



House Journal

THIRD REGULAR SESSION, 2007

Adopted:
April 4, 2007

Seventh Day

March 16, 2007

The House of Representatives of the Fifteenth Northern Marianas Commonwealth Legislature convened its Seventh Day, Third Regular Session on Friday, March 16, 2007, at 10:13 a.m. in the House Chamber on Capitol Hill, Saipan, Commonwealth of the Northern Mariana Islands.

The Honorable Oscar M. Babauta, Speaker of the House, presided.

Speaker Babauta: Members, may I ask that we remember the Grand Father of the Honorable Chairman Edwin P. Aldan from Tinian, whom passed away this morning.

A moment of silent prayer was observed.

The Clerk called the roll and seventeen members were present. Representative Arnold I. Palacios was excused.

Speaker Babauta: Before we move on, I would like to call for a short recess so that we may invite the recipients of this morning's presentation of the House Resolutions.

The House recessed at 10:16 a.m.

RECESS

The House reconvened at 10:31 a.m.

Rep. Taman: Privilege, Mr. Speaker.

Speaker Babauta: Under privilege, and I recognize Representative Taman.

Rep. Taman: Thank you, Mr. Speaker. If there is no objection, I would like to ask that we do a moment of silence for the untimely passing of the late Senate President of the Palau Legislature, the Honorable Johnny Reklai.

There being no objection, a moment of silent prayer was observed.

ADOPTION OF JOURNALS

Floor Leader Florencio Deleon Guerrero moved for the adoption of the Second Day, Third Day, and Fourth Day, Third Regular Session 2007 Journal; the motion was seconded.

2nd Day (1/25/07), Third Regular Session 2007
3rd Day (1/29/07), Third Regular Session 2007
4th Day (2/20/07), Third Regular Session 2007

There was no discussion and the motion to adopt the Second Day, Third Day, and Fourth Day, Third Regular Session Journal was carried by voice vote.

Speaker Babauta: The motion is carried.

INTRODUCTION OF BILLS

H. B. No. 15-239: A Bill for an Act to amend the Planning and Budgeting Act of 1983, as amended, to provide that legislative approval is required for any Governor's Special Budget Messages pursuant to 1 CMC § 7604 and 1 CMC § 7204.

Offered by: Rep. Arnold I. Palacios and Rep. Stanley T. Torres
Referred to: Committee on Judiciary and Governmental Operations

H. B. No. 15-240: A Bill for an Act to amend the Jackpot Tax and taxation of other winnings by amending 4 CMC § 1505; and for other purposes.

Offered by: Rep. Justo S. Quitugua

H. B. No. 15-241: A Bill for an Act to reappropriate funds for the purchase of a Mobile Health Clinic and the Diabetes Control Program by repealing and reenacting Public Law 14-80(3)(a); and for other purposes.

Offered by: Rep. Benjamin B. Seman and two others
Referred to: Committee on Health, Education, and welfare & Ways and Means

Rep. Ogo: Privilege, Mr. Speaker.

Speaker Babauta: State your privilege.

Rep. Ogo: If no objection to the author and the members of this House, if we can place H. B. NO. 15-241 on today's Calendar for a reason of the urgency of this bill. Two weeks ago, I was reviewing the Tobacco Control Funds, and there is money there.

Speaker Babauta: Let me just remind you that the funds as you earlier alluded to have been appropriated. So the bill is trying to re-appropriate some funds from other source. Let me recognize the author.

Rep. Seman: Thank you, Mr. Speaker. Public Law 14-80 has just recently started to receive its first allotment beginning the first quarter of this Fiscal Year, and according to Mr. Bob Schrack, Public Law 14-80 will be fully allotted by third quarter of this Fiscal Year. \$492,000 was originally appropriated to build the awareness center for Kagman, and also to renovate and expand the San Roque awareness center, but the Department of Public Health have concerns with regards to insufficient funding to not only equipped the centers, but also to operate it. They have asked by assistance if we can reprogram that same amount to purchase a Mobile Clinic that would not only served Kagman, but will serve the rest of the villages. So I am putting back that money that they urgently need to run the program. This Appropriation Bill did not touch any of the rest of the appropriation established in Public Law 14-80.

Speaker Babauta: Thank you. That is the reason why I asked the Committee on Ways and Means to work on this expediently. It is a matter of just digesting the bill and getting the concrete information so that we may move on with the bill. I recognize Representative Tebuteb.

Rep. Tebuteb: Thank you, Mr. Speaker. On that subject, I would also like to request if we could include for today's Order of Business, H. B. NO. 15-239.

Speaker Babauta: May I ask that this particular bill be looked at in the Committee. We understand that there is substance to it, but until such time that the judgment has been executed – I understand that it is forthcoming soon, and I will not allow this House to go on a verbal judgment. So I fully understand your intent and the intention of the authors, and of course, I support that, but let us await for the final order when it comes out.

Rep. Torres: Thank you, Mr. Speaker, for your understanding.

Speaker Babauta: And I thank you too, my colleague. I recognize Chairman Ogo.

Rep. Ogo: Mr. Speaker, just going back to H. B. NO. 15-241. Representative Seman is correct, and that is why I mentioned earlier that two weeks ago, I was reviewing the Tobacco Control Funds, and I do not see any problem with putting this on today's Calendar for consideration.

Speaker Babauta: That is the reason why I ask because this bill is reprogramming from the original law, and I support the intent of this. The fact of the matter is, I want you to convince the entire House that in fact, those amounts is not sufficient to further construct those programs as called for under Public Law 14-80.

Rep. Ogo: So if no objection, Mr. Speaker, First Reading at least.

Speaker Babauta: With that, Mr. Chairman, I would suggest that you sit down diligently with your Committee as I have not heard meetings from your Committee for the past several weeks, please do so, and expedite this and that of H. B. NO. 15-239. I am sure the author is amendable to that. Thank you.

H. B. NO. 15-242: A Bill for an Act to reduce the budget of certain public corporations and autonomous agencies, and the Department of Public Lands by 5% for Fiscal Year 2007; to earmark

the budget reduction savings to the Public School System and the Northern Marianas College; and for other purposes.

Offered by: Rep. Joseph P. Deleon Guerrero and five others
Referred to: Committee on Ways and Means

INTRODUCTION OF RESOLUTIONS

H. R. NO. 15-96: A House Resolution to express gratitude to Mr. Jose Attao Bermudes for his outstanding services as Senior Legal Counsel for the House of Representatives and to recognize his services as an educator in the Commonwealth.

Offered by: Rep. Candido B. Taman and seventeen others

H. R. NO. 15-97: A House Resolution to honor and to pay tribute to the late Douglas Neil Rankin and to convey sincere and heartfelt condolences to his family upon his untimely passing.

Offered by: Rep. Manuel A. Tenorio and seventeen others

H. R. NO. 15-98: A House Resolution Recognizing and commending Mr. Dan Shor and the Cast and Crew of the “State of Liberty” film production that was recently screened to a full house of appreciative CNMI supporters and residents of our islands.

Offered by: Rep. Stanley T. Torres and seventeen others

H. R. NO. 15-99: A House Resolution proclaiming the month of March 2007 as Western Pacific Regional Fishery Management Council Month, and extending the House of Representatives’ appreciation for the Council’s innumerable noteworthy contributions to Pacific fisheries management, conservation, protection, and preservation.

Offered by: Rep. Oscar M. Babauta and seventeen others

H. R. NO. 15-100: A House Resolution to authorize House Legal Counsel Ian Catlett to bring a certified legal question before the Supreme Court of the Commonwealth of the Northern Mariana Islands.

Offered by: Rep. Oscar M. Babauta and seventeen others

H. R. NO. 15-101: A House Resolution to convey our deepest condolences to the family of the Late Senate President Johnny Reklai on the occasion of his untimely passing and to recognize his immeasurable contributions and public service to the Republic of Palau as a political leader and an accomplished businessman.

Offered by: Rep. Manuel A. Tenorio and seventeen others

Speaker Babauta: Let me call for a short recess.

The House recessed at 10:45 a.m.

