



## House Journal

### Fourth Special Session, 2007

**Adopted:**  
July 24, 2007

**Second Day**

**May 16, 2007**

The House of Representatives of the Fifteenth Northern Marianas Commonwealth Legislature convened its Second Day, Fourth Special Session on Wednesday, May 16, 2007, at 9:10 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.

A moment of silent prayer was observed.

The Clerk called the roll and fifteen members were present. Representatives Candido B. Taman was excused. Representatives Martin B. Ada, Florencio T. Deleon Guerrero, Manuel A. Tenorio, and Stanley T. Torres came in late.

Speaker Babauta: Without objection, while we wait for the Floor Leader, I would like to appoint Chairman Lizama to be the Acting Floor Leader pro tem this morning.

There was no objection.

### **ADOPTION OF JOURNALS**

Acting Floor Leader Lizama moved for the adoption of the Second Day, Second Special Session 2007 Journal; the motion was seconded.

2<sup>nd</sup> Day (04/19/07), Second Special Session 2007

There was no discussion and the motion to adopt the First Day, First Special and the First Day, Second Special Session 2007 Journals was carried by voice vote.

Speaker Babauta: The motion is carried.

Acting Floor Leader Jesus SN. Lizama moved to resolve into the Committee of the Whole for presentation of Resolution, was seconded and carried by voice vote.

Speaker Babauta: The motion is carried.

The House went into Committee of the Whole at 9:16 a.m.

## COMMITTEE OF THE WHOLE

The House returned to plenary session at 9:52 a.m.

Speaker Babauta: We are back to our plenary session. We are down to item number 3.

### INTRODUCTION OF BILLS

None

### INTRODUCTION OF RESOLUTIONS

H. R. No. 15-117: A House Resolution to recognize, commend and congratulate Mr. Brian Bearden for being the first person in the Commonwealth of the Northern Mariana Islands to become license as a professional engineer in the field of environmental engineering.

Offered by: Rep. Jacinta M. Kaipat and seventeen others

H. J. R. No. 15-118: A House Joint Resolution commemorating Asiana Airlines' Inaugural Flight from Incheon, Korea, to Saipan, CNMI, on May 27, 2007.

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

### MESSAGES FROM THE GOVERNOR

Gov. Comm. 15-244: (5/14/07) Informing the House that he disapproved H. B. No. 15-242, HD5, (Reduce budget of certain public corporation and agencies for PSS and NMC).

Gov. Comm. 15-245: (5/14/07) Informing the House that he is withdrawing Cris S. Inos to serve as a member of the Public Utilities Commission representing Engineering/Rota.

Gov. Comm. 15-246: (5/14/07) Informing the House that he is withdrawing Velma M. Palacios to serve as a member of the Public Utilities Commission representing Engineering/Saipan.

Acting Floor Leader Lizama: Mr. Speaker, clarification, we have three Messages from the Governor.

Speaker Babauta: Three? Short recess.

The House recessed at 9:52 a.m.

### RECESS

The House reconvened at 9:53 a.m.

Speaker Babauta: We are back to our plenary session, and without objection, I would like to include Gov. Comm. 15-245 and Gov. Comm. 15-246. I assume that all members have copies. Both

Communications are the Governor's letter to the Legislature withdrawing the PUC nominees of Mr. Inos, and Ms. Palacios. I have spoken with the Chairman yesterday, I furnished him a copy. Okay. Any comment of any of the Communications? Without objection, I request that we place the two communications that came in late officially on the Calendar. Let us move down to item number 10.

#### **SENATE COMMUNICATIONS**

None

#### **HOUSE COMMUNICATIONS**

None

#### **COMMUNICATIONS FROM THE JUDICIAL BRANCH**

None

#### **COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE**

None

#### **COMMUNICATIONS FROM DEPARTMENTS & AGENCIES**

Dept. & Agency Comm. 15-59: From Ms. Linda T. Cabrera (SAPLR) acknowledging receipt of H. J. R. No. 15-18.

There was no discussion.

#### **OTHER COMMUNICATIONS**

None

#### **COMMUNICATIONS FROM DEPARTMENTS & AGENCIES**

None

#### **REPORTS OF SPECIAL AND CONFERENCE COMMITTEES**

**S. C. R. No. 15-59:** Reporting on H. B. No. 15-178, entitled, "To amend Division 4 of Title 4 of the Code by adding a new Part entitled Business Partnerships; to adopt the Uniform Partnership Act (1997) as drafted by the National Conference of Commissioners on Uniform State Laws; and for other purposes." *Your Committee on Commerce and Tourism recommends passage without amendment.*

The Chair recognized the Floor Leader.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, to adopt S. C. R. No. 15-59 reporting on H. B. No. 15-178.

The adoption motion was seconded and carried by voice vote.

Speaker Babauta: The motion is carried.

**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. 15-117, H. J. R. No. 15-2.

The suspension motion was seconded and carried by voice vote.

Speaker Babauta: The motion is carried. Adoption motion, Floor Leader for the three Resolutions.

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

Speaker Babauta: State your point.

Rep. Yumul: You said, three?

Speaker Babauta: Yes, the two that was just included in the Calendar.

Rep. Yumul: I believe that the author has a House Draft to H. R. No. 15-114.

Speaker Babauta: Correct, and we are about to entertain a motion to adopt all the three Resolutions.

Rep. Yumul: Thank you.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for the adoption of H. R. No. 15-114, H. R. No. 15-117 and H. J. R. No. 15-22.

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

Rep. Joseph Deleon Guerrero: Thank you, Mr. Speaker. If there is no objection from the members, I just passed out a copy of a cleaner version of H. R. No. 15-114. I would like to offer it as a substitute.

The amendment offered by Representative Joseph Deleon Guerrero was seconded and carried by voice vote.

Speaker Babauta: The motion is carried. We continue to discuss any of the Resolution, and I recognize Chairman Dela Cruz.

Rep. Dela Cruz: Thank you, Mr. Speaker. This is in reference to H. J. R. No. 15-22. Unless our distinguished colleague, Representative Torres is also the Acting Executive Director of CPA, I would like to make a correction on line 17 to insert, “Jr.” Thank you, Mr. Speaker.

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

Speaker Babauta: The motion is carried. Now I recognize Representative Torres.

Rep. Torres: Can you also add the middle initial “C”?

Speaker Babauta: I would consider that a technical. Clerk, take note and please include the middle initial of Mr. Torres.

There being no further discussion, all the Resolution were carried by voice vote.

Speaker Babauta: The motion is carried.

Rep. Ada: Privilege, Mr. Speaker.

Speaker Babauta: State your privilege, Representative Ada.

Rep. Ada: Am I in order to discuss yesterday’s H. R. No. 15-93 on the U.S. Forest Service?

Speaker Babauta: At this time you are out of order. The Resolution had already been adopted yesterday.

Rep. Ada: No, should I discuss under Miscellaneous what...

Speaker Babauta: We will come down to item number 17, and you can make your explanation.

Rep. Ada: Thank you.

## **BILL CALENDAR**

The Chair recognized the Floor Leader.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for the passage on First and Final Reading, H. B. No. 15-198.

The motion was seconded.

**H. B. No. 15-198**: A Bill for an Act Title 1, Division 2, Part 1, Chapter 13, Article 2 of the Commonwealth Code of the Northern Mariana Islands is hereby amended by adding a new Section 2662 to authorize the Department of Lands & Natural Resources, to manage and to establish fess for the Outer Cove Marina; and for other purposes.

Speaker Babauta: Discussion. I recognize the Minority Leader.

Rep. Palacios: Mr. Speaker, I recalled that the last time this was put on First Reading – I need some inquiries as to the transfers of this facility. As we all know – maybe some of us do not know, let me give you a very brief background...the outer cove marina is presently owned by – was constructed by the outer cove marina incorporated, or Mr. Tony Pellegrino's company. There was a major legal battles and issues with the facility. There was also a court order – basically a judgment against the government regarding this facility. In the 13<sup>th</sup> Legislature, we had to...some settlement agreement which never materialized. In the 14<sup>th</sup> Legislature, we also tried to settle the issue, but it did not materialize. I am not sure what – that was my question. This is a private corporation that entered into a lease agreement with the National Park Service. So you have basically two entities, the U.S. Government through its National Park Service entered into a lease agreement with the Outer Cove Marina Corporation for the fast land, which is the strip out land mass. It also entered into a submerged land agreement with the Commonwealth Government. So you have two entities – Federal Government through its Park Service and the CNMI Government through first, the Department of Lands and Natural Resources subsequently the authority to lease submerged land and jurisdiction over submerged land since been transferred to MPLA now DPL. What happened to all those agreements and how do they affect the transfer now from a private company which is in litigation with the government and has a judgment against the government transferring this facility back to the Department of Lands and Natural Resources? We made those inquiries and we are supposed to get some information back. Thank you.

Speaker Babauta: What you have explained is so eloquently correct. The final arbitration as a result of the parties involved sat over the period of several years dating back to the 12<sup>th</sup>, 13<sup>th</sup>, 14<sup>th</sup>, and the 15<sup>th</sup>. The arbitration based on the stipulation of all the parties involved had been confirmed by the Honorable Judge Lizama on January 27<sup>th</sup> 2005. That arbitration award was confirmed – an award of December 3<sup>rd</sup>, 2004 was confirmed. So what this simply says is the entire lease is null and void now. All the parties have their own rights, both the CNMI government and the Department of Interior through its National Park Service, CNMI branch. I have a copy here. It was given to me. I do not know if everyone has a copy. More or less, I understand that the bill is creating a trust revolving fund for maintenance purposes of that particular area. I understand that the administration is presently negotiating now the decree at this point in time. I also understand that they are pretty much coming close to closing finally that litigation as agreed by all the parties involved through arbitration and sanctioned by our court. I recognize the Minority Leader.

Rep. Palacios: My concern here, Mr. Speaker, is unless it is an agreement by the outer cove marina, which is basically the leaseholder of this fast land, and submerged land. Unless there is an agreement reached in the CNMI government and the outer cove marina along with the National Park Service, I am very reluctant to even take a look at this. I fully understand the need to have someone be maintaining the facility. The facility is a valuable facility. There is no question about it. It needs to be maintained, but we need to be very careful of how we take over this facility. I would like to see some documentations from the Park Service that they have agreed, because there is in the agreement between Pellegrino's corporation – there is a lease agreement, sort of like a concession's agreement between National Park Service and outer cove marina, and...maintenance of the fast land area, we are entering into an area that we may not have jurisdiction on. Unless we get some concurrence and some official letters from the National Park Service, this is very sensitive to get

ourselves into. I know that the Division of Fish and Wildlife is operating the smiling cove marina. So that is under our jurisdiction through an agreement with the National Park Service, but going out into the outer cove marina without a written – and what happened, did the outer cove marina corporation abandoned the facility?

The Chair recognized the Vice Speaker.

Vice Speaker Quitugua: This is just sort of a question or clarification. Mr. Speaker, I think in 2005, if I am not mistaken, the 9<sup>th</sup> Circuit Court had ruled that submerged lands in the CNMI shall be under the Federal jurisdiction.

Speaker Babauta: Three Miles.

Vice Speaker Quitugua: Three miles out? I though it is all submerged lands.

Speaker Babauta: Yes. Well, to shed some lights again, when we did the outer cove marina lease that is between the CNMI Government and outer cove marina corporation, the fast land which is where the entrance is, similar to the Smiling Cove, is legally owned by the National Park Service, Department of Interior. So that is a separate agreement between MPS and the operator. So as a result of the arbitration between the outer cove marina, the CNMI Government, the Department of Lands and Natural Resources, the MPS through the Department of Interior, former Secretary Dr. Jack Tenorio have consummated all these agreement getting back the facility, which is only the docking portion of outer cove marina. As a result of that, the CNMI was awarded, I do not know whether it was \$400,000.00 or close to that to install a man made break water for that particular entrance. Now the fast land if MPS negotiates with any other operator which actually owns the fast land – may I clarify something from the author...is the purpose of the bill is to allow for a revolving trust fund to be created strictly for the docking facility?

