenue collection. But still, that is far away from the \$226,000,000.00 that the Governor submitted for his Fiscal Year 2005 proposed expenditures but again the Governor included the revenues that he estimated to be collected from his integrated financial plan between \$13 Million to \$14 Million dollars. Once the final figures are received from Finance, we will be updating the figure in the concurrent resolution if necessary. If we pass or approve the \$190,000,000.00 that means we have to request the Governor to resubmit a budget plan for Fiscal Year 2005 based on what the concurrent resolution approves as revenues. And pursuant to the planning and budgeting act, as we deliberated upon yesterday during the Saipan Delegation Session, the Governor has to come to the Legislature if he identifies and collects additional revenues as supplemental budget for the Fiscal Year. I am still mindful of what we need to do to authorize the Saipan Delegation to appropriate from the revenues that are legally established for the Delegation so we need to incorporate that in the resources so the concurrent resolution is no near it's final form but it's a heads up for not only all of us here but especially for the administration to take notice that we don't have \$200,000,000.00 as of right now. The Leadership for your information is working on identifying reasonable additional resources.

The Chair recognized Representative Hofschneider.

Rep. Hofschneider: What's the latest with the Blue Ribbon Taskforce?

Speaker Fitial: It's turning green. You all know that the Governor is the Chairman of the Committee so he has on few occasions informed me that we will be meeting. We're still waiting but the Governor is very much concern about the resources for Fiscal Year 2005. He would like that the Legislature seriously consider the integrated financial plan that he has put together but I did reiterate the position of the House Leadership and I hope the other members of the House that as long as we have a bad economy, there is no room for this Legislature to consider legislation that would raise taxes. I think we have all seen on CNN and FOX News that a lot of companies all over the United States are reducing or downsizing personnel. That is something that the administration should also seriously consider. Instead of raising taxes, they should consider reducing cost and with that the House stands recess until Tuesday or I will sent out a Memo to call for a session at a later date.

The House adjourned at 1:00 p.m.

Respectfully submitted,

Victoria T. Guerrero, Journal Clerk
House of Representatives

APPEARANCE OF LOCAL BILLS

H. L. B. NO. 14-20: A LOCAL BILL FOR AN ACT FOR THE FIRST SENATORIAL DISTRICT TO CREATE THE OFFICE OF THE ROTA MUNICIPAL TREASURER WITHIN THE OFFICE OF THE ROTA RESIDENT DIRECTOR OF FINANCE; AND FOR OTHER PURPOSES. [SECOND APPEARANCE]

H. L. B. NO. 14-19: A LOCAL REVENUE BILL FOR AN ACT TO ESTABLISH A LOCAL LICENSE FEES FOR PACHINKO SLOT MACHINES AND POKER MACHINES IN THE SECOND SENATORIAL DISTRICT; AND FOR OTHER PURPOSES. [THIRD APPEARANCE]