RECESS

The House reconvened at 10:46 a.m.

Speaker Babauta: We are back to our plenary session, and I recognize Representative Torres.

Rep. Torres: Mr. Speaker, I did not hear it quite clear, but is Representative Tenorio asking the entire House to sponsor his bill as Committee of the Whole?

Speaker Babauta: Yes. Any more Resolution? We will go down to item number 5. Before I do that, Floor Leader, please take note that

MESSAGES FROM THE GOVERNOR

GOV. COMM. 15-206: (2/26/07) Informing the House that he signed into law H. B. NO. 15-190 (Naming the Retirement Fund Building “Governor Lorenzo I. De Leon Guerrero Retirement Fund Building). [Became **Public Law No. 15-47**]

GOV. COMM. 15-207: (2/28/07) Informing the Legislature of the decreasing revenue estimates for FY 2007. (*Exhibits A and B were distributed by the Speaker’s Office*)

GOV. COMM. 15-208: (3/8/07) From Acting Governor Villagomez submitting a supplemental list of exemptions from PL 15-24.

GOV. COMM. 15-209: (2/28/07) Appointing Mr. Manuel Rabauliman to serve as a member of the PUC representing Telecommunications/Saipan.

GOV. COMM. 15-210: (2/28/07) Appointing Mr. Cris Inos to serve as a member of the PUC representing Telecommunications/Rota.

GOV. COMM. 15-211: (2/28/07) Appointing Ms. Lina Villagomez to serve as a member of the PUC representing Accounting/Saipan.

GOV. COMM. 15-212: (2/28/07) Appointing Mr. Henry K. Pangelinan to serve as a member of the PUC representing Engineering/Saipan.

GOV. COMM. 15-213: (2/28/07) Appointing Mr. Allen Perez to serve as a member of the PUC representing Engineering/Tinian.

GOV. COMM. 15-214: (3/13/07) Withdrawing the appointment of Mr. Henry K. Pangelinan as a member of the PUC.

GOV. COMM. 15-215: (3/13/07) Submitting Mr. Manuel Rabauliman’s Resume, Statement of Financial Interest, and Drug Test Receipt (PUC appointee).

Gov. COMM. 15-216: (3/13/07) Informing the House that he signed into law H. B. No. 15-197 (NMHC – MPLT Loan Repayment). [Became **Public Law No. 15-48**]

Gov. COMM. 15-217: (3/14/07) Informing the House that he signed into law S. B. No. 15-66, HD1 (Amending PL 15-20, re Condominiums). [Became **Public Law No. 15-49**]

Gov. COMM. 15-218: (3/14/07) Informing the House that he signed into law H. B. No. 15-15, HS1, HD1 (Vital Statistics Act). [Became **Public Law No. 15-50**]

The Chair recognized Representative Tebuteb.

Rep. Tebuteb: Thank you, Mr. Speaker. I would like to just comment on Gov. COMM. 15-218. I would like to acknowledge and commend the Governor for signing H. B. No. 15-50. I would just like to extend my appreciation on our behalf to our Governor for signing this bill.

Speaker Babauta: Just a quick curiosity. The statistics would now be in Public Health, right?

Rep. Tebuteb: Correct.

Speaker Babauta: I cannot remember what was included in the provisions, so how would our people now avail themselves with Birth Certificates?

Rep. Tebuteb: They can still get their copies by the Clerk, but in terms of Vital Statistics, it now goes to...

Speaker Babauta: So it does not change any procedure of getting Birth or Death Certificates?

Rep. Tebuteb: In terms of getting a copy, you can still get it from the Clerk.

Speaker Babauta: And that is where the people would also pay, right?

Rep. Tebuteb: Correct.

Speaker Babauta: Thank you. I understand that this is a long task that you had taken - I also commend you for keeping on top of it. Any more comment? I recognize Chairman Ogo.

Rep. Ogo: Thank you, Mr. Speaker, on Gov. COMM. 15-208, after reviewing the exempted employees for NAP, I felt that the employees in Rota and Tinian are being discriminated. I do not see any employee from NAP Rota or Tinian being exempted on any distribution. I just want to share that.

Speaker Babauta: Thank you. We will bring that up to the signatory of that letter, and make sure that they revisit the request, and whether or not to seek information with the respective offices in Tinian and Rota so that we may include them in the exemption. Thank you for bringing that up. I recognize Representative Deleon Guerrero.

Rep. Joseph Deleon Guerrero: Yes, Mr. Speaker, I echo our good Chairman's concern, and to reiterate that on page 2 of the same Communication, there is a paragraph after the lists of NAP employees, a short sentence that says, the employees exempted from the DCCA NAP shall only be exempt on those austerity holidays when Food Stamp Coupons are scheduled for distribution. I just want to offer a comment for the record that all DCCA NAP employees are 100% federally funded, and I do not see any reason why they should not be exempted period. Let us continue to receive the funding whether they schedule for distribution or not. We may have a hard time trying to justify getting future funding for that program if we do not use up the funds that goes to personnel. I just want the record to reflect that, Mr. Speaker. Thank you.

Speaker Babauta: That is the reason why I for one have received several calls from primarily where they issue the Food Stamps – Mr. Congressman, why is the Food Stamp Office closed? But at any rate, thank you for recognizing that, Representative Deleon Guerrero, and you are absolutely correct that they might probably jeopardize their next grant if that is not consumed to the fullest extent. I recognize Representative Waki.

Rep. Waki: Thank you, Mr. Speaker. On that same note in reference to that Communication on exemption – and I concur with Representative Deleon Guerrero. I think that we also discussed this issue when the bill before being passed into law under the austerity exemptions, that it should not include federally funded programs, because as you reduce the use of the funds of the federal programs – at the end of the year when they account for the funds, they will find out that you guys did not need the funds. So instead of getting more funds, they may reduce the funds, and so the program may be hampered even after the austerity program is removed. This is a definite concern when we are trying to at least keep the federal funding levels at its level as it is right now. All we are doing is actually hurting the federal grant programs. So I think that we really need to look and the administration needs to look at a lot of these programs and remove them, just like the NAP Program, remove them from a local government office. Either lease so that way, it is not affecting these particular grant programs. I think that really needs to be looked at. We need to look at the austerity program affecting our local government rather than the federally funded programs. I think we really need to look at that as quickly as possible before the end of the fiscal year when the accountability of the federal grant program are reviewed and turned into the U.S. Congress. So I really believe that we should start a dialogue with the administration to work on separating locally funded programs as well as federally funded programs. Thank you, Mr. Speaker.

Speaker Babauta: Any more? Ready? Before we move on to the next Order of Business, I would just like to remind you that I have a copy of a letter to be circulated amongst all of you along with a news article that I extracted this morning from the internet. It has to deal with a massive labor abuse in the United States.

SENATE COMMUNICATIONS

SEN. COMM. 15-148: (2/28/07) Returning H. B. NO. 15-21, HS1 (Regarding the orderly conduct at polling places), which was passed by the Senate without amendment on February 22, 2007. [For info – before the Governor]

SEN. COMM. 15-149: (2/28/07) Returning H. B. NO. 15-32, HD2 (Victims of Crime Assistance Act), which was passed by the Senate without amendment on February 22, 2007. [For info – before the Governor]

SEN. COMM. 15-150: (2/28/07) Returning H. B. NO. 15-162, HD1 (Family Sick Leave) which was passed by the Senate on February 22, 2007 in the form of **H. B. NO. 15-162, HD1, SD2**. [For action on Senate amendments]

SEN. COMM. 15-151: (2/28/07) Returning H. B. NO. 15-186, HS1 (Placing a limit on accrual of annual leave) which was passed by the Senate without amendment on February 22, 2007. [For info – before the Governor]

SEN. COMM. 15-152: (2/28/07) Returning H. B. NO. 15-197 (NMHC – MPLT loan repayment) which was passed by the Senate without amendment on February 22, 2007. [For info – See PL 15-50]

SEN. COMM. 15-153: (2/22/07) Returning H. B. NO. 15-200, HS1 (Amending the Recycling Reporting Act with respect copper wires) which was passed by the Senate with amendments on February 22, 2007 in the form of **H. B. NO. 15-200, HS1, HD1, SD1**. [*For action on Senate amendments*]