Rep. Waki: The revolving fund is for the management, maintenance of the outer cove marina, and so basically, it will pay for itself. There is no need for an appropriation for budgeting, because right now, there is actually boats that are being charged – DLNR has very little power to keep collecting and as you collect, the boat owners are asking as to what is going on with the maintenance. There are vandalism, there is no security, etc., etc. So as of July of last year, I had the letters here showing from Tony Pellegrino to Department of Lands and Natural Resources relinquishing all rights, and the judgment signed by Judge Juan Lizama explicitly says that it goes back to the CNMI government. And talking with the superintendent for American Memorial Park, we had a meeting with her last year, and she was mentioning that as long as it is still in litigation, the Park Service could not assist until the outer cove marina comes back to the CNMI government. With that, they are willing to work with the CNMI government for improvements, and even to help with the building of the break water, which is absolutely necessary. The revolving fund is also to help assist in the funding of the break water.

Rep. Palacios: I appreciate that information, but let me try to clarify what...

Speaker Babauta: Proceed, Minority Leader.

Rep. Palacios: I know that the 9<sup>th</sup> Circuit decision is regarding the EEZ. You are correct, and it is all the way up to the high water mark. We have absolutely no jurisdiction, not even the three mile, but if one looks at the technical section of the Covenant, the Tanapag Harbor area inclusive of the inner cove and outer cove marina (dump area), that was part of the agreement as belonging to the Commonwealth government. Maybe those areas are not subjected to the federal jurisdiction. I am not sure. What I believe we need to have somebody be responsible for the facility. What we really need to do is to get the National Park Service to memorialize that indeed, it gives over the jurisdiction over maintenance of the fast lands associated with the marina itself. We do not have that. We basically do not have the authority even if we enact this law. We may only have authority over those facilities on the submerge land in the water, but we do not have access. Unless there is a memorandum of agreement between the government and the National Park Service, and I think that is what we really need to do to move this forward. In the mean time, perhaps – because we are going to go through a statute – putting the chicken before the eggs type of scenario, what we probably need to do is to have a memorandum of agreement also. All we need is just a short agreement between the fuel office here and DLNR that DLNR would maintain the facility until the issue of turning over the lease agreement that MPS signed with Pellegrino, and assigning that also to DLNR. We cannot move with this. I do not think we can legally because we do not have any jurisdiction over some of those facilities.

Speaker Babauta: Again, the facility that – what the Legislature is trying to intent to accomplish is creating a parking fee or departure fee, and as we all understand, the National Park Service does no longer allow commercial vessels out of smiling cove because the intent of smiling cove initially is for sports fishermen facility, and not to board any commercial passengers. So I understand that the semi-government has arrangement similar to that of what our former director of Fish and Wildlife initiated with the smiling cove allowing the CNMI government to operate the parking of fishing vessels and other commercial vessels. In several times, MPS would compel those commercial, sunset cruisers boats to leave the area and park across. The access is still maintained by MPS. As a matter of fact, there is now a facility there that has a service station, but that is under the jurisdiction of MPS, whether MPS would allow for bidding to operate the service station at the small retail store there, it is up to them. I recognize Chairman Dela Cruz.

Rep. Dela Cruz: Thank you, Mr. Speaker. I just wanted to get clarification on the smiling cove marina itself. How is that being handled right now in regards to fees and what have you?

Rep. Palacios: It is the same way that Representative Waki trying to accomplish. What they do is, all those facilities were built with federal grants, and there is an ongoing federal grant that gives several hundred thousand dollars, but basically, they operate it by charging fees for the slips, and that fee goes into a program income fund. It goes to maintenance and operations of the smiling cove marina. That is basically how it goes. People pay fees for slip rentals.

The Chair recognized the Vice Speaker.

Vice Speaker Quitugua: Thank you, Mr. Speaker. On page 2 of the arbitration agreement, on the last sentence here it says, “The lease entered into by the parties on August 24, 1995 for the property known as the outer cove marina is hereby rescinded and all rights, duties, and responsibilities of the parties are terminated.”

Speaker Babauta: Correct.

Vice Speaker Quitugua: Is there a third party to the agreement?

Rep. Palacios: There is.

Speaker Babauta: What the Minority Leader just mentioned involves three parties here, the outer Cove Marina, the Division of Fish and Wildlife, Department of Lands and Natural Resources for the submerged land area, and the National Park Service for the fast land area. So all of these have been rectified already through arbitration, and that is the final decree and judgment that was issued or sanctioned by the court.

Vice Speaker Quitugua: Yes, but the arbitration is only between MRC and the CNMI government.

Speaker Babauta: No, that is the...

Rep. Palacios: You are right, that is the issue – where is the National Park Service in this arbitration or judgment? That is my question because we need to have them come in to the picture, and have an agreement with them. You are right.

The Chair recognized Chairman Waki.

Rep. Waki: Because when we were talking to the superintendent, we looked at the overall map of the park in itself, and she was saying basically where their line of jurisdiction stopped when there was a private firm maintaining. Then she says, if the CNMI government gets it back, because of the agreement with the National Park and the CNMI government for those lands in that area, they said there is no problem working with the CNMI government. They have certain funds to maintain certain portion, and even enhance certain areas that are still within their jurisdiction, but kind of merges and joints with the private sector. So they were holding it off and they were going to do something, but if the government gets it back, they said they are willing to put the money back into improvement because of the fact that it is a government/government relationship and not a government/private relationship. She may not have gotten a copy of this judgment, which basically stipulates that the government gets it back, but now, who do they work with in order to work on the maintenance and the issues of the outer cove marina. I guess what we are trying to do here is give one department in the government who will be responsible to finalize negotiations back with, and I think it was originally under DLNR, right? Because the way it says here, DLNR that actually made the agreement with MRC – so it goes back to DLNR which means that it comes back to the CNMI government.

Speaker Babauta: Only for the submerged land portion, which is the water.

Rep. Palacios: Again, let me emphasize that I do not have a problem with turning this over and have them charge – they should charge for the maintenance of the facility. We need clearance. To make it simple, we need clearance from National Park Service. We want a letter or a memorandum of agreement because even if we pass this law, it is useless if the Park Service says, no. But we need to have that.

The Chair recognized Chairman Waki.

Rep. Waki: That is understandable, and everything else is kind of mute unless we have somebody going to actually sit and finalize this relationship between the government and the – because we can have the Governor say, let us go and get a MOU, but they are probably going to say, who are we going to work with, is it going to be CRM, DEQ, but now we are saying, Lands and Natural Resources is here – go and work with the Park Service. They cannot do anything unless they work with the National Park Service.

Rep. Palacios: That is exactly what I am saying, and who would the Park Service should work with, the Governor's Office. The Attorney General's Office and the Governor's Office come up with a memorandum of agreement and get this thing done. Like I said, the Governor is the CEO. We should just have the memorandum of agreement because...**[End of Tape 1, Side A]**

Rep. Palacios:...**[Beginning of Tape 1, Side B]**...several people that I am going to transfer to Mañagaha, and Sylvan Igisomar the Director of Fish and Wildlife comes down and says, Congressman, you have to pay \$5.00 – and I said, for what? I told him that he is not authorized to do that. The only authorization was given to Marine Revitalization Corporation, and so we thought those authorization did not transfer on from MPS to – we might run into problems, bigger problems than the \$5.00 fee that we are going to charge.

Speaker Babauta: Besides, I just want to clarify one point also, as a result of a public law, that law gives Public Land now the authority to be the custodian of submerged land getting it away from Lands and Natural Resources. Chairman Waki, I would recommend that we bring this back to Natural Resources, and redo this – Chairman Aldan, work with Public Land and MPS. That is all we need. I recognize the Vice Speaker.

Vice Speaker Quitugua: Mr. Speaker, I would like to offer an alternative rather than sending this back to the Committee. Probably the author can write to the Secretary of Lands and Natural Resources on this issue of the outer cove marina. Probably the Secretary can give us a clear answer to proceed with the bill. I recommend that we leave it on the Calendar.

Speaker Babauta: Let me recognize Chairman Waki.

Rep. Waki: Yes, if anything, I have been working with the Secretary of the department. He is the one that is trying to push to get this through, because he says, he cannot do anything unless we do it this particular way. He was actually helping to – with the Secretary of Finance on how to manage the outer cove marina. Maybe I need to verify if there is an MOU or at least an MOA with the MPS and the CNMI government, but looking at this judgment, basically, the defendant is the Department of Lands and Natural Resources. If all rights are given up by MRC then it goes back to DLNR. That is my understanding on this stipulation.

Speaker Babauta: You are correct.

Rep. Waki: It was with the discussion with the Secretary of the Department of Lands and Natural Resources, and even speaking with the Governor, they are saying that this is the venue that they would like to have so that way, it is a clear cut on who is responsible for the management, and I

guess all the negotiating authority with the National Park Service. But I can go ahead and check with the superintendent of the Park Service and see if there is an agreement, or if there is needed to be an agreement then we can work with the Attorney General's Office to get that done. If nothing else, I am just wondering, because of this judgment, I look at it, and I do not understand why we may need a bill, because it does say that it reverts back to the Department of Lands and Natural Resources, but for the clarification, or for that particular reason, I will go ahead and write to the superintendent for the Park Service as well as the Attorney General's Office and see what we can find. If there is nothing in the books, let us get that and find out where each one stands in reference to this because I just got an email from the Secretary of the Department of Lands and Natural Resources asking as where this bill is at right now because they are really running into a lot of issues down there. At this point in time, they feel that they do not have the authority whatsoever to really do anything at all.

Speaker Babauta: They do not because the law the created that new Department of Public Land removed that authority legally. It is now prudent also to include the Department of Public Land granting if Fish and Wildlife or rather Lands and Natural Resources like to continue to maintain that facility. So we will leave it as it is, and we will request the Chairman on the Committee of Natural Resources, and Chairman Waki to work closely together in expediting this. I recognize Representative Yumul.

Rep. Yumul: Thank you, Mr. Speaker. My concern is more on the commercial side on this legislation. I would like to ask that the author of the bill also consider among others the ability for recreational activities to be funneled basically into the outer cove marina. Basically, I see a lot of issues here with regards to operators that are in the far reaches of the island such as PIC, Diamond Hotel which is now World Resort, and even as far up north as Marianas Resort. It would entail basically that if a person wanted to get on the recreational activity or ride such as para sailing, scuba diving or whatnot, the operator would literally have to bring them all the way down to outer cove marina to get on the boat to get all the way back up to the beach in front of those hotels just so that they can take advantage of the activities. I do not even see a provision here that restricts this to Saipan. This could even be applied to Tinian. If anyone wants to get on a boat ride to Tinian, they have to come down to the outer cove marina.

Speaker Babauta: I guess what you are alluding to is the launching of commercial jetski's, para sailing, etc...

Rep. Yumul: Exactly. That is the other problem.

Speaker Babauta: And let me further clarify. We have a separate law for that, and the reason why we did that is because we continue to experience oil leaks in our lagoon, and that is the reason why there are certain launching docks that are named officially to be the launching official...of those...

Rep. Yumul: The concern, Mr. Speaker, is on page 2, line 16, where it says, "other recreational activities." We do not know what that can be. It is very generalized – that is broad. It needs to be worked at, and the other thing is that, this is a leg of a three legged table if you will. If we establish this departure fee, we have not taken care of Public Law 11-64, which establishes the landing fee. So basically, we are going to start charging both departure fee, and we still have a landing fee, so we

are looking at \$10.00 just to land on Mañagaha. We are going to kill the operator of mañagaha, and it is going to be a big issue.