SEN. COMM. 15-154: (2/22/07) Transmitting for House action S. B. NO. 15-63, SD1, “To amend PL 15-2 to codify its provisions as a new Chapter 14 of Part 1, Division 2, Title 1 of the Commonwealth Code and to give mayors of each municipality, Saipan, Rota, Tinian and Aguiguan, and the Northern Islands an opportunity to affect the disposition of public lands in their respective municipality; and for other purposes,” which was passed by the Senate on February 22, 2007. [*For action*]

SEN. COMM. 15-155: (2/28/07) Informing the House that the Senate accepted the House amendments to S. B. NO. 15-66, HD1 (Regarding the Condominium Act) on February 22, 2007. [For info]

SEN. COMM. 15-156: (2/28/07) Returning H. J. R. NO. 15-15 (USGS-CNMI MOU), which was adopted by the Senate without amendment on February 22, 2007. [For info]

SEN. COMM. 15-157: (2/28/07) Transmitting S. J. R. NO. 15-15, entitled, “A Senate Joint Resolution expressing the Legislature’s utmost commendation, congratulations and acknowledgment to Ms. Estelle Marie Atalig Hofschneider for her exemplary accomplishments during her educational endeavors abroad,” which was adopted by the Senate on February 22, 2007. [*For action*]

SEN. COMM. 15-158: (3/2/07) Transmitting a certified copy of Sen. Comm. Res. 15-5, entitled, “A Senate Commemorative Resolution to express sincere and heartfelt condolences to the family of the late Lance Corporal Adam Quitugua Emul of the United States Marine Corps, and for making the courageous and ultimate sacrifice in our nation’s struggle to bring peace to the people of Iraq,” which was adopted by the Senate. [For info]

SEN. COMM. 15-159: (3/2/07) Transmitting a certified copy of Sen. Comm. Res. 15-6, entitled, “A Senate Commemorative Resolution conveying the Senate’s sincere and heartfelt condolences to the family of the late Captain Vicente Manglona Conception, and paying tribute his selfless acts of generosity and kindness to the visitors and residents of the Commonwealth,” which was adopted by the Senate. [For info]

SEN. COMM. 15-160: (3/2/07) Transmitting a certified copy of S. R. NO. 15-36, entitled, “A Senate Resolution expressing sincere and heartfelt condolences to the family of the late Corporal Lee Roy Apatang Camacho of the United States Army, and for making the courageous and ultimate sacrifice in our nation’s struggle to bring peace to the people of Iraq,” which was adopted by the Senate. [For info]

SEN. COMM. 15-161: (3/12/07) Transmitting S. J. R. NO. 15-16, entitled, “To call for a Joint Session of the Legislature to receive the State of the Commonwealth Address from the Governor and the State of the Washington Office Report from the Resident Representative to the United States”, which was adopted by the Senate on March 8, 2007. [*For action*]

SEN. COMM. 15-162: (3/12/07) Informing the House that the Senate rejected the House amendments to S. B. NO. 15-70, SD1, HD2, “To exempt renewal applicants from the mandatory firearms safety education class; and for other purposes”, on March 8, 2007. [For info – *Will go to Conference*]

SEN. COMM. 15-163: (3/12/07) Transmitting S. B. NO. 15-77, entitled, “To amend Public Law No. 14-37 regarding the CNMI Honor Scholarship Program; and for other purposes”, which was passed by the Senate on March 8, 2007. [*For action*]

SEN. COMM. 15-164: (3/12/07) Transmitting S. B. NO. 15-80, “To rename the Tinian Health Center to ‘Luisa “Chiang” Villagomez Arizapa Health Center’; and for other purposes”, which was passed by the Senate on March 8, 2007. [*For action*]

SEN. COMM. 15-165: (3/12/07) Transmitting S. B. NO. 15-82, “To prohibit the NMI Retirement Fund from paying less than the full pension to retirees; and for other purposes”, which was passed by the Senate on March 8, 2007. [For action – *See also HB 15-231*]

SEN. COMM. 15-166: (3/12/07) Returning H. B. NO. 15-108, HD1, “To amend 1 CMC § 7402(a)(2); and for other purposes”, which was passed by the Senate on March 8, 2007. [For info – before the Governor]

SEN. COMM. 15-167: (3/12/07) Returning H. B. NO. 15-204, HD1, “To amend 6 CMC § 2208 by adding a new subsection (g); and for other purposes”, which was passed by the Senate with amendments on March 8, 2007 in the form of **H. B. NO. 15-204, HD1, SD1**. [*For action on Senate amendments*]

SEN. COMM. 15-168: (3/12/07) Returning H. B. NO. 15-208, “To amend 1 CMC § 2603(d) to delete ‘vocational rehabilitation’ as the duty of the Department of Public Health; and for other purposes”, which was passed by the Senate without amendment on March 8, 2007. [For info – before the Governor]

SEN. COMM. 15-169: (3/12/07) Returning H. B. NO. 15-207, “To amend 4 CMC § 1421; and for other purposes”, which was passed by the Senate with amendments on March 8, 2007, in the form of **H. B. NO. 15-207, SD1**. [*For action on Senate amendments*]

SEN. COMM. 15-170: (3/15/07) Transmitting a certified copy of S. R. NO. 15-38, “To recognize, commend and express the Commonwealth’s gratitude to all involved with the groundbreaking Troops-to-Teachers program with special recognition to men and women of the Commonwealth who have served the Commonwealth and the United States of America with honor and distinction”, which was adopted by the Senate. [For info]

The Chair recognized the Floor Leader.

Floor Leader Florencio Deleon Guerrero: So move Mr. Speaker to accept all the Senate Communications that appear on today’s Order of Business.

Speaker Babauta: Discussion on the motion.

There being no discussion, SEN. COMM. 15-148 through SEN. COMM. 15-170 were accepted through a voice vote.

Speaker Babauta: The motion is carried. You may proceed with your second motion, Floor Leader.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for the suspension of pertinent rules to accept and calendar SEN. COMM. NO. 15-164 and SEN. COMM. NO. 15-165.

There being no discussion, the suspension motion to accept and Calendar, SEN. COMM. NO. 15-164 and SEN. COMM. NO. 15-165 was carried by voice vote.

Speaker Babauta: The motion is carried. I recognize again the Floor Leader for the next motion.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, to accept the Senate amendments on SEN. COMM. NO. 15-150, SEN. COMM. NO. 15-153, SEN. COMM. NO. 15-167 and SEN. COMM. NO. 15-169.

The acceptance motion was seconded and carried by voice vote.

Speaker Babauta: The motion is carried. H. B. NO. 15-162, HD1, SD2, H. B. NO. 15-200, HS1, HD1, SD1, H. B. NO. 15-204, HD1, SD1, and H. B. NO. 15-207, SD1 hereby passes the House on its final form thereby accepting the Senate amendments on those House Bills.

Rep. Tenorio: Clarification, Mr. Speaker.

Speaker Babauta: State your point.

Rep. Tenorio: Are we just accepting the amendments, Mr. Speaker, without discussion?

Speaker Babauta: Yes. I ask for a discussion on the Floor Leader's motion and...

Rep. Tenorio: Are we passing them?

Speaker Babauta: We were accepting...short recess.

The House recessed at 11:02 a.m.

RECESS

The House reconvened at 11:07 a.m.

Speaker Babauta: We are back to our plenary session, and if no objection, we will reconsider – not necessarily reconsider the adoption motion, but we will allow discussion because we have already passed those motions. So we will allow our colleague, Representative Tenorio.

Rep. Taman: Privilege, Mr. Speaker.

Speaker Babauta: I recognize Representative Taman under privilege.

Rep. Taman: Mr. Speaker, are you saying that we already adopted those amendments?

Speaker Babauta: We have disposed of those amendments already.

Rep. Taman: So in other words...just for the record.

Speaker Babauta: It is just for the record. He wanted to deliberate a little bit...

Rep. Taman: Thank you.