Speaker Babauta: It is going to be a tremendous cash flow for the Saipan Senatorial and Northern Island District.

Rep. Yumul: I mean, I applaud the intent of the legislation. The outer cove marina does need to be maintained and up kept, but we need to look at the...

Speaker Babauta: Well, anyway, to shorten discussion on this as recommended that the respective members will look into all these grey areas so that we can rectify and come to a conclusion. I recognize Representative Joseph Deleon Guerrero.

Rep. Joseph Deleon Guerrero: Thank you, Mr. Speaker. Can I bring up another grey area?

Speaker Babauta: Not very dark, please.

Rep. Joseph Deleon Guerrero: It is similar to Representative Yumul's concern. One, I wanted to get a clarification whether in fact all commercial vessels carrying passengers to mañagaha has to depart at the outer cove marina, because that is what it is saying here. I think we do have like some of our – well, we also have local people who own boats who are working with hotels, and take tourist from various hotels to mañagaha. If this is in fact the intent of this bill, would it affect them?

The Chair recognized Representative Waki.

Rep. Waki: This is meant for commercial vessels using the outer cove marina. That is the clarification. The intent was if you are docking there or using the outer cove marina as a loading point for customers, that is the departure fee. But anybody coming from any other hotel, it does not affect them unless you are using the outer cove marina. It is when you are using the marina as a boarding point, that is when people will be charged.

Rep. Joseph Deleon Guerrero: Understood, but I guess what I am trying to say is that, I think you may want to clarify that because the current language right now does not necessarily reflect what you are now clarifying.

Rep. Waki: It is kind of vague, and I am sorry, Mr. Speaker, it is kind of vague, but that is the reason why we needed to have this discussion so that we can make clarifications, but the point of the matter was the \$5.00 departure is only for passengers loading on vessels, and leaving the outer cove marina.

Rep. Joseph Deleon Guerrero: So you are going to clarify that.

Rep. Waki: Yes.

Rep. Joseph Deleon Guerrero: The second concern is, "(c)." This is to establish the \$5.00 departure fee for passengers departing on commercial vessels. Currently, as I understand it, locals can avail of this program where they contact PDI or whoever, but make reservations, and I believe locals can go

for free. Now, because it does not specify whether the \$5.00 departure fee is for tourist or locals under the current language, the rules may require that even locals be charged the \$5.00. I do not know if that is the intent of this bill, and if it not, perhaps clarify again to ensure that locals are waived from this fee.

Rep. Waki: That is correct. The locals will be waived.

Rep. Joseph Deleon Guerrero: Clarification, Mr. Speaker.

Rep. Waki: Remember, this just says amendments to Title 1, Division 2, Part 1, Chapter 13. There are areas in there that does clarify some of those. These are just the basic intents. It just has to pay for itself and be able to fund enough for the maintenance. But right now with the number of vessels that are being...there is certain dollar amount that comes in every month, and unfortunately, DLNR – they are collecting, but in actuality, there is no fund to put in. There is no where for them to put those funds, but they are collecting as a...

Rep. Joseph Deleon Guerrero: I understand the intent. All I am saying, Representative Waki, is that this bill is really to mandate that DLNR promulgate rules. Now, when you have a legislation or a statute requiring that rules be promulgated, you want to clarify as clearly as you can how those rules are going to be promulgated, but if you leave room for interpretation, then rules can be promulgated that does not necessarily reflect the intent of the bill. So all I am asking is these two concerns be clarified. One is the departure point that it does not necessarily require commercial vessels dock at other hotels or departure points, and that they are not required to depart from the outer cove marina, and secondly, that the language for passengers that it be clarified that this is not intended to be applied to local residents. That is all. I understand that you are going to work with the Committee, and that is all I ask that you clarify that. Thank you, Mr. Speaker.

Speaker Babauta: Any more discussion before we move on? Okay. Floor Leader, may I ask for a subsidiary motion to withdraw your original motion.

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

The subsidiary motion to withdraw H. B. No. 15-198 on Final Reading was seconded and carried by voice vote.

Speaker Babauta: The motion is carried. H. B. No. 15-198 will continue to remain on the Calendar. Next bill, Floor Leader.

Rep. Yumul: Privilege.

Speaker Babauta: State your privilege.

Rep. Yumul: If there is no objection, Mr. Speaker, I would like to go back to item number 3. I have a legislation that had been forwarded to me by the Judicial Branch for consideration.

There was no objection.

Speaker Babauta: Is that a comprehensive bill?

Rep. Yumul: No, it is a straight forward bill, Mr. Speaker.

Speaker Babauta: I would kindly ask that we do not entertain any more placement on the Calendar, otherwise, we will continue to work on bills all the way to the end of the year.

Rep. Yumul: Yes, I understand. It is a simple amendment, Mr. Speaker.

Speaker Babauta: Okay, I will allow that.

### **INTRODUCTION OF BILLS**

**H. B. No. 15-266:** A Bill for an Act to allow the Commonwealth Judiciary's Marshals Office to deliver juror summons by amending 7 CMC § 3109; and for other purposes.

Offered by: Rep. Ray N. Yumul

Rep. Yumul: It is a simple amendment to allow the Marshals Office to serve juror notices or summons due to the situation of DPS not being able to accommodate some cases, thereby delaying court actions.

Speaker Babauta: Okay. We will go back to item number 16 under Bill Calendar, and I recognize the Floor Leader.

### **BILL CALENDAR**

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, to suspend pertinent rules to place H. B. No. 15-266 on today's Calendar.

The suspension motion was seconded and carried by voice vote.

Speaker Babauta: The motion is carried. Continue, Floor Leader.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for the passage on First and Final Reading, H. B. No. 15-247.

The motion was seconded.

**H. B. No. 15-247:** A Bill for an Act To amend Chapter 4 of Division 3 of Title 1 of the Commonwealth Code to establish a new schedule of monetary assessments against individuals convicted of misdemeanor or felony charges to be deposited into an "Assistance to Victims of Crime Revolving Fund;" and for other purposes.

Speaker Babauta: Discussion. I recognize Representative Seman.

Rep. Seman: Thank you, Mr. Speaker. If I may offer a minor floor amendment?

Speaker Babauta: Proceed.

Rep. Seman: On page 3, line 11, after the word, “subsection” please add, “upon a finding of indigence, the Superior Court may waive this assessment.”

Speaker Babauta: Discussion on the amendment. I recognize Representative Yumul.

Rep. Yumul: I would just like to ask the author of that amendment as to what is the intent for that because when victims have been...sometimes you have to pay for the consequences, and we take to promote indigence as an excuse to be waived fines. I am just curious as to what the mechanics is.

Speaker Babauta: You have a valid reason. It would probably defeat the purpose of having the assessment. I guess the indigent issue is strictly impressed upon the eligibility to be represented by a legal counsel, and not with the assessment and fines. I recognize Representative Seman.

Rep. Seman: The legal counsel actually suggested that we put this – he thinks that the court tends to take negative use towards assessing indigent defendants, and basically, jail terms are usually assessed over this. He just felt that it would be more stronger if there is an indigence provision on this bill.

Speaker Babauta: Let me clarify with the counsel. Aside from assigning a legal counsel for an indigent client, does the court impose any other assessment or fines on indigent clients that are found to be in violation of the CNMI law?

*Legal Counsel Rosemond Santos: They never view defendants as indigent. They are just defendants, whether you are rich or poor. The court never took it into consideration. We always assess restitution, unless the victim clearly waives that by writing. There is always a court assessment fee, probation fee, and on top of that, there is a court fine, and you just have to pay for it.*

Speaker Babauta: And whether you are indigent or not...

*Legal Counsel Rosemond Santos: It does not matter.*

Speaker Babauta: And that is the court’s rules and procedure now?

*Legal Counsel Rosemond Santos: Right.*

The Chair recognized Representative Seman.

Rep. Seman: I think I do agree with our legal counsel, Mr. Speaker. I did mentioned that if a person has the inability to pay such fine, I think they should think twice before they even commit the crime. So I am willing to withdraw this...

Speaker Babauta: I am afraid that we might be giving them a reason for another rejection of legislation. The way I read it is – now that we clarify the segregation of those fees for the crimes of

victims, in the original bill that was vetoed, I guess this person now is...so the motion to withdraw by the mover his amendment has been seconded.

There being no further discussion, the motion to withdraw the oral amendment as offered by Representative Seman was carried by voice vote.

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

Rep. Ogo: Thank you, Mr. Speaker. Just a quick question to the author on page 3, line 14 through 18. I am just curious, under the Attorney General, is there any division there that does temporary shelter because I am looking at this that the percentage that will be divided among other agencies, it seems like the Attorney General is an expenditure authority, and I am just curious if there is a division...can you please explain about this because I understand that Guma Esperansa is a Women's Shelter here in Saipan, and I am just curious as to why does Guma Esperansa be given consultation before any expenditure?

The Chair recognized Representative Seman.

Rep. Seman:...Guma Esperansa is in one way under the auspices of Karidat, but also some funding are also being managed through the Attorney General's Office, and that is why we put this as the expenditure authority.

Speaker Babauta: Just to shed a little light, the Domestic Violence Program falls under the Attorney General's Office. We have a special unit there that prosecutes domestic violence, and does investigations. That is the purpose of that.

Rep. Ogo: Mr. Speaker, I do understand that there is Domestic Violence Program under the Attorney General, but it seems like these funds will be going directly to temporary shelter or other services. My concern here is, if the Attorney General is going to provide funding for temporary shelter, I am just curious whether the Domestic Violence have a program that assists victims with temporary shelter, because I understand that Karidat through Guma Esperansa have that program. I strongly feel that for a temporary shelter, we should give the expenditure authority to Karidat.

Speaker Babauta: Well, it is synonymous in a sense where officially the supervision of Guma Esperansa as far as administrative is concerned falls under the non-profit organization, Karidat, which is normally been – very rare at times that we budget locally, is operated by a federal grant. Last year, Guma Esperansa was also granted an award through my – I was awarded some funds by a federal program. So I divert those awards to this particular institution. Collaborative is the key here as far as the assessment is concerned. The Attorney General, the Guma Esperansa, and which shelters domestic violence and that of human trafficking for that matter, and DYS for child neglect or child abuse through domestic violence. So these are called collaborative program that they work together everyday. What the author is saying here is to try to mitigate the financial impact as a result of this working together by distributing portions equally to all these three programs, and not necessarily earmarking it for special purposes. However the case may be, the 1/3 each are formatted to entertain any case that arises out of DYS or Karidat, and also arises out of the Division of Domestic Violence at the Attorney General's Office. Proceed, Chairman Ogo.

Rep. Ogo: Mr. Speaker, I guess the language here or the word, “temporary shelter.” My reason for question is, does the Attorney General have – I know and I understand that there is a Domestic Violence Unit, but does the program or division provide temporary shelter? That is my only question here.

Speaker Babauta: Yes, they do. I recognize Representative Kaipat.

Rep. Kaipat: Thank you, Mr. Speaker. I sit on the Karidat Board, and I do not Representative Ogo if you are still a member of that...

Speaker Babauta: He does before...

Rep. Kaipat: Guma Esparansa had always dealt with the shelter, and work very closely with the Attorney General’s Office. They prosecute; they bring children, and women who need protection. My Committee worked on this report, and we gathered comments from everyone on this before we arrived at this, and we felt - what was the best way to allocate these funds. Really, I do not have any problem with this. The Attorney General’s Office has a unit that addresses these domestic violence issues, but it is really Guma Esparansa being the actual agency that receives the funds and work very closely. As you know, Guma Esparansa is part of Karidat, it is a network, and everyone works very closely together. These funds belong here where we stated, and the expenditure authority is rightfully the Attorney General’s Office. Thank you.

The Chair recognized Representative Torres.