Speaker Babauta: Proceed, Representative Tenorio.

Rep. Tenorio: Thank you. I guess I missed the vote. It was not unintentional, but you moved so fast.

Speaker Babauta: My due apology.

Rep. Tenorio: My concern basically – I think we raised this issue when we were discussing the bill. If I recalled correctly, I think I voted on the bill, but I asked a question as to the fiscal impact of reducing from 3.7% to 2.7% because it is really not 1%. The impact is something like 24% or 25% so I asked that question as to what is the bottom line if we reduced that fee by that amount, and I do not think that I was answered. So I ask that question again, and if anybody can come up with the figure because when we reviewed the budget, it is showing that the garment fees went down by \$6 Million dollars.

Speaker Babauta: To answer that question, I have requested...**[End of tape 1, side A]**

[...continue Tape 1, side B]...an impact that would not necessarily show a decrease that would expand their production in terms of as a result of the reduction of the user fee by 1%. So that is forthcoming. They are awaiting the final arrival and the dollar amount of those orders to the various manufacturers.

Rep. Tenorio: I know that we argued the point, Mr. Speaker, and everyone spoke on this, but I just hope that the benefits that we will derive by doing that would outweigh the decrease in revenue from the garment. That is my main concern. Thank you.

Speaker Babauta: Thank you. Any more? Ready.

Several members voiced, “ready.”

Speaker Babauta: So that we just clarify, once again, SEN. COMM. NO. 15-150, SEN. COMM. NO. 15-153, SEN. COMM. NO. 15-167 and SEN. COMM. NO. 15-169 are hereby formally adopted by the House. Floor Leader, your next motion.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, to accept the Senate Joint Resolutions under SEN. COMM. NO. 15-157 and SEN. COMM. NO. 15-161.

The motion to accept and adopt SEN. COMM. NO. 15-157 referenced to S. J. R. NO. 15-15 and SEN. COMM. NO. 15-161 referenced to S. J. R. NO. 15-16 was seconded.

Speaker Babauta: Discussion. I recognize the Vice Speaker.

Vice Speaker Quitugua: Mr. Speaker, on SEN. COMM. NO. 15-161, I would like to offer a short oral amendment.

Speaker Babauta: Proceed.

Vice Speaker Quitugua: On page 1, line 11, cross out, “March 30” and insert, “April 27.” Thank you.

Speaker Babauta: Any second?

The oral floor amendment was seconded.

Speaker Babauta: Discussion. I recognize Representative Joseph Deleon Guerrero.

Rep. Joseph Deleon Guerrero: Can I just ask as to what prompted the change of date?

Vice Speaker Quitugua: I do not think everybody who are going to be present at this hearing would be available on March 30, and that is why I am recommending that we have it on April 27th.

Speaker Babauta: Not only that, but there will be a Chief Executive Summit happening next week, and our Governor will be going to Palau with the President for the State Funeral. At the same note, we recognize the importance of this month and the first part of April which is the Lent Season. I

have met and discussed this with both the Governor and our Washington Representative whom also would be leaving the CNMI in the next two weeks to prepare himself and be back a week before the 27th. Continue, Representative Deleon Guerrero.

Rep. Joseph Deleon Guerrero: Mr. Speaker, just to note that if they are going to change the date on line 11, they should do so also on line 17.

Speaker Babauta: Yes, I was tipped by the Clerk. So if no objection, wherever it appears, except for the venue and the time, please take note Clerk to change those dates. Thank you.

There being no further discussion, the oral floor amendment offered by the Vice Speaker was carried by voice vote.

Speaker Babauta: The motion is carried. I recognize Representative Tebuteb.

Rep. Tebuteb: I would like to comment on SEN. COMM. NO. 15-157.

Speaker Babauta: Proceed.

Rep. Tebuteb: This is a very commendable Joint Resolution, and I am in support of it. I am also asking the support of all members. However, I was looking at the last page, “BE IT FURTHER RESOLVED, that the President of the Senate and the Speaker” – it only allows to provide this Joint Resolution to the esteemed student, Estella Hofschneider, the Governor and the Mayor of Saipan. I think that it would also be appropriate to provide all respective Mayors on this Joint Resolution.

Speaker Babauta: You want to...

Rep. Tebuteb: That is a motion, Mr. Speaker.

Speaker Babauta: The motion on the floor offered by Representative Tebuteb is to generalize it and include each respective Senatorial District Mayor including the Mayor of the Northern Islands. Clerk, would you make that correction, please. Thank you.

The oral amendment offered by Representative Tebuteb was seconded and carried by voice vote.

Speaker Babauta: The motion is carried. We will continue to discuss, S. J. R. NO. 15-15, HD1 and S. J. R. NO. 15-16, HD1. Ready.

There being no further discussion, S. J. R. NO. 15-15, HD1 and S. J. R. NO. 15-16, HD1 were adopted.

Speaker Babauta: The motion is carried. Under item number 7.

HOUSE COMMUNICATIONS

HSE. COMM. 15-26: (3/14/07) From Rep. Torres to the Speaker requesting for an investigation on the matter of conversion of sick leave to annual leave.

Speaker Babauta: If no objection, I would like to ask that we incorporate my letter of March 14th, to the widow of the Honorable Senate President Johnny Reklai as part of the House Communication. I recognize the Floor Leader.

Floor Leader Florencio Deleon Guerrero: Mr. Speaker, just for your information, I think we skip one Senate Communication.

Speaker Babauta: If no objection, let us go back to item number 6, and I recognize the Floor Leader.

SENATE COMMUNICATIONS

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for SEN. COMM. NO. 15-163 to be referred to the Committee on Health, Education, and welfare.

The motion to refer SEN. COMM. NO. 15-163 under S. B. NO. 15-77 to the Committee on Health, Education and Welfare was seconded and carried by voice vote.

Speaker Babauta: The motion is carried.

Rep. Tenorio: Privilege, Mr. Speaker.

Speaker Babauta: State your privilege.

Rep. Tenorio: Mr. Speaker, I do not know if you cannot see my hand or you are just concentrating...

Speaker Babauta: My due apology. I did not see you raise your hand.

Rep. Tenorio: I was not late for my vote, but you just drive passed me.

Speaker Babauta: My due apology.

Rep. Tenorio: Can I make a comment.

Speaker Babauta: Yes, you may.

Rep. Tenorio: I just want to find out exactly what the rationale for going bypass this Senate Bill? I think this has something to do with the Scholarship. Is there any particular reason as to why we have to send this to the Committee?

Speaker Babauta: Let me refer that concern to the Scholarship Specialist, Vice Speaker.

Vice Speaker Quitugua: Mr. Speaker, the bills intent is really good. It provides a standard formula for the CNMI Scholarship to follow. On the other hand, Mr. Speaker, the Committee is interested in finding out how successful this program in terms of how many we have provided scholarship, how many have returned, and how many have succeeded. The Committee would like to find that out and hopefully we will report it out to the floor for adoption. Thank you.

The Chair recognized Representative Joseph Deleon Guerrero.

Rep. Joseph Deleon Guerrero: I have a question, Mr. Speaker. The last action we took was to refer S. B. NO. 15-77 to the Committee on Health, Education, and Welfare – My question is, did we also do the same thing for SEN. COMM. NO. 15-154? It is also for action, Mr. Speaker, but if we are not calendaring it or anything, perhaps referring it to the Committee is...

Speaker Babauta: Floor Leader, subsidiary motion to include SEN. COMM. NO. 15-154.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker.

The motion to include SEN. COMM. NO. 15-154 was seconded and carried by voice vote.

Speaker Babauta: The motion is carried. I recognize the Vice Speaker.

Vice Speaker Quitugua: Just a clarification, Mr. Speaker. Is SEN. COMM. NO. 15-154 also referred to HEW?

Speaker Babauta: No, the Chair will make that determination.

Vice Speaker Quitugua: Thank you.

Speaker Babauta: I think it would go to Natural Resources. Ready. Thank you, Representative Deleon Guerrero. Ready. As you all know, I have already appointed a Conference Committee under SEN. COMM. NO. 15-162, and that would be the Vice Speaker, Representative Lizama, and Representative Aldan. Let us move back to item number 7.

HOUSE COMMUNICATIONS

Speaker Babauta: Any of you wanting to make comments – if there is then I would suggest that a motion be offered on the floor to go into Executive Session for at least 10 minutes so that members would discuss this item under our Agenda. I recognize the Vice Speaker.

There was no objection.

Vice Speaker Quitugua: Mr. Speaker, I was just going to call a motion, Mr. Speaker, on this communication since there is an investigation going on this issue – to resolve to an executive session

for a short period of time so that if any discussion, it will not jeopardize the investigation process. Thank you.

Speaker Babauta: Is that a motion?

Rep. Torres: Privilege.

Speaker Babauta: State your privilege.

Rep. Torres: Mr. Speaker, my letter to you and to the President is self explanatory, and I would prefer that...since you and the President have asked the Attorney General for investigation, I decided to wait for the response of such request from you and the President.

Speaker Babauta: Okay. Thank you. Vice Speaker, would you withdraw that motion because it has been seconded?

Vice Speaker Quitugua: Thank you, Mr. Speaker. I am withdrawing my motion.

Speaker Babauta: Okay. As a result also again, under item number 7, that is the reason why I stepped out yesterday morning during the presentation of the Pozzolan. I had requested for OPA to meet with me and the Senate President. At the same time, I have executed a letter to our Attorney General requesting a status of what Representative Torres has requested. I have therefore received a written reply from our OPA to which I would share with Representative Torres and that of the members at a later time after the session. However, be mindful the confidentiality of that letter and let us not jeopardize what has been almost resolved. Okay. I recognize Representative Tenorio.

Rep. Tenorio: Are there anymore Communications that we have to include?

Speaker Babauta: I only requested that my letter on behalf of the members of the House be included so that it would be part of the Communication. Also there is another one for your information – I have extracted a news article from SPL Center Organization – a labor abuse watch dog group. So it looks like we also have a massive – not to mention on the 5th paragraph 32,000 H2 workers, agricultural 89,000 in those various industries. It is just for your perusal. Ready. We will move down to item number 10.

COMMUNICATIONS FROM THE JUDICIAL BRANCH

None

COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE

None

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

None

OTHER COMMUNICATIONS

None

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

DEPT. & AGENCY COMM. 15-51: (2/15/07) From Ms. Linda T. Cabrera (SAPLR) acknowledging receipt of H. R. No. 15-85, H. R. No. 15-86, and H. R. No. 15-87).

DEPT. & AGENCY COMM. 15-52: (2/15/07) From Ms. Linda T. Cabrera (SAPLR) acknowledging receipt of H. R. No. 15-88.

DEPT. & AGENCY COMM. 15-53: (2/20/07) From Ms. Linda T. Cabrera (SAPLR) acknowledging receipt of HSE. COMM. RES. No. 15-86.

DEPT. & AGENCY COMM. 15-54: (3/2/07) From Ms. Linda T. Cabrera (SAPLR) acknowledging receipt of H. R. No. 15-89, H. R. No. 15-90, H. R. No. 15-91, H. R. No. 15-92 and H. R. No. 15-95.

DEPT. & AGENCY COMM. 15-55 (3/2/07) From Ms. Linda T. Cabrera (SAPLR) acknowledging receipt of HSE. COMM. RES. No. 15-87 thru 15-90, H. R. No. 15-93 and H. R. No. 15-94, HD1.

There was no discussion.

UNFINISHED BUSINESS

None

RESOLUTION CALENDAR

The Chair recognized the Floor Leader.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for the suspension motion of H. R. No. 15-96, H. R. No. 15-97, H. R. No. 15-98, H. R. No. 15-99, H. R. No. 15-100, and H. R. No. 15-101.

The suspension motion was seconded.

Rep. Yumul: Privilege.

Speaker Babauta: State your privilege, Representative Yumul.

Rep. Yumul: Mr. Speaker, do we deal with the Joint Resolution separately or is that going to be tabled also under the Resolution Calendar?

Speaker Babauta: Do we have a Joint Resolution.

Rep. Yumul: Under the Senate Communication.

Speaker Babauta: We have adopted those under item number 6. Floor Leader, proceed with the adoption.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for the adoption of all the Resolutions.

The adoption motion was seconded.

H. R. No. 15-96: A House Resolution to express gratitude to Mr. Jose Attao Bermudes for his outstanding services as Senior Legal Counsel for the House of Representatives and to recognize his services as an educator in the Commonwealth.

H. R. No. 15-97: A House Resolution to honor and to pay tribute to the late Douglas Neil Rankin and to convey sincere and heartfelt condolences to his family upon his untimely passing.

H. R. No. 15-98: A House Resolution Recognizing and commending Mr. Dan Shor and the Cast and Crew of the “State of Liberty” film production that was recently screened to a full house of appreciative CNMI supporters and residents of our islands.

H. R. No. 15-99: A House Resolution proclaiming the month of March 2007 as Western Pacific Regional Fishery Management Council Month, and extending the House of Representatives’ appreciation for the Council’s innumerable noteworthy contributions to Pacific fisheries management, conservation, protection, and preservation.

H. R. No. 15-100: A House Resolution to authorize House Legal Counsel Ian Catlett to bring a certified legal question before the Supreme Court of the Commonwealth of the Northern Mariana Islands.

H. R. No. 15-101: A House Resolution to convey our deepest condolences to the family of the Late Senate President Johnny Reklai on the occasion of his untimely passing and to recognize his immeasurable contributions and public service to the Republic of Palau as a political leader and an accomplished businessman.

There being no discussion, H. R. No. 15-96, H. R. No. 15-97, H. R. No. 15-98, H. R. No. 15-99, H. R. No. 15-100, and H. R. No. 15-101 were adopted and carried by voice vote.

Speaker Babauta: The motion is carried. I have not made up my mind yet, but if I can find a One Pass then I would probably leave. Are you taking me? Let us discuss this privately, nothing to add, but you and I know the geographical location.

Rep. Torres: Privilege, Mr. Speaker.

Speaker Babauta: State your point, Representative Torres.

Rep. Torres: I think you wanted to go to Palau too, right?

Speaker Babauta: Who, me?

Rep. Torres: You.

Speaker Babauta: I understand the Vice Speaker is also planning to leave, and I encourage members who have sufficient funds – this is a worthy cause. The former Senate President has been a close ally of the CNMI in terms of social issues and other governmental issues that involves the Micronesian region, not to mention, as the CNMI being part of the United Micronesian Development Association who have invested in Continental Micronesia. It is a worthy trip that warrants our attendance. I recognize Representative Ada.

Rep. Ada: As much as I really would like to go during these hard times, I yield to those who have One Pass to sacrifice their One Pass to represent us.

Rep. Torres: Mr. Speaker, are we on recess?

Speaker Babauta: We can take two minutes recess if you want to?

Rep. Torres: Can we?

Speaker Babauta: Okay. Short recess.

The House recessed at 11:32 a.m.

RECESS

The House reconvened at 11:36 a.m.

Speaker Babauta: We are back to our plenary session, and we will move on to item number 16 under Bill Calendar, and I recognize the Floor Leader.

REPORTS OF STANDING COMMITTEES

None

BILL CALENDAR

The Chair recognized the Floor Leader.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, to suspend pertinent rules for the placement on today's Calendar S. B. NO. 15-80, S. B. NO. 15-82, H. B. NO. 15-240.

The suspension motion was seconded and carried by voice vote.

Speaker Babauta: The motion is carried. Before I recognize the first bill, we need to reconsider our action on the last session the Minority's sponsored bill that was passed in the Senate as H. B. NO. 15-7, HS1, SD1. We realized that we made a mistake under the Senate Communication during the last session that we voted to accept this through a voice vote. The Bill contains a provision that needs to be passed by 2/3 of the members present and voting. So I would like to ask the Floor Leader, under the Bill Calendar, to offer a motion to reconsider our action under H. B. NO. 15-7, HS1, SD1 under SEN. COMM. NO. 15-126. We passed this during our last session with the other

communications, but the Clerk caught when she was engrossing it, that it requires a roll call vote instead of a voice vote. This is just to meet the Constitutional...Okay. Floor Leader, recognized.