Rep. Torres: Along with what Chairwoman Kaipat stated, why do we not assign the expenditure authority to the Guma Esparansa instead of the Attorney General? I have a feeling that the Attorney General might use that money to hire another attorney to take over.

Speaker Babauta: There is a division, a component of the Attorney General’s Office that is being shouldered partially by federal funds and partial local. So this would augment whatever program primarily for those employees, not necessarily for attorney’s themselves, but there are few people that work under that office to pursue and protect innocent victims of domestic violence. That includes children. I recognize Chairman Ada.

Rep. Ada: Thank you, Mr. Speaker. I am just curious. I am supporting this bill. This is a good bill. I am just concern on page 3 under number 2, “division of proceeds” where Division of Youth Services continuous provision of supportive programs” this line and “expenses for youth foster care”, I was there in one point in time, and I believe the foster care program is part of the federal grant that they receive. Do they receive federal grants?

Speaker Babauta: They do.

Rep. Seman: I am pretty sure they do.

Rep. Ada: But my point here is, if we are contributing (33 1/3%), would this not affect the annual federal grant.

Speaker Babauta: They be more happy.

Rep. Ada: Well, that is exactly the point. Will it lessen the grant the following year if we have...

Speaker Babauta: No, no. It will improve more the program.

Rep. Ada: Well, what I am saying is from the federal stand point.

Speaker Babauta: No. It would not affect it.

Rep. Ada: It is like having a surplus on a federal grant...

Speaker Babauta: Not necessarily a surplus, but an addition to whatever is given.

Rep. Ada: Thank you, Mr. Speaker. I have no further question.

Speaker Babauta: Ready. I recognize Chairman Ogo.

Rep. Ogo: Just a floor amendment, Mr. Speaker, on page 4, line 1, to include, "(4), to consult the respective First and Second Senatorial District Mayor's for the needs of its programs."

Speaker Babauta: Chairman, if I may recommend. I understand what you are trying to imply in this amendment – let us have this program be of the political spheres.

Rep. Ogo: Mr. Speaker, let me just explain.

Speaker Babauta: Believe me, the program in itself accommodates CNMI wide, and the reason why, and I probably can allude to your sentiment with respect to this issue, you have been at one time a very active officer and director of Karidat, and also a victim advocate, but believe me, let us have this program the way it is established now unless we see that it is not working. So, Mr. Chairman, I beg of you to withdraw that potential oral amendment that you wanted to make.

Rep. Ogo: Mr. Speaker, let me just explain through experienced.

Speaker Babauta: Continue, I will allow the explanation.

Rep. Ogo: The reason why I want this floor amendment, Mr. Speaker, is because through experience, at times, funding for victims of crime, we barely receive assistance, Mr. Speaker. I am glad that karidat was available during my time to accommodate some of the victims' needs, and looking at this legislation, and for me not to at least include for consultation in case DYS, DPH, and all these departments that are listed here, to give courtesy call to the Mayor's of Rota and Tinian. If it becomes law, at least give courtesy or consultation to the Mayor's of the availability of funds. That is why I just want to make sure that I do this amendment to satisfy that reasoning. A lot of time, Mr. Speaker, funding going to Rota itself is limited, or sometimes it does not happen. I just want to make sure to include that amendment. Thank you.

Speaker Babauta: You know, Mr. Chairman, over the years that I have been in this Chamber, I have seen many provisions of law phrasing “in consultation with.” We have a lot of consultation that never took – a lot of the word consultations are included in those laws, but it hardly been consulted. I guess part of this is on the part of the executor of the program, and part of also the receiver of the programs. I think it is only prudent that we continue to prod these issues minding the policy takers of these programs to make sure that the communities are well informed and to the respective employees of those offices that are earmarked for these programs. I recognize Chairwoman Kaipat.

Rep. Kaipat: I will just make it short. The intent here is to help everyone including Tinian and Rota. Their representatives on the Karidat Board, they are there, and they know what is available. I just would hate to tie this up in a lot of bureaucratic red tape. Let them do their work. Let us not impede them by trying to tie this up in consultations. The whole intent of this is just to make sure that we provide funds so that they can do their work. Let us do that, and let us not tie their hands. Thank you.

The Chair recognized Chairman Dela Cruz.

Rep. Dela Cruz: Thank you, Mr. Speaker. I just like to add that on page 4, line 9, there is a language here that specifically states, “The office of Public Auditor shall, upon request of the Legislature, audit the fund and make a report to the presiding officers of the Legislature. Reports and any audits conducted under this subsection shall be published in the Commonwealth Register.” All three Senatorial Districts can avail of that information. The Mayor of Rota or Tinian can go through the Legislature, and avail of how the funds are being disbursed. Thank you, Mr. Speaker.

The Chair recognized Chairman Ogo.

Rep. Ogo: Thank you. I am very glad that Representative Dela Cruz pointed that out. That is the sole reason, Mr. Speaker, for this amendment so that we could at least – when a report from the Public Auditor comes, we can see how the expenditures have gone through, and to verify whether the First and Second Senatorial Districts have expenditures for these services. I still move to make that amendment on page 4. Let me read it one more time. On page 4, line 1, to add, “(4), to consult the respective First and Second Senatorial District Mayor’s with respect to Section (4)(c).” Thank you, Mr. Speaker. Can I ask the counsel to see whether that is...

Rep. Joseph Deleon Guerrero: Point of clarification, Mr. Speaker.

Speaker Babauta: State your point.

Rep. Joseph Deleon Guerrero: That subsection is the division of proceeds.

Speaker Babauta: Right.

Rep. Joseph Deleon Guerrero: I do not know of consultation. What that section does is allot by percentage.

Speaker Babauta: Well, to clarify the mover’s amendment, he is adding a number 4 to consult the Mayor of Tinian and Rota that there is this 33 1/3% to be distributed to the Attorney General’s

Office, DYS and Guma Esparansa. I do not see the rationale to inform them. This is not a local program. This is a CNMI wide program that is extended to the entire Commonwealth clients who are eligible under this legislation. Unless we have a lot of assessment in Rota and Tinian to the two of you...Chairman Aldan.

Rep. Aldan: Mr. Speaker, this 33 1/3% equal distribution, I had experienced, Mr. Speaker, as a police officer, paying for the victims to stay at a hotel because the social workers do not have access for the money at that given moment, and we all understand that the government's transaction of payment to hotels and vendors are not on time so they would not accommodate. But even them, *i hafa ilek-ña si Bobo nai na kulan para u guaha guarantia na para uma nahi papa salape, ya taigue enao guini nai.* Mr. Speaker, I do not want to get into *kao para ta sangani i* administration how to run it. *Enao ha na* message, that is all what I want to say.

Speaker Babauta: The intent of the legislation is to assess additional fees pursuant to those stipulated fines. So those fines are collected and are distributed to all these programs that administers these programs in the Commonwealth. So this is not about appropriating the 33 1/3% to Saipan, Tinian and Rota. This is about putting everything, and dividing it into all these three programs to accommodate those clients that falls under these various three officers. I do not know, but to me, it does not make sense to add the word consultation. I am pretty sure the Division of Youth Services in Rota and Tinian – what about the Karidat Office?

Rep. Ogo: There is no Karidat in Rota, Mr. Speaker.

Speaker Babauta: Okay. The mover still has the floor...

Rep. Ogo: I also asked the counsel in making this correct.

The Chair recognized House Legal Counsel Rosemond B. Santos.

Legal Counsel Rosemond Santos: *I do not see how that – it is really hard to rationalize and say that is a good thing because victim of crimes is a specialized field, and that is why it is limited to these organizations generally within the CNMI. Where the money goes, if it is funded and allocated as is right here, it is then funneled to these agencies who need them for whatever reason. I agree with the Speaker, I do not know how to address that. I do not see how the Mayor's Office knowledge of receiving these monies. Are you saying then that if it goes to the Mayor's Office then it goes to the divisions.*

Rep. Ogo: Let me clarify further. Basically, I understand that this is a CNMI programs in which the funds are going to be distributed, however, for example the Attorney General, they can consult the Mayor's of Rota and Tinian to just let them know that there are funding available, and if any services that deals with the needs of victims, please contact this office. You know, sort of like a courtesy consultation just to make sure that we safeguard. The whole intention here is to guarantee consultation to the respective Mayor's in letting them know the availability of funding through these agencies. Thank you.

Legal Counsel Rosemond Santos: *I am trying to answer your question as a former prosecutor, and I just...*

Floor Leader Florencio Deleon Guerrero: Point of order. I think we should just call for recess, Mr. Speaker to have this thing resolved.

Speaker Babauta: No, no, no. We will allow discussion. Let us have the counsel finish first. Continue, counsel.

Legal Counsel Rosemond Santos: *This would then just add to the distribution of funds – I mean, is it a matter of sending a copy...what do you mean by in consultation?*

Rep. Ogo: Basically, just providing information to the respective Mayor's of the availability of this law that there are funding on these areas through the Attorney General, DYS, and etc...but just letting the respective Mayor's understand that there is funding available for certain programs or needs of victims. *Pues kulan infotmasion ha, lao* at least the Mayor's of the respective islands have an idea.

Speaker Babauta: At this time, I would call for brief recess.

The House recessed at 11:17 a.m.

## RECESS

The House reconvened at 11:31 a.m.

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

Rep. Ogo: Mr. Speaker, motion to withdraw my floor amendment.

There was no objection.

Speaker Babauta: So ordered. You know, I sincerely appreciate by humorous and sometimes political will of every member, but I also would appreciate the members seriousness as far as addressing the legislation in terms of debating the amendments and the bill, and to come back and after spending almost good half an hour to withdraw something, but at any rate, I would allow that, and we will move on. Are we ready for the main question? I recognize Representative Yumul.

Rep. Yumul: Thank you, Mr. Speaker. I just have one quick question to the author on page 3 starting on line 3, where monetary assessment of \$100.00 shall be imposed upon any person convicted of a misdemeanor. This sounds like a generalize term. I am curious to know as to what are misdemeanors of the Commonwealth, and if that includes also traffic violation.

Speaker Babauta: It does. Anything \$1,000.00 and below.

Rep. Yumul: So that would basically mean that if someone where to have been caught without a driver's license, and I pay a \$35.00 fine,...

Speaker Babauta: You will be assessed for a total of \$135.00. Am I correct, counsel? I do not want to impress upon Representative Yumul that I graduated from law school.

Legal Counsel Rosemond Santos: *I think the courts reassess the misdemeanor offenses for driving without a valid driver's license. I think right now, it is just a fine. I do not think that it has been brought up to the Supreme Court yet, so it is no longer a misdemeanor. I have not done traffic for two years, but that is my...*

Speaker Babauta: Yes, it says, in addition to other penalties, fines, and other fees. So if it is \$30.00, colleague, then you would be assessed again by the court of \$100.00.

Rep. Yumul: Thank you.

Speaker Babauta: So please, wear seat belts. We will now officially end debate on this matter and call the roll for the passage of H. B. No. 15-247.

The Clerk called the roll on the motion to pass H. B. No. 15-247 on First and Final Reading:

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	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Candido B. Taman	excused
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	excused
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 16 “yes”, H. B. No.15-247 passes the House on First and Final Reading. For the record, to incorporate with this bill, we would like to impress upon the administrators of all these programs to make sure that the needs of Tinian and Rota are accommodated in this legislation. I recognize the Floor Leader.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for the passage of H. B. No. 15-249.

The motion was seconded.

**H. B. No. 15-249**: A Bill for an act To reappropriate Section 3(c) of Public Law 14-80; and for other purposes.

Speaker Babauta: Discussion. I recognize the Vice Speaker.

Vice Speaker Quitugua: Just a very simple minor technical error, Mr. Speaker. On page 1 of the bill, line 5, towards the end of the sentence after the word, “student trainings” cross out the word, “in” and insert, “against”, and on line 6 at the end of the sentence to add an “s” on substances and cross out the word, “abuse.” Thank you, Mr. Speaker.