Rep. Yumul: Mr. Speaker, before we entertain that, just a quick question.

Speaker Babauta: Go ahead.

Rep. Yumul: I just received that you mentioned DPW – are we authorize to allow a department to seek financing or should we allow this to go through CDA? I just want to clear that up.

Speaker Babauta: The format is to authorize DPW to use the FHA funds to finance.

Rep. Yumul: Okay. Ready. Thank you.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, to reconsider its vote and its action on H. B. NO. 15-7, HS1, SD1.

Rep. Torres: Clarification, Mr. Speaker.

Speaker Babauta: State your point.

Rep. Torres: If we act on it then it goes back to the Senate again?

Speaker Babauta: No. The Senate had voted by majority 2/3 roll call, but we just want to be safe to vote individually by a roll call. It was unanimously accepted during the last session. Okay. The motion has been offered by the Floor Leader and has been seconded. Discussion. Ready. Clerk, call the roll.

The Clerk called the roll on the motion to accept the Senate amendments to H. B. No. 15-7, HS1, SD1:

Rep. Martin B. Ada	yes
Rep. Edwin P. Aldan	yes
Rep. Francisco S. Dela Cruz	yes
Rep. Florencio T. Deleon Guerrero	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Jacinta M. Kaipat	yes
Rep. Jesus SN. Lizama	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	excused
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Candido B. Taman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	yes
Rep. Ray N. Yumul	yes
Rep. Oscar M. Babauta	yes

Speaker Babauta: By a vote of 17 “yes”, H. B. NO. 15-07, HS1, SD1 meet the Constitutional requirement pursuant to Article 10, and hereby passes the House on Final Reading. Clerk, at your disposal. Thank you for your understanding in reconsidering our action. Floor Leader, proceed with the first bill.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for the passage on First and Final Reading, H. B. NO. 15-240.

The motion was seconded.

H. B. NO. 15-240: A HOUSE BILL FOR AN ACT TO AMEND THE JACKPOT TAX AND THE TAXATION OF OTHER WINNINGS BY AMENDING 4 CMC § 1505; AND FOR OTHER PURPOSES.

Speaker Babauta: Discussion. I recognize Representative Waki.

Rep. Waki: I know that we substituted the bill, and if we remember correctly, the Vice Speaker, is saying that this was not signed by the Lieutenant Governor because of a certain wording? Is that correct?

Speaker Babauta: It was vetoed.

Rep. Waki: It was vetoed, right? If I can get an explanation again because it pretty much looks the same.

The Chair recognized the Vice Speaker.

Vice Speaker Quitugua: Yes, Mr. Speaker, that is correct. On the message from the Acting Governor in vetoing this legislation or the vetoed legislation, it indicated that the reason why this particular bill was vetoed is because of the word called, “operator”, which is not clear whether the operator means the owner of the poker establishment or the player. So on page 2, of H. B. NO. 15-240, on line 16, it defines who the operator is.

The Chair recognized Representative Aldan.

Rep. Aldan: Yes, Mr. Speaker, still I need clarification and maybe our Counsel can clarify.

Speaker Babauta: Counsel, can you clarify Chairman Aldan’s concern whether or not this provision would in fact interfere with the Tinian Casino Gaming Commission’s program primarily on the poker machines that is within the Tinian Dynasty. Is that your concern Chairman Aldan?

Rep. Aldan: Yes, Mr. Speaker, because under § 1505, it mentions poker machines, pachinko machines, slot machines and similar gaming devices. When you go to the Casino, there are different kinds of gaming devices on the floor. So when we have a lot of customers there from one game going to another and collects from here, there, and here, how many would we be collecting from this person who is going from one machine to another? So I just want a clarification whether this bill apply to the Gaming Initiative Act?

Speaker Babauta: Does it infringe on the Tinian Gaming Initiative Act?

Legal Counsel Antonette R. Villgomez: *I am looking at Section 1505 in the original language, and it does not exclude. It is the same thing. It applies to poker, pachinko, slot machines, and pachinko slot machines. There is no exclusion from any machines from Tinian. So just by looking at the bill in the original language of Section 1505, there does not seem to be any exclusion unless there is something in the Tinian Gaming Initiative that would exclude. I am assuming that the tax is paid even by anyone who wins the jackpot at the Tinian Dynasty.*

Rep. Aldan: In regards to Tinian Dynasty for the local poker, it is excluded.

Legal Counsel Antonette R. Villgomez: *You are asking me if it is excluded or you are telling me it is excluded.*

Rep. Aldan: Yes. On the original bill...

Speaker Babauta: Short recess.

The House recessed at 11:50 a.m.

RECESS

The House reconvened at 11:58 a.m.

Speaker Babauta: We are back to our plenary session. I recognize Representative Joseph Deleon Guerrero.

Rep. Joseph Deleon Guerrero: Just a short comment. The purpose of this bill is to enhance revenue collection by increasing the jackpot tax winnings between \$100.00 and \$999.00 bracket – I am just wondering, the operator shall be responsible for collecting this tax and keeping a record – from a practical stand point here, I find it difficult to ensure that the operator will be able to monitor the different machines when – a lot of the machines pay out above 100 coins, and you find it often that the operator or the person is usually inside his or her booth. How does one expect the operator to conduct this collection and recording? I just want to know the means? Thank you.

The Chair recognized Chairman Ada.

Rep. Ada: Thank you, Mr. Speaker. I just want to share my concern also.

Speaker Babauta: Unless you want to respond to Representative Deleon Guerrero's concern. Let me just recognize the author.

Rep. Ada: Okay, Mr. Speaker. I yield to the Vice Speaker.

The Chair recognized the Vice Speaker.

Vice Speaker Quitugua: Mr. Speaker, the operator or the owner shall establish procedures. They should have procedures in there as to when the player wins, how they should pay the tax to the owner. That is a procedure that the owner should establish, and also, this bill also gives the Secretary of Finance has the authority to promulgate rules and regulations to this effect. It may seem difficult, but there are a lot of taxes that are not paid. A lot of people are winning below \$1,000.00, and from what I was informed, they do not pay taxes below \$1,000.00. Most players now cashed out before it reaches \$1,000.00 just so that they do not pay any taxes. It is just a matter of establishing procedures within the gaming room on how the winners should pay the taxes to the person who is in charge in the game room.

The Chair recognized Representative Deleon Guerrero.

Rep. Joseph Deleon Guerrero: Mr. Speaker, I am not a poker player, but I have seen how they play, and the fact that the machine can cash out. Unless, there is a way that if a machine cashes out anything above \$100.00, that they cannot cash it out, and that they have to go through the cashier. If not, it would be very hard. I support the intent.

Speaker Babauta: I think the max is \$25.00.

Rep. Joseph Deleon Guerrero: I do not think so, Mr. Speaker.

Rep. Torres: It can spit out like \$400.00 of quarters.

Speaker Babauta: I just said that I never touched the machine. I do not know how I got the \$25.00. I recognize Representative Waki.

Rep. Waki: Yes, Mr. Speaker, I have the same sentiments as Representative Deleon Guerrero. It is just hard to try to, and I understand the Vice Speaker's concern that the owners of the establishment, but the bottom line here is, how do we really – if the money is for PSS, we would like to see it collected as much as possible, but there are ways to circumvent this, which we may never even see any taxes between \$100.00 to \$999.00. Now, if there was a study to find out that these machines can be limited on the pay outs of less than \$100.00, you have to reset the machine again, then maybe we can get control, but without that – like they do in Vegas, I think they give you the coins which are like tokens...so you win the tokens and you turn them in, and at the time that you turn them in and say, this is my winnings, you will taxed. I believe that this would work if that particular system is put in place where you do not actually get cash, but you get tokens, and when you finish playing, whatever that winning amount there is, you will be taxed there and then because they would have to reset the machines again. But if it is a cash pay out which are most poker machines – I do not know about pachinko's and slot machines, but most poker machines on this island pay out cash up until that point where you get a jackpot that it does tell you that it cannot pay you that much. So that is my concern. I would love to see these taxes collected for this intended purpose. I like the bill, but how do we enforce collection when the machines do not play the game that would allow us to really tax them. That is my concern. I hope that we can figure that out. If there is a way that we can find out if the machines can be adjusted so that it can accommodate the ability to tax them on winnings.