The oral floor amendment offered by the Vice Speaker was seconded and carried by voice vote.

Speaker Babauta: The motion is carried. We will continue to discuss, H. B. NO. 15-249, HD1. Clerk, call the roll.

The Clerk called the roll on the motion to pass H. B. NO. 15-249, HD1 on First and Final Reading:

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	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Candido B. Taman	excused
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	excused
Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	yes
Rep. Ray N. Yumul	yes
Rep. Oscar M. Babauta	yes

Speaker Babauta: By unanimous consent of the House, H. B. No. 15-249, HD1 passes the House on First and Final Reading. Floor Leader, last one before we have lunch.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for the passage on First and Final Reading on H. B. NO. 15-251.

The motion was seconded.

Speaker Babauta: Discussion. Clerk, call the roll.

The Clerk called the roll on the motion to pass H. B. NO. 15-251 on First and Final Reading:

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	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Candido B. Taman	excused
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	excused
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 unanimous consent of the House, H. B. No. 15-251 passes the House on First and Final Reading. At this time, the Chair would break for lunch until 1:30 p.m.

Rep. Palacios: Mr. Speaker.

Speaker Babauta: I recognize the Minority Leader.

Rep. Palacios: Just a short note, Mr. Speaker. I know that we have a lot of legislation on the Calendar, but I would like to ask the Chair and the members that we move this afternoon to address PSS' financial issues. I think we really need to move on this.

Speaker Babauta: I would also encourage the members to address the Senate Bill that is pending before us that we need in conjunction with the submission of the Governor's budget. I would appreciate in allowing these two measures to be discussed this afternoon. Okay. The House stands recess until 1:30 p.m.

The House recessed for lunch at 11:41 a.m.

## RECESS

The House reconvened at 1:47 p.m.

Speaker Babauta: We are back to our plenary session this afternoon to continue, and I now recognize the Floor Leader for the next bill.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for the passage of S. B. No. 15-76, HD1.

The motion was seconded.

**S. B. No. 15-76, HD1**: A Bill for an Act to amend the Northern Marianas Island Retirement Fund Act to improve its fiscal solvency, to subject to referendum any changes that by law increase benefits offered under the Defined Benefit Plan of the Northern Mariana Islands Retirement Fund Act; and for other purposes.

Speaker Babauta: Discussion. Clerk, call the roll.

The Clerk called the roll on the motion to pass S. B. No. 15-76, HD1 on First and Final Reading:

Rep. Martin B. Ada	excused
Rep. Edwin P. Aldan	yes
Rep. Francisco S. Dela Cruz	yes
Rep. Florencio T. Deleon Guerrero	yes
Rep. Joseph P. Deleon Guerrero	abstained
Rep. Jacinta M. Kaipat	yes
Rep. Jesus SN. Lizama	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes
Mr. Speaker, S. B. No. 15-76, HD1, is a legislation that the House previously defeated. At the time that we voted it down, it had provisions that some members objected to. Subsequently, the bill – I heard, and I am trying to get to the point that – I hope that this is what the Executive Branch is waiting for regardless of whether it is amended from the original version, and I hope that if this gets to the Senate with the approval of the amendments made through it, the Governor will hopefully sign it, and hopefully submit their 2008 Budget so that the Chairman on Ways and Means will begin working on it. Thank you.	
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Candido B. Taman	excused
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	excused
Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	yes
Rep. Ray N. Yumul	yes
Rep. Oscar M. Babauta	yes

Speaker Babauta: Before I rule on the call, I thank the members for sharing their concern. This is one hurdle that as I understand from the Governor’s representative who was here yesterday, that the Administration have reviewed the package, and are pretty much contend, both the Office of the Governor, the Attorney General, and the Northern Marianas Retirement Fund. I am pretty sure that the Senate is also waiting for the same thing. The reason it took this long is because we had to seek the Attorney General’s input. There are some technical issues that were addressed, and were recommended by the Attorney General in order for this legislation to be accommodating to all parties to achieve one goal. I recognize Representative Joseph Deleon Guerrero.

Rep. Joseph Deleon Guerrero: What was the vote before...

Speaker Babauta: Fourteen. It is fourteen “yes” and one “abstention.”

Rep. Joseph Deleon Guerrero: Mr. Speaker, I just saw that the section of the bill that I was very concerned about has been deleted. So if there is no objection, I would like to change my vote.

Speaker Babauta: Your Speaker wholeheartedly accepted that recommendation. By a vote of 15 “yes”, S. B. No. 15-76, HD1 passes the House on First and Final Reading. Next bill, Floor Leader.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for the passage on First and Final Reading, H. B. No. 15-265.

The motion was seconded.

**H. B. No. 15-265:** A Bill for an Act to make emergency amendments to Public Law 15-28; and for other purposes.

Speaker Babauta: Discussion. I recognize the Vice Speaker.

Vice Speaker Quitugua: I have an oral amendment, Mr. Speaker, to the bill on page 3.

Speaker Babauta: Proceed.

Vice Speaker Quitugua: On line 13, after the words, “obligations of”, strike out, “any” and insert, “\$6 Million dollars for the Public School System.” Strike out line 14 all the way to the word, “MVA.” Thank you.

The oral floor amendment offered by the Vice Speaker was seconded and carried by voice vote.

Speaker Babauta: Discussion. I recognize Chairwoman Kaipat.

Rep. Kaipat: Mr. Speaker, I would like to address this question to the author of this bill. The \$6 Million that is coming directly from the Office of the Public Auditor – I am concerned about this money coming from one particular entity. I thought that the strength of the bill that we had passed that the Governor vetoed is that it gives the Governor the flexibility. Pardon me if I am...

Rep. Palacios: No, it is not just from the Public Auditor’s Office. It is from agencies that are listed in subsection (c)(6); that means all activities in the Executive Branch, NMC, MVA, and Public School System should be deleted here. Everything else and including the Public Auditor.

The Chair recognized Representative Joseph Deleon Guerrero.

Rep. Joseph Deleon Guerrero: To clarify...

Speaker Babauta: I am sorry. Can you yield, Representative Deleon Guerrero. Continue, Chairman Kaipat.

Rep. Kaipat: I am still questioning...I know that we just had a presentation with MVA up here, and I am kind of concerning because they were all up here much like PSS, and like everyone else asking this Legislature to support them. I heard very strong supports from members that they are supporting MVA in there request for funding. That is not to say that PSS does not need the support, but I am just wondering that if were – I do not know where we are going to get the money from, and we are also taking from the very same agencies that have appeared before us and stood in the shoes that PSS is standing in today. Can you enlighten me some more on that?

Rep. Palacios: I understand your concern, but because of the crisis situation of PSS, this legislation would deal with PSS alone. Everybody else will still have that – just as the Constitutional

requirement and the Planning and Budgeting Act requirement that the Governor cuts proportionate amount of 15% when the budget revenue went down. This legislation only replaces for PSS. I understand your concern that – I also am in support of replenishing MVA’s 15% if we can do that. However, because of the crisis situation that PSS is in, this legislation is solely going to deal with PSS. I believe that we can deal with NMC and MVA in a subsequent legislation. Why do I say that? Because we still need to look at areas or other sources of revenues that potentially may be in existence that is not identified here. MVA’s shortfall is probably about \$1 Million dollars, whereas, PSS is \$ 6 Million dollars. To me, addressing the \$6 Million dollars today because of the crisis situation that we are facing with PSS – this is what we are going to deal with today.

The Chair recognized Chairwoman Kaipat.

Rep. Kaipat: I guess that is what concerns me – is our attempt to piece meal this whole budget thing. We keep trying to Rob Peter to Pay Paul, and other agencies would also – they have been up here saying that they are also operating in a crisis situation. I stand firm in my belief that at a time like this, nobody should be getting any raises, but yet – just recently I get a report that there are some employees in some of these agencies who have been getting some pretty hefty raises. That is why, I myself want to point out that rather than just take away from some of these agencies that have appeared before us that it behooves us to find out – get these information, and find out why some agencies can afford to give hefty raises while PSS and other deserving agencies are in the red. So that is my concern. It is the fact that as we piece meal the budget, and we all had our debates about this and I do not want to go on and on about it, but I am just saying that when we piece meal this, we might jeopardize the whole thing of just trying to address this. The Judiciary was here, and it seems like every time representatives from each respective agency come before us, first thing we want to do is give them the bank and help them out. We feel for them, but it is the same money that we seem to be going to every time. It is like – sometimes when we appropriate bills here, we all keep finding and going after the same funds. The money is dwindling, it is the same, and everybody has needs. So I am just concern that on the road to trying to help PSS out, and again, I emphasize that I am not saying this because suddenly I do not support PSS, but I am just saying that we have to mindful of how we are doing this. Like in the beginning, we always said that, if everybody just checks in and pays their share, and we stop these people from getting raises – I really think that we can really stretch the budget along ways.

Rep. Palacios: I fully understand your concern, and I share the same concern. I share the same concern that you have about people getting promotion, and my colleague here to my left is very good in getting information. I do not know where he is getting his information, but he got tons of information on who and which departments, division, and entities are getting promotions, restructuring, reclassification to upper classes, when everybody else is suffering. I agree with you, and I think that the Governor’s first step to freeze hiring is inclusive of all other transfers and other new positions within the Executive Branch. I share that concern with you. This is a proposal that we are putting forward, and for your information, this is introduced as Committee as a Whole. I think that needs to be dealt with immediately, and it is something that we cannot put aside or ignore. We need to deal with it, and that is why we are submitting this proposal to look for it. As far as the Judiciary’s concern, I fully understand what you are saying, they fully realized that there is nothing that the Legislature and the Executive Branch can do except that we give them also – they have to realize the proportionate cut that is called for in the law, and they are willing to do that. They ask that we spare them of further cuts from the 15.6%, and this actually does that also. To me, the three

most critical agencies, and I am not going to use the word “essential” because it has been misused these days, but the most critical services right now is the Public School System, the Public Health and Public Safety. The Public Health – according to the projections that I had is not as critical right now as PSS’. There are substantial funds and surpluses in other departments that the Governor can shift. Hopefully, he can submit the 2008 Budget, and that would give him the flexibility to reprogram to those critical agencies. Thank you.

The Chair recognized Representative Waki.

Rep. Waki: Thank you, Mr. Speaker. I understand the sentiments of Representative Palacios as well as Congresswoman Kaipat, and if we look at this particular report that we got from the Office of Management and Budget as of the 14<sup>th</sup> of this month, Public Health has a shortfall at the 15.6% of over \$6 Million. The PSS’ shortfall is \$6 Million. We also have to understand, they are saying that if we do not do something for PSS, we are going to open school late. Well, if we do not help Public Health, they shut down. It does not matter – the school gets out in June, we have three months to try to figure out what to do for the next school year, but Public Health cannot wait. The Public Health needs to be open 24-7, while the schools are open so many hours a day. So when we say that we are only going to help PSS to reprogram from areas, and we are not even touching Senatorial Districts who have surpluses, Rota have schools, they have kids, and they have \$800,000.00 surplus. Tinian has \$900,000.00 surplus. Why do we not touch – the Executive Branch is in the hole. You cannot reprogram something that is not there. So I do not understand why all the different areas that have the surplus are not going to be tapped when that which has no money is going to be tapped. So you are just basically going to be shutting down other areas of the government who are going to be coming to this body and ask not to shut them down, and to reprogram some monies for them. When does this stop? What is priority? The budget is going to address priorities, but piece meal as Congresswoman said, on one agency only does not solve the problem. Like I mentioned earlier, have we seen a report from PSS where they are doing cost cutting measures to realize that we are all in financial straits. It is not only them. It is everybody else. Even the Legislature is showing a shortfall. So when we look at everything, let us look where we can get the money if we are going to help anybody, and if those people do not want to be touched, well then, why do we have to help some of these – their schools to stay open when they do not want to give in anything. I am looking if – we have to do this fair across the board. There are kids in Rota, Tinian, and Saipan. So why does only one department is going to suck up all the responsibility for the whole PSS system? That is what I am saying, and it does not make logical sense for us to piece meal to help one department at the expense of many others that are going to come to this body and talk to us again. I want to help PSS, but we have to do it right, and just arbitrarily saying, okay, Governor get the money from all these departments, we gave you the power to do so. Well, he does not want to do it that way because it is not proportionate, and it does not help alleviate the problem which is we do not have the money. So I am just saying, I do not believe that I am going to vote on this base on the way that we want to structure where the money is going to come from because we are not taking from the people that have surpluses. That is where we are supposed to be getting the money. Not from a department that has no surplus and actually is getting a shortfall. Even though, they cut, cut, cut, they are still going to try to meet that shortfall. I believe that this is not the answer. I am sorry, but the way I read the bill, it is not the answer. Thank you.

Speaker Babauta: Let me ask this, Chairman Lizama, have you receive the official request of the funds status report that you have requested from the Public School System?

Rep. Lizama: No, Mr. Speaker.

Speaker Babauta: Okay. Can you have somebody follow up on that if we can get it by tomorrow? Mr. Thornberg, do you have anything to say about that request? You should have brought that here this morning. Unless we can wait until tomorrow morning? Do you have something with you today?

Rep. Palacios: Mr. Speaker. Let me answer...

Speaker Babauta: Proceed.

Rep. Palacios: If he has already made up his mind to do that, that certainly is his prerogative. This issue of taking one of the other surpluses, what we are trying to do is exactly that – give the Governor that flexibility. There are certainly departments with surpluses, and that is what we are giving him – the power to take those surpluses and shift them. That is what it is. Some of these departments have surpluses, some do not. To the extent that those who have surpluses, and they can readjust their expenditure level, he is the CEO of the Executive Branch. As far as the Judicial Branch, I think – I am not sure if you were here when the Judiciary came before us, but this document is showing a surplus of \$337.00, and that is not according to their administrative folks. The surplus is not in existence because of their CUC. In fact, they are close to being in the red. So, sure somebody is going to make the cuts. The Governor submitted a revised budget with some cuts. Now, we are giving him that flexibility. It may not be much of flexibility, but that is what we got under circumstances. I think we need to revisit, and I continue to urge the Chairman of Ways and Means to continue to diligently look at the resources, because there are, as we speak, sometimes revisions, Planning and Budget and even Department of Finance come up with revisions that there are some issues that even our fiscal person, Mr. Cabrera indicated a totally different revenue projections and shortfalls after taking into consideration the submission by OMB...

Speaker Babauta: Vice Speaker, could you take over?

Rep. Palacios:...Those have to be worked out, but I ask you today to seriously consider. I am not going to ask you to change your mind because that certainly is your prerogative, but I will ask you to seriously consider the needs for PSS at this time.

Acting Speaker Quitugua recognized Representative Joseph Deleon Guerrero.

Rep. Joseph Deleon Guerrero: Thank you. *Siña ha guaha nina bubu ni hafa para bai hu sangan pago lao in tungo hafa*, am about to reach my point of patience here, same arguments has been going back and forth, do it comprehensively. Look at everybody. PSS, justify your spending. I do not know if I said it over and over again that from the very get go, PSS has been operating short since 1997 with more schools, more students, more needs. I do not know what justification is in order here. We go about not doing it piece meal, but we have offered three proposals so far. I have not seen any proposal coming from anyone wanting to do it comprehensively. You want to put down the Governor's Revised Budget submission as the answer? You and I both know that it is not going to pass. The Senate had said that they are not going to pass it. The House Ways and Means had said they will not pass it. So what comprehensive bill are you proposing, Representative Waki? Put it on

the table so we can look at, till then, what we have to work with is what is in front of you right now. So let us deal with it.

Acting Speaker Quitugua recognized Representative Waki.

Rep. Waki: Thank you. Okay, so we hear that the House is not going to pass the Budget, the Senate is also not going to pass the Budget, so this is the answer. So if this is the answer, then I say that we make an amendment that we include under the Governor's reprogramming authority, under distributions (c), that we include section 4, section 2,...

Acting Speaker Justo Quitugua: Representative Waki...

Rep. Waki: That is just a thought. I did not say – am just saying that this is just part of what I will probably make amendment to that if we are going to help PSS, then we as a Legislature have to bite the bullet too. We will not leave out the Senatorial Districts or this Legislature, because if we are not going to pass the budget, the Governor has the power through the Planning and Budgeting Act, if nothing else is going to be done, and emergency comes where there is payless paydays, because we decided to do something to piece meal something, he will have full power and authority. That is what we do not want to give him. So we need to help, but we do not need to everybody else that it could be evenly proportionately reduced in the budget, and so we already made a decision and we are not going to pass some kind of a balanced budget knowing that we are estimating at \$10 Million every quarter, so there may be like a \$40 Million shortfall. We are not even going to get into consideration that somewhere down the line, we do not have the money to pay for things. That is why we have over \$100 Million deficit, because people think that we have money growing on trees, and we can spend more than we make. It is at least nice to know that the Governor is at least trying to live within the means, and if we do not know how to live within our means, what is our fiduciary duty? I want to pass something to help departments. The Public School System says they need to have an answer before April 29<sup>th</sup>, well, what is it now? It is May 17<sup>th</sup>, and have we made a decision? Have we helped them out? Is it not that we are behind the 8<sup>th</sup> ball right now?

Rep. Palacios: Point of information, Mr. Speaker.

Acting Speaker Justo Quitugua: State your point of information.

Rep. Palacios: I fully understand the sentiments, and this budget will not go beyond a \$163M. It will not add on to the deficit. We are staying within \$163M. Let us not play with words. It really is not. I fully understand that we need to – and that is what we are addressing here. It is really simple. Even the Governor said PSS needs to be addressed? Correct?

Rep. Waki: One of them.

Rep. Palacios:...and that is what we are addressing – the most, and this discussion about living within our means and deficit...but today, we are dealing with PSS, and yes, we should live within our means. This will not add on to any deficit by no means, will it?

Rep. Waki: So we do not want to continue to argue on the point that we need to help PSS, we need to help Public Health, we need to help DPS, and what we are doing is shuffling money within the

Executive Branch, and telling the Governor to find the money...whatever...if you do not understand that he does not have a lot of money to work with, and we know that, because we are looking at our budget operational being reduced – all these things will be affected if we do not do something intelligently. The bottom line – we do not have the money. So what do we do? We are going to help PSS. If that is the case then Vice Speaker, if I am in order, I would like to make a floor amendment, please.

Acting Speaker Justo Quitugua: Can we dispose of the oral amendment that we made earlier.

Rep. Joseph Deleon Guerrero: Mr. Speaker, before you do that...

Acting Speaker Justo Quitugua: Go ahead.

Rep. Joseph Deleon Guerrero: I wanted to ask you...I think one of the points that Representative Kaipat alluded to regarding OPA was probably prompted by one word on page 3, line 13, and that is where it says, “and from the Office of the Public Auditor only.” Without the word, “any” it includes the OPA. I do not know if that word “only” is appropriate, and perhaps, you can have a subsidiary amendment to strike that one word out to make it more clear.

Acting Speaker Justo Quitugua: Go ahead, and can you include on your subsidiary amendment to strike out also “Public School System” on line 6.

Rep. Joseph Deleon Guerrero: So moved, Mr. Speaker.

Acting Speaker Justo Quitugua: Let me go back and clarify the amendment. On line 6, to strike out the words, “Public School System” and the amendment that we will be voting on is to strike out the word, “only of \$6 Million dollars for Public School System” and strike out the rest on line 13 from the word, “any” all the way to “MVA.” Is that clear? Mr. Speaker, there was a subsidiary amendment to strike out on line 6, “Public School System” and on line 13 to strike out the word, “only.”

Speaker Babauta: What page is this?

Vice Speaker Quitugua: This is on page 3. So now we will be voting on the amendments.

Speaker Babauta: Discussion.

The subsidiary motion was seconded and carried by voice vote.

Speaker Babauta: The motion is carried. Did we dispose of the original amendment offered by the Minority Leader?

Rep. Palacios: I did not offer one.

Speaker Babauta: Okay.

Vice Speaker Quitugua: The subsidiary amendment was made by Representative Deleon Guerrero including the recommendation of the Minority Leader which is on line 6.

Speaker Babauta: What about the one starting on line 13?

Vice Speaker Quitugua: That is it.

Speaker Babauta: Okay. To be correct on this, let us dispose of the original amendment and then we will acknowledge the subsidiary? For the record, we will now like to dispose of the original amendment as offered by the Vice Speaker.

The oral amendment offered by the Vice Speaker was carried by voice vote.

Speaker Babauta: The motion is carried. Now we will now recognize the subsidiary motion on that particular amendment. Vice Speaker, recognized.

Vice Speaker Quitugua: The subsidiary amendment was made by Representative Deleon Guerrero, but I will repeat the subsidiary amendment. On line 6 to strike out the words, "Public School System" and on line 13 to strike out the word, "only."

The Chair recognized Representative Yumul.

Rep. Yumul: Mr. Speaker, continuing on that same line, is it prudent then to separate "Board of Education" or should they be...

Speaker Babauta: What line are you talking about?

Rep. Yumul: The same line.

Speaker Babauta: What same line?

Rep. Yumul: The same.

Speaker Babauta: Separate.

Rep. Yumul: 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. We will continue to discuss, H. B. No. 15-265, HD2. I recognize Chairman Waki.

Rep. Waki: Thank you, Mr. Speaker. I would like to also make an oral floor amendment.

Speaker Babauta: Continue.

Rep. Waki: On line 17, on page 3, after the words, “subsections (c)(1)”, I would like to strike out the dash “(-)” and put in a comma “(,)” and leave the “(5)” and add in the word, “and” and put in parenthesis “(6)”. That is the amendment.

Speaker Babauta: Any second? Does everyone understand the amendment? Repeat again slowly.

Rep. Waki: On page 3, line 17, after the words, “subsections (c)(1)”, remove the dash “(-)” and replace it with a comma “(,)” and then you have “(5)” and then add in the word, “and” and in parenthesis “(6)”. So it shall read, “This reprogramming authority shall not apply to any budgeted activities listed in subsections (c)(1), (5) and (6) of this chapter and shall not apply to local revenues or appropriations of the senatorial districts.”

The oral amendment was seconded.

Speaker Babauta: It has been seconded. Any discussion, and I recognize Representative Joseph Deleon Guerrero.

Rep. Joseph Deleon Guerrero: Mr. Speaker, this amendment renders this bill ineffective, null and void, and irrelevant for lack of a better word.

Speaker Babauta: Let us give the gentlemen a chance to speak please.

Rep. Joseph Deleon Guerrero: Basically, by adding that, it is basically saying that the Governor will not reprogram from the Executive Branch or any department and agency. So minus well throw the bill away.

Rep. Waki: Point of clarification, Mr. Speaker.

Speaker Babauta: State your point, Representative Waki.

Rep. Waki: Just to make the sentence proper, I forgot to remove the word on page 3, line 18, after the word, “shall” to delete the word, “not.” So that should correct the original amendment that I put in.

Vice Speaker Quitugua: Mr. Speaker, deleting the word, “not” will allow the Governor to reprogram all the funds that were appropriated by the Local Delegation. This is what the amendment is going to do. So all the funds that the Delegation appropriated for road projects and the scholarship will all be gone. Thank you.

Rep. Joseph Deleon Guerrero: Furthermore...

Speaker Babauta: I recognize Representative Joseph Deleon Guerrero.