Speaker Babauta: Let me just clarify one thing here. On page 2 of the bill, line 5, should suffice this probably where the Secretary is charged to promulgate in addition to what has been promulgated as far as enforcement is concern. Let me recognize Representative Taman.

Rep. Taman: Thank you, Mr. Speaker. You know this piece of legislation will help us enhance our ability to realize some much needed revenues, and at the same time, I believe that the implementation of this bill if passed would somewhat discourage some of our local people from continuing with all these social problems as a result of these poker machines. Although we really needed the revenue – I would urge my colleagues, let us pass this and maybe later on if we see that there is deficiency, we can come back and work with it. Thank you.

Speaker Babauta: I am beginning to feel the picture of the week. I recognize Chairman Ada.

Rep. Ada: Thank you, Mr. Speaker. I am in support of the bill because it is for our children and their education, but I am afraid that we might be revisiting this back again and raising it by another 5% for other critical agencies such as DPS, CHC, Aging Program, and the little league program that need funds...**[End of Tape 1, Side B]**

[Continuation of Tape 2, Side A]...taxpayer, Mr. Speaker, since you raised that up. That is just my concern, and then when it comes to Representative Waki's concern on the collection or the follow up on certain machines when you win and whenever a certain person wins a jackpot, the owner of the booth attendant goes there and takes down the number – that is actually the job of the Revenue and Taxation. It goes back again to enforcement. I have a bill that is coming up that would take care of that.

Speaker Babauta: Let me just refresh all of you. The Fiscal Year 2007 Budget, we explicitly earmarked certain percent out of the collections of the Poker Machine License, \$200,000.00. The Secretary have requested to clarify that provision of law that allows for the enforcement of gaming devices in the CNMI that allows for a \$200,000.00 annual continued appropriation out of the license fee. We passed that last session and it is strictly for enforcing. So the enforcement I think is coming out of the Department of Commerce, Wage and Measure, combining with couple of Revenue agents. The office has been set up and they are waiting for the bill to be passed by the Senate so that the Secretary of Finance can start using those funds to enforce the provisions of these laws. So the enforcement is there. You may proceed, Chairman Ada.

Rep. Ada: Thank you, Mr. Speaker. So we shall wait for that bill to come here, and I guess I shall revisit again the proposed bill that we are developing right now. Thank you.

The Chair recognized Representative Torres.

Rep. Torres: Let me say my piece. I like the bill, but it is going to be very difficult to enforce. We are just creating something that will be outsmarted by the poker players. There could be a lawsuit and other matters that would come just by passing this bill. I agree with Congressman Waki during his deliberation. I do not know if this warrants passage at this time.

Speaker Babauta: A similar bill that was enacted by the Legislature by both House several months ago. The reason behind the vetoed message was that it was not clarified or cleared as to whom to be

taxed, whether the operator or the winner. So the administration recommended an amendment to which this is the bill that clarifies that it is the winner. I recognize Representative Tenorio.

Rep. Tenorio: Thank you, Mr. Speaker. Just additional information, Mr. Speaker, this is a Jackpot Tax?

Speaker Babauta: Correct.

Rep. Tenorio: In other words, the machine shows \$2,000.00, and if you have a jackpot, it will make a noise and everybody from here or the end of the store would here. That is a jackpot, and that is the only thing that we are taxing here, not the...

Rep. Joseph Deleon Guerrero: Look at the next one.

Rep. Tenorio: Where?

Rep. Joseph Deleon Guerrero: "B".

Rep. Tenorio: Let me take it back. But we have the jackpot tax in the books, right?

Speaker Babauta: Right.

Rep. Tenorio: But I would not agree that if \$15.00 comes out, you will tax that.

Speaker Babauta: No.

Rep. Tenorio: Or \$100.00 to \$999.00 because you put in...

Speaker Babauta: No. It says \$100 to \$999. I recognize Representative Yumul.

Rep. Yumul: Thank you, Mr. Speaker. I would like to make a short oral amendment on page 1, line 14. Strike out, "between \$100.00" and insert the words, "up to."

Speaker Babauta: Clarify your amendment.

Rep. Yumul: The new language would state, "winnings where the machine or the operator pays back up to \$999.00 shall be assessed."

Rep. Joseph Deleon Guerrero: So anything \$1.00 to \$999.00?

Rep. Yumul: Just to close that gap. I so moved, Mr. Speaker. The issue here is that why are we waiving off up to \$100.00? Is that going to be tax free?

Speaker Babauta: For the very argument that many members have expressed is, it would be hard to enforce anything of \$15.00. Like Representative Deleon Guerrero says, including \$1.00, so it is up to...

Rep. Tenorio: Move to Committee, Mr. Speaker.

Speaker Babauta: Let us have an order. Representative Yumul.

Rep. Yumul: Again, we are trying to carve up the taxes here that are due, but not to go back to our tax system, any money that is lawfully gained should be taxable. It is on the consumer or the wage earner or the person that has come to receiving the funds to honestly declare it as gains, and if we are just going to continue to strike this out and not include all monies then we are just perpetuating a real bad thing here, Mr. Speaker. Like what Congressman Torres mentioned, if a person really wants to scam the system, they can just spread their winnings under \$100.00. If they have a winning that is \$300 in total, they can spread it to under \$100 a piece and then collect that, and go into a scam with the operator. The point here is, we want to put out that taxes should be collected and it is on the operator and the player to be of good ethical standards here, and that we should collect those taxes. Thank you.

Speaker Babauta: Since your motion is not seconded, we will just hang it on. I would now recognize Representative Joseph Deleon Guerrero.

Rep. Joseph Deleon Guerrero: Mr. Speaker, I am sorry, I cannot support the amendment because if somebody who has \$30 to spare and decides to try his luck, and ends up winning only \$20.00, and decides to call it quits, and I only have \$20, but I spend \$30 to play, now you are going to tax that? There is a certain threshold that you want to tax, above \$100 is reasonable, but anything under and up to a dollar, you end up taxing the person his own money.

Rep. Yumul: That is a very good...

Speaker Babauta: Let us have an order here. We are still in session.

Rep. Yumul: I think the good Congressman has a point. So if we were to use that analogy, then we need to go to the NMTIT and look at what is not taxable, because if we were to assume that this is how this person makes his livelihood, and this is his work as professional gamblers, if they NMTIT tax return is below \$8,000.00 a year, then this person should not be taxed if this is his method of employment if you will as professional gamblers.

Speaker Babauta: I do not think that any CNMI citizen has made this choice to be a method of employment. It is just for entertainment purposes. I recognize Representative Tenorio.

Rep. Tenorio: Thank you, Mr. Speaker.

Speaker Babauta: Let me just remind you that it is 12:20 p.m.

Rep. Tenorio: Mr. Speaker, I am in support of the intent of the bill, but I have to agree with some of my colleagues on the enforcement of this Section (b). I did not realize that. It is going to be a nightmare for the operator to have maybe 5 people with six machines ringing at the same time going around taking – it is going to be a nightmare. I do not know how else are we going to tax, but the intent of the bill is to tax earnings above \$100.00. I agree if we stick to the jackpot winnings then that probably could be enforced and monitored, but it is going to be a nightmare monitoring

winnings. I do not know if the author is willing to just get rid of line (b) in its entirety. I will support the bill.

Speaker Babauta: Well, line (b) brought that particular provision under the jackpot winning enforcement regulation. Again, on top of that, the Secretary is authorized to promulgate additional regulation to enforce this particular provision. I recognize Chairman Ada.