Rep. Joseph Deleon Guerrero: Furthermore, if you look at that whole section from line 10 going down, the first half of that paragraph discusses what the Governor can reprogram. The second component of this paragraph is what the Governor cannot reprogram. So what you are doing in effect is redundant because the first half of that gives the Governor the authority to reprogram, and

what you are basically doing is adding on additional activities that he can reprogram, which applies like the Vice Speaker said, includes monies that could affect SHEFA, and other locally appropriated projects. Is that your intent?

Rep. Waki: The intent is to help PSS. That is what we want to do here, correct? And if we are not going to pass the budget, then we need to help PSS, but not at the expense of a few. We have to cut it across the board, and if the Governor needs to use local appropriations to help PSS, and it does not have to be proportionate, but if he can use it to help PSS and that is the intent of this Legislature, then I do not see why we cannot put that in to help PSS so that it can spread amongst everybody. But the whole point and idea here, Mr. Speaker and members, is like we said, to help PSS. So why are you going to argue on this when it is going to help PSS and it will take monies from different areas that may still have money, and I think it will actually solve the problem. Thank you.

Speaker Babauta: Let me just clarify. The way I read the oral amendment offered by the mover is exempting (c)(1) by removing the dash, meaning exempting the Judicial Branch, exempting (5), which is judgment against the government as listed on Public Law 15-28 under sections (k) and (l) respectively, and would also exempt section (c)(6). Is this what we are trying to achieve here?

Rep. Joseph Deleon Guerrero: Point of clarification, Mr. Speaker.

Speaker Babauta: State your point.

Rep. Joseph Deleon Guerrero: It was an exemption until Representative Waki struck out the word, “not.” So now, it is no longer an exemption. It is now inclusive.

The Chair recognized the Minority Leader.

Rep. Palacios: I think that we all know what the amendment is. It is very clear what the amendment will do. To go back and forth to discuss this and argue – I am pretty sure that we all came in here pretty much willing to help PSS. A proposal has been put forth and I think that we are ready to vote. It is pretty clear what this entails. I for one would not support that because a lot of different obligations are already – cannot turn back so I am ready to move forward and vote on the amendment, Mr. Speaker.

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

Speaker Babauta: State your point.

Rep. Waki: I am making the amendment so that we can address it evenly, but I am willing to pull the amendment if we are willing to hold off talking about this until we get something back from PSS to give us some kind of a fund balance or report to where we see where they are really at, because we are discussing saving them and we do not see where they are at, and whether or not the \$6 Million is really needed. Maybe it could be only \$3 Million. I just need to see something in black – we keep voting on something, and if you say figures are changing between the OMB and our Ways and Means accountant, then let us see what their numbers are. I am willing to not even put this amendment, but let us stop this today, get the information, then we can intelligently look at what needs to be done for PSS. We are arguing all the time to save PSS, and how we are going to do it,

but eventually, we are going to have to make a decision. I just want to know what we are dealing with.

Speaker Babauta: To shorten this discussion on the amendment, let us stay focus on the amendment...before we vote on the amendment, I would allow the Vice Speaker if he has receive anything from his fax machine? Continue, Vice Speaker.

Vice Speaker Quitugua: Mr. Speaker, dated May 9 2007, it is a budget breakdown from the Public School System, and according to this breakdown, the PSS will realize a shortfall by the end of September 30, 2007 of \$5,992,130.00. Thank you.

Speaker Babauta: Is that the overall projection?

Vice Speaker Quitugua: This is the overall funds that will be needed.

Speaker Babauta: At any rate, I continue to impress upon you and the Chairman to inquire the detailed funds report quarterly for FY 2006 and subsequent fiscal year, first and second quarter. Meaning, status report reflecting expenditures of allocated funds to various schools in the CNMI, and what funds are being reprogram back to central. That document you have is a projection of shortfall, am I correct?

Vice Speaker Quitugua: Yes, Mr. Speaker.

Speaker Babauta: Okay. I recognize Chairwoman Kaipat.

Rep. Kaipat: Thank you, Mr. Speaker. Mr. Speaker, a little while ago, Representative Waki mentioned that there are some surplus funds in other Senatorial Districts, and my point is that, if we are going to give the Governor as much flexibility to make sure that he comes up with the funds of \$6 Million that PSS needs, then we ought to give him the tools to reach into places that are not currently available to him – to give him authority to do that to balance this out. We all need to pitch in including the Legislature, and that is all I am going to propose in this, and that is to make it so that we not only find PSS funds, but to allow the Governor the flexibility to do that, and to look into the other Senatorial Districts that perhaps may have surpluses. That is all.

The Chair recognized Chairman Ogo.

Rep. Ogo: Thank you, Mr. Speaker. Let me just clarify a little about the surpluses from the First and Second Senatorial Districts. I understand that a lot of the member received this document from OMB showing surpluses, but let us keep in mind that the utility for both Senatorial Districts is not yet included in this surpluses. Let me just share to you that those are the discussions that we had a few days ago with OMB, and it is clear that the utility for both Senatorial Districts is not included in here. Furthermore, just early this morning, the information from our Mayor that our nursing manpower services in both islands – they have not been paid. So those are expenses that we have to incur and are included in here. I just want to share that whatever surplus that you see in here is already obligated and committed. That is the information that our Mayor provided to us earlier this morning, because I am concerned as to why we have so much surplus. So this is just to share that information to the members that are questioning these surpluses. Thank you.

Rep. Palacios: Mr. Speaker, can I answer Representative Kaipat's...

Speaker Babauta: You may.

Rep. Palacios: Although it says, First, Second, and Third Senatorial District, the only office that is exempted is the Mayor's Office. All instrumentalities of the Executive Branch, the DPS on Rota, DPS on Tinian, DPH on Rota, and Public Works are under the Executive Branch. They are not exempted. The Governor can and has the authority to – because those are all under the Governor's Office, although they have been given the operational and daily oversight by the Mayor's Office.

The Chair recognized Chairman Waki.

Rep. Waki: Thank you, Mr. Speaker. I still believe that we still need to kind of spread it out, and let the Governor figure out where he can tap it from, but we need to give a little bit more flexibility like Chairwoman says, and base on that, I realize that there were some corrections that needs to be made on the upper lines to fit what we had made down at the lower lines. So just to finish off, can I go ahead and make the needed corrections to make it flow for this amendment. I just need to know whether I am in order.

Speaker Babauta: You know, I was about to inject something and recommend to include the Legislature and the Judicial Branch since we are the only absolute authority under the Constitution to make that proper adjustment. So if this is the case to help out PSS – because I think we have overall of \$6.8M or \$7.9M for PSS, MVA, and NMC. Why do we not do across the three branches of government?

Rep. Waki: Sounds good to me.

Speaker Babauta:...and we will probably have a session on October 1<sup>st</sup>, seriously. Although the Constitution calls for a 90 day period every year, I do not think that the people would die if we do not act on any legislation up to October 1<sup>st</sup>, unlike Public Health, and the Public School System. I am just trying to be rationale as far as priority is concerned. I am just throwing out my...I recognize Representative Yumul.

Rep. Yumul: Thank you, Mr. Speaker. You know, it is clear that there are a lot of frustration brewing amongst every member, and I myself, I am getting to that boiling point. The Constitution gave the Legislature the sole authority in creating the budget, and what Congressman Waki is trying to do is basically legislate it away. If we are going to do this, then like you said, we minus well just shut down the Legislature, and not come back until October 1<sup>st</sup>, because we are just basically legislating away our fiduciary duty to sit down and concur with the Administration's numbers and see if this is what we want. If we are at this point where we want to just basically give the Governor the full reprogramming authority as proposed by Representative Waki, then we minus well be willing to just shut down the building and not see each other for next four months.

Speaker Babauta: Well, that is not the issue here about giving our legislative authority 100%, because in essence, the bill in itself as it is introduced gave that authority in granting that authority 100%, but what we are trying to do here is limit that authority through proportionate amount so that

everybody pitches in. We are still discussing the amendment offered by Representative Waki, and I would now recognize our Floor Leader.

Floor Leader Florencio Deleon Guerrero: Thank you, Mr. Speaker. Mr. Speaker, you know, I am taking everything and everybody's opinion...[End of Tape 2, Side A]

Speaker Babauta:...[Beginning of Tape 2, Side B]...Floor Leader. Thank you, for the gesture. I recognize Representative Joseph Deleon Guerrero.

Rep. Joseph Deleon Guerrero: Thank you, Mr. Speaker. My rope is getting longer now. I understand where Representative Waki is coming from. If I understand it, it is to give the Governor more flexibility, right? To reprogram from more resources...the bill provides for a cut of 15.6% of all branches of government, all instrumentalities, everybody gets cut. So we at the Legislature is contributing so that the Governor can reprogram that to give it to PSS. This bill, H. B. No.15-265, does come with a worksheet, and these cuts allow the Governor to be able to pull \$6 Million dollars to give it to PSS. If we are going to allow the Governor to cut more...for what? \$6 Million is all we are asking for, and the intent of this bill is to provide \$6 Million to PSS. Under the current reduction, there is sufficient fund to do that. So why do we want to go overboard when it is not really asked? We are not asking the Governor to reprogram more than \$6 Million, and the reductions that you see in there would create a savings that the Governor can reprogram to meet the intent of this bill. So again, I am struggling to understand why we have to go further than what the bill is asking for. Thank you, Mr. Speaker.

The Chair recognized Chairman Waki.

Rep. Waki: Thank you, Mr. Speaker. I think we are misinterpreting this, because all we are looking at for the \$6 Million – the bill as amended is only asking for \$6 Million, but what we are trying to do is spread the \$6 Million dollars, because the 15.6% is already being deducted from everybody. It is already a done deal. Now, you have what is left over for your budget for the remaining part of the year. So what we are trying to do is, instead of just taking from this one subsection of a few agencies, now we are just kind of like spread it out a little bit more so that impact wise, it does not impact one particular or few departments heavily, but it will spread the burden across a larger playing field. That is really what – just for \$6 Million dollars. That is it. Once he hits the \$6 Million, it is over. He is not given any more reprogramming authority for anything else. Like I said, the only one that I was thinking of saving was the Judicial, because we do not have to deal with a Constitutional question of whether we can touch them right now, and they may take it to court, and they will hold us off, and then the other programs and judgments for the government. So everybody else would have to kind of like contribute to helping PSS, and the impact on all of us will be minimal compared to just 4 or 5 agencies. That is what I am saying. If we are going to help PSS, let us take a little from a lot than a lot from a little, because a lot from a little will hurt more than just a little from a lot of us. That is all I am trying to put down here, and the intent is to help PSS, if that what we really want to do. I think that we all agreed that we want to do it, but we just have a difference of opinion on how to get it done, and each of us have a little bit difference of understanding the numbers because this is not the first bill that we had to discuss on this particular matter. So we kind of come through a trying period on what to do to help them and still take in the arguments that are coming from the Administration or from different members, and I am concerned too, because I hate to see a department that have to struggle that also assist PSS and not have enough

money to run the operation because the Governor had no choice, but to take monies from a few of these agencies that are going to be extremely hurt when trying to put together a total of \$6 Million dollars. Even if you take a lot of the surpluses, some are only in the couple of hundred thousand, maybe two hundred thousand, adding all of them up to make \$6 Million in just the Executive Branch is a very difficult thing where there are other areas of government or branches that have a little bit more to give in that could assist. I do not think that PSS is worried about where the money came from, but as long as they get the money to operate to end of the fiscal year. That is all I am doing, and that is giving just a little bit more flexibility over a larger number of branches and agencies so that way, they impact on everybody is not as great. That is it, nothing more, nothing less. I do not think that the bill gives the Governor any more reprogramming authority but just for the \$6 Million dollars. I do not want to be misinterpreted that this is something more than it really is not.