Rep. Ada: Thank you, Mr. Speaker. Number one, Representative Yumul mentioned about honest poker operators. Where in heaven can I find 100% honest poker operators? If you happen to go into a poker arcade, \$100.00 is 400 points credit. It is easy to make 400 points if you are betting on a 10 bet machine or 20 bet machine with a four of a kind. Now, will the operator really go down there every 10 to 15 minutes if you have a bunch of players on a payday and you have twenty players at the same time and 5 of them are making over 400 points and trying to collect that \$100.00? You need to go there to see how this is going to work out. Again, it is going to be hard. We need to raise this up because \$100.00 is so easy to make on the machines. Thank you, Mr. Speaker.

The Chair recognized Chairman Dela Cruz.

Rep. Dela Cruz: Thank you, Mr. Speaker. I do understand the importance of the bill here, and it is a commendable bill. Of course, it will help out our Public School System. My only concern here is the enforcement of trying to collect. I do not know if there is any such mechanism in the machines that will automatically peg winnings on the certain machines, and like I said, we do not know. I would move to have this sent to the Committee on Commerce and Tourism to question the Commerce department whether this is something that is possible. Like our colleagues here had mentioned, it is almost impossible to enforce and collect winnings when you have one attendant in a poker establishment and you have six to ten players playing at the same time. So I move that we refer this bill to the Committee on Commerce and Tourism.

The motion was seconded.

Speaker Babauta: Before I recognize that motion,...

Rep. Yumul: Point of clarification.

Speaker Babauta: State your point.

Rep. Yumul: Just so that everybody is aware, under the Wage and Salary Tax under subsection 1204, the total yearly wages of a wage earner between zero and \$1,000 is no tax. I believe that is the reason why Section 1505 started the jackpot winnings at a \$1,000.00 and beyond. I believe that this may have a legal issue if someone where to say, look this is my only wage that I have earned, it is \$500.00 dollars for the year. Although they had earned it at a poker arcade, he can try to claim that it is his salary.

Speaker Babauta: I do not think that for purposes of tax refund and tax rebate, Revenue would not either recognize it as wage. It is dollar earned through gaming. So on top of your regular wage, I do not know who has been receiving additional W-2 here aside from your NMITIT by playing poker or even the lottery...it is an additional income to the individuals income.

Rep. Yumul: Can we ask the Counsel to clarify Section 1204...

Speaker Babauta: Let us have a short recess.

The House recessed at 12:25 p.m.

RECESS

The House reconvened at 12:35 p.m.

Speaker Babauta: We are back to our plenary session, and we continue to discuss, H. B. NO. 15-240. I recognize Representative Joseph Deleon Guerrero.

Rep. Joseph Deleon Guerrero: Thank you, Mr. Speaker. I moved to end debate and was seconded.

Speaker Babauta: But we were on recess. Before I recognize that motion, let me just recognize Representative Taman.

Rep. Taman: Thank you, Mr. Speaker. The intention of this bill is to help us enhance our revenue collection so that we can assist programs that are needed, and there is a provision here that mandates the Secretary of Finance to promulgate rules and regulations, and I assume that encompasses the enforcement aspect. So I would like to move to end debate so we can proceed. Thank you.

Speaker Babauta: You are the second one, and just so that the Chair is not cited for being Out of Order, there is a motion on the floor and has been seconded, unless the mover would like to reconsider his motion. I recognize Chairman Dela Cruz.

Rep. Dela Cruz: Mr. Speaker, I believe earlier I made a motion to refer this to Committee...

Speaker Babauta: Yes, and it was seconded, but it was never voted upon. So let us dispose of the original motion offered by Chairman Dela Cruz, and to clarify that motion is to refer this bill to the Committee. Okay. You want to take a roll call. Clerk, call the roll on the motion offered by Chairman Dela Cruz to refer H. B. NO. 15-240 to the Committee.

The Clerk called the roll on the motion to refer H. B. NO. 15-240 to the Committee:

Rep. Martin B. Ada	yes
Rep. Edwin P. Aldan	yes
Rep. Francisco S. Dela Cruz	yes
Rep. Florencio T. Deleon Guerrero	no
Rep. Joseph P. Deleon Guerrero	yes
Mr. Speaker, if it would help make this more achievable then,	yes.
Rep. Jacinta M. Kaipat	yes
I will say my two-piece, and that is, I do support the intent of this bill, but I do believe that we need to take a look at the enforcement aspect – not just leave it to the Secretary. It is worth the Committee's while to just spend a little bit more time taking a look at this bill.	
Rep. Jesus SN. Lizama	no
Rep. Crispin M. Ogo	no

Rep. Arnold I. Palacios	excused
Rep. Justo S. Quitugua	no
Rep. Benjamin B. Seman	yes
Rep. Candido B. Taman	no
Rep. Ramon A. Tebuteb	no
Rep. Manuel A. Tenorio	yes
Mr. Speaker, I support fully the intent of the bill, but I am still lost whether this might not conflict the earnings and the...taxes that we are paying. I want to see that clarified, and I think the Committee would do a good job in finding this thing out. So my vote is, "yes."	
Rep. Stanley T. Torres	no
Rep. Absalon V. Waki, Jr.	yes
Rep. Ray N. Yumul	abstained
Mr. Speaker, I just have some questions but instead I will abstain.	
Rep. Oscar M. Babauta	no

Speaker Babauta: This would resolve on the next session, the issue – so we may leave this on the Calendar...on the same note, I urge each one of you to read Section 1505 entirely so that you may conclude your final vote on the issue. Not doing so would inhibit your ability to express your vote because the subsequent sections and chapter has enforcement provisions and guidelines as to how the poker machines are operated in the CNMI.

Rep. Yumul: Mr. Speaker, point of clarification.

Speaker Babauta: State your point.

Rep. Yumul: Once we reconvene at the next session, we will still debate?

Speaker Babauta: Yes, it is still on the Calendar, and again, I have to apologize on behalf of the members of the House to the Bureau Staff for dragging you pass 12:30 p.m. Before we adjourn, let us move down to Announcement.

MISCELLANEOUS

None

ANNOUNCEMENTS

The Chair recognized Representative Joseph Deleon Guerrero.

Rep. Joseph Deleon Guerrero: Thank you, Mr. Speaker. I wanted to ask all the members if they would like to partake in – we are passing out registration forms for the 5k Run/Walk and a 10k Run this afternoon. It is hosted by the XTERRA, but portion of the proceeds would go directly to the Commonwealth Diabetes Coalition, and we would like to ask if you can support the CDC. If you do not want to walk, just pay it and you do not have to walk.

Speaker Babauta: I am glad you mentioned that, Representative Deleon Guerrero, because I and the Vice Speaker had lunch with our team yesterday from Hawaii, and we have assured your coalition that certain percent from our team will be coming during thee XTERRA.

Rep. Joseph Deleon Guerrero: Thank you, Mr. Speaker.

The Chair recognized Chairman Dela Cruz.

Rep. Dela Cruz: Mr. Speaker, just a quick announcement. On behalf of the members of Precinct III, we are all inviting you to the San Jose Fiesta on Monday.

Speaker Babauta: I have received a letter from your parishioners. I asked my Secretary to circulate that letter to all the members. So for those who have time on Monday, please join the parishioners of San Jose for their festivity. It will be at 5:00 p.m. I recognize Chairman Ada.

Rep. Ada: I guess we have forwarded the letter from APIL Secretariat about the APIL funds, and I trust, Mr. Speaker, that you will follow up.

Speaker Babauta: I have asked you several times and Chairman Waki to do that.

Rep. Ada: Your Secretary has the original type written at your office. Thank you.

Speaker Babauta: Any more? I want you to have a great weekend with your loved ones. So Floor Leader, motion for recess.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, subject to your call.

The House adjourned at 12:46 p.m.

Respectfully submitted,

Vicky T. Guerrero, Journal Clerk
House of Representatives

APPEARANCE OF LOCAL BILLS

SECOND APPEARANCE

None

THIRD APPEARANCE:

H. L. B. NO. 15-58: Adult Business Zoning (Rep. Francisco S. Dela Cruz)

H. L. B. NO. 15-59: To appropriate \$100,000.00 from the First Senatorial District poker fees; and for other purposes. (Rep. Crispin M. Ogo)