Speaker Babauta: Before we vote on the amendment offered by Representative Waki, I am going to allow the counsel to give us her two cents of legal interpretation of this legislation because to tell you the truth, I hate to see another litigation being launched by any member as a result of our action. Okay. So counsel, would you indulge the members with your reading of this particular measure.

*Legal Counsel Rosemond Santos: Thank you, Mr. Speaker. My understanding of the intent of the bill is to give the Governor discretionary authority to reprogram funds within the Executive Branch, and other independent programs as listed on page 3, only to the amount of \$6 Million dollars, and only ending until the end of the fiscal year. He cannot tap for obvious reasons into the Legislative Branch nor the Judicial Branch. That is the simple interpretation of the bill. Thank you.*

Rep. Waki: Mr. Speaker, if I may? I just want to ask in reference to the amendment that I made where I am saying that the Governor can have the reprogramming authority to include the Legislative Branch, the Washington Representative's Office, the First Senatorial District, Second Senatorial District, and the Saipan and Northern Islands Mayor's and Council respectively, and then also, number 6 subsection (d), that is what I wanted to actually – that was my intent for my amendment. Instead of just using number 6, section (d), only as what the Governor can reprogram for, it just adds more of the other branches of government as well as the Washington Representative's Office, and the First and Second Senatorial District.

The Chair recognized House Legal Counsel Rosemond Santos.

*Legal Counsel Rosemond Santos: The obvious answer to that is that it is Unconstitutional. Then you would be giving the Governor almost a dictatorial position where he can then come in and basically zero out any branch that he wants between now and September 30<sup>th</sup>.*

Rep. Waki: That is actually, Mr. Speaker, what I really wanted to find out. What kind of reprogramming authority can we give him to where he can find those funds to help, and if it only within the Executive Branch, like we said, as of right now, the Executive Branch is looking like they are going to be in the hole already, so where are they going to get the \$6 Million dollars to save one of their autonomous agencies? How do we help them when they would not have any money, and some of the money that could help are from other branches of government?

Speaker Babauta: The Governor presently has a statutorily and constitutional authority to reprogram funds by limitations. The Legislature is the absolute branch of government that can give that

authority away whether 50%, 75% or for that matter 100% in some cases for emergency purposes, but limited to the extent of time and to the extent of the resources available. I just want to reemphasize again the amendment offered by Representative Waki that the intention of that amendment is not to apply to any budgeted activity in Section (c)(1), (c)(5), and (c)(6). So the reprogramming shall not apply to the Judicial Branch and to item number (5).

Rep. Waki: That is correct.

Speaker Babauta: Is that the intent?

Rep. Waki: That is the intent. Like I said, Mr. Speaker, I just want to ask the legal counsel whether or not constitutionally we can give him the reprogramming authority to the legislative branch, and that is clear. If we cannot, then we just have to make sure that we correct it according for what is constitutional. We do not want to do something that is unconstitutional.

Speaker Babauta: The intent is very meritable. However the process limits meritable. So would you like to withdraw that amendment?

Rep. Waki: At this point in time, if we cannot do it because of constitutionality, then I am going to go ahead and withdraw the amendment.

Speaker Babauta: Without objection, the mover has offered to withdraw his oral floor amendment.

There being no objection, the motion to withdraw the amendment as offered by Representative Waki was seconded and carried by voice vote.

Speaker Babauta: The motion is carried. We will continue to discuss, H. B. No. 15-265, HD2, and I recognize the Minority Leader.

Rep. Palacios: One minute recess, please.

Speaker Babauta: Minute recess.

The House recessed at 3:00 p.m.

## RECESS

The House reconvened at 3:12 p.m.

Speaker Babauta: We are back to our plenary session, and we will continue to discuss, H. B. No.15-265, HD2. I think we have enough debate. This is a healthy discussion amongst us, at least we get to meet or find out what actually what we want to do. I will now recognize the ending of this discussion. Clerk, call the roll.

The Clerk called the roll on the motion to pass H. B. No. 15-265, HD2 on First and Final Reading:

Rep. Martin B. Ada  
Rep. Edwin P. Aldan

excused  
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	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Candido B. Taman	excused
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	excused
Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	yes
Mr. Speaker, I am going to vote yes with very, very, very much reservation, but you know, if the Governor accepts it then at least he has an option to help PSS. My vote is, yes.	
Rep. Ray N. Yumul	yes
Rep. Oscar M. Babauta	yes

Speaker Babauta: By a unanimous consent of the 15 members present this afternoon, H. B. No. 15-265, HD2 passes the House on First and Final Reading. Floor Leader, please continue with the Order of Business.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for the passage on First and Final Reading, H. B. No. 15-241, SD1.

The motion was seconded.

**H. B. No. 15-241, SD1:** A Bill for an Act to reappropriate funds for the purchase of a mobile health clinic and the Diabetes Prevention Control Program by repealing and reenacting Public Law 14-80(3)(a); and for other purposes.

Speaker Babauta: Discussion. I recognize Chairman Ogo.

Rep. Ogo: Thank you, Mr. Speaker. After reviewing the amended version on page 2, line 17, let me just share a history of this bill. When it passed the House, there was no amendment, and it is so unexpected to see this amendment coming from the Senate. My view of this is really – it is insulting actually for the Mayor of Rota, because looking at Public Law 14-80 specifically there are expenditure authorities for the \$110,000.00 provided for the First Senatorial District. The expenditure authorities are the directors and other chairmen from nonprofit organizations. If those directors decided to use those funds, and there is no fiscal limitation on Public Law 14-80, then the Mayor will probably will never ever use any of these funds. That is why I wanted to request that we pass it on First Reading only, Mr. Speaker, because earlier this morning, I contacted some of the expenditure authorities, and they were shocked because they were never informed about this amendment from our Rota Legislative Delegation. So I am kindly asking the author and the members to put it on First Reading so that I can further discuss this with the members of the Rota Legislative Delegation, because it is really insulting to give the Mayor the expenditure authority knowingly that he might probably not use that funding if the expenditure authority on Public Law 14-80 decides to use all these funding. I just do not want to go through passing this bill without

really consulting my Senate counterparts. Thank you, Mr. Speaker. So I move for the passage for First Reading only.

Speaker Babauta: Let me recognize the author, Representative Seman.

Rep. Seman: Mr. Speaker, Section (g) of Public Law 14-80 gave \$110,000.00 to the First Senatorial District, \$35,000.00 of which shall not be reprogrammed, and it shall go to the Rota Health Center under the expenditure authority of the resident director of which \$24,000.00 of the initial funding will be for the procurement and implementation of a patient data management system, and prenatal and child health, \$11,000.00 for the establishment and implementation of onsite chronic disease prevention program, and \$70,000.00 to and under the expenditure authority of the Special Assistant for the Youth Affairs of which \$35,000.00 shall be for the salary of one Youth Tobacco Free Program Staff on Rota and \$35,000.00 for the implementation for Youth Tobacco Free Programs, and \$5,000.00 for the LUTA Amateur Sports Federation for Youth Prevention Program pursuant to Section 3 of Public Law 13-38. The expenditure authority shall be the Chairman of the Board of Directors of LUTA Amateur Sports Association. This departments and programs have waited for this money for years since the enactment of Public Law 14-80. I do not believe that any of these recipients will not use this money before the end of the fiscal year. I believe that – in fact, from the last report from the Department of Finance, even before the end of this quarter, these programs will be fully allotted, and each agency or recipient will have the opportunity to spend all these money as indicated in Public Law 14-80. Mr. Speaker, the Department of Public Health has long awaited for the reprogramming of this money for the purchase of the Mobile Clinic. They are just standing by awaiting for the Governor to sign it, and I think that if we prolonged the passage of this bill, we continue to delay the delivery of health care in the Third Senatorial District. I do not think the Mayor will even get any of these funds, because I believe that these recipients in the First Senatorial District will be able to incur all of this money from Public Law 14-80. I would like to ask the indulgence of my good colleague to go ahead and accept the Senate Communication with the Senate amendments and transmit this to the Governor. It is long awaited. Thank you.

The Chair recognized Chairman Ogo.

Rep. Ogo: I totally agree with Representative Seman. Like what I said, when it passed the House, there was no intention, and I voted for this. There is no intention to inject this, however, when it got up to the Senate and came back – I am saying, Mr. Speaker, is this amendment is a slap on the face. It is a slap on the face to the Mayor of Rota, and to allow this to pass without consulting my Senate counterpart from the First Senatorial District for their reasoning for this, they should have just – because if I do make an amendment right now to give the expenditure authority to the Mayor, if that is the intention of my Senate counterpart from Rota, they should have just exactly say, the Mayor of Rota should be the expenditure authority under Section (g) of Public Law 14-80. By reading this, Mr. Speaker, Representative Seman is correct. These people will utilize these funds. Why did this amendment ever come about? It is really a slap on the face to the Mayor of Rota, and I am just sharing this, Mr. Speaker, because if I am going to amend this now, it is going to probably go into Conference Committee. Mr. Speaker, I am just pointing out an amendment that I never knew, and it is an insult to the Mayor of Rota. I am only requesting for passage on First Reading so I can consult with my Senate counterpart, and hopefully we can have a session next week to address this issue. Thank you.

Speaker Babauta: Chairman, I share your sentiment, but after reviewing the amendment made by the Senate, I see that no funds has been touched under Section 3 (g) of Public Law 14-80 other than adding another paragraph or for that matter a sentence under that particular provision that further says, it does not remove anything from the original provision of law under Public Law 14-80 other than it made mentioned under whatever the first paragraph under Section 3 (g) stipulates, and further adds on saying that, any un-spend or unexpended monies, but this does not in essence is spend or allows the Mayor to spend it because it continues to lay with the expenditure authority of the original provision of law. All it merely says is, whatever the programs un-spend and unexpended monies shall be transferred to the Office of the Mayor, and I understand that this is a very good gesture because it will apply to Public Health operations, and other collateral equipments that the Rota Mayor sees fit, and primarily for health purposes. I see that the amendment does not touch anything from the original law.

Rep. Ogo: Precisely, Mr. Speaker, that is what I am saying, still, the expenditure authority is under Public Law 14-80.

Speaker Babauta: Correct.

Rep. Ogo:...will continue to spend this money. However, this gesture really a slap on the face for the Mayor. He would probably not have a chance to use it because the expenditure authority is under Public Law 14-80.

Speaker Babauta: So you are concerned and alluding to, why do we have to give the Mayor of Rota the un-spend money if this...

Rep. Ogo: Mr. Speaker, all I am saying is that if the intention of any of our Senators was to give the Mayor the expenditure authority, they should just amend it to give the Mayor the expenditure authority. However, it did not amend it in that language. It is just saying that there is money in Tobacco Control. However, you cannot touch it unless those expenditure authority did not spend the money.

Speaker Babauta: No, that is not the interpretation the way I read this. Meaning, whoever the expenditure authority is presently whether the resident director of Public Health in this case, all those funds that are not used up by the expenditure authority stipulated under Public Law 14-80, shall be transferred to the Mayor for the use of health operations and collateral equipment of the Rota Health Center. This is a very clear amendment that was made by the Senate.

Rep. Ogo: I understand, Mr. Speaker. All I am saying is if the Resident Director for Rota Health Center, the Youth Affairs Director or the Chairman of that Sport Organization used the money, then there is no money that will go to the Mayor. That is what I am saying, and this is really a slap on face type of amendment, and I just want to state that for the record. If the intention was really to give the Mayor the expenditure authority, they should have just done it right there.

Speaker Babauta: To change the original law?

Rep. Ogo: Yes, because – just to share this, three weeks ago, I received the Tobacco Control Fund balance, and immediately I contacted the respective expenditure authorities to alert them that the

funding has been transmitted due to the fact that over or about 6 months ago, we utilized the Tobacco Control Fund for CUC, and it is stated there. It is just now that the money is coming in. So it has been just recently that I have been informing all these expenditure authority under Public Law 14-80 to – the money is available, and there is so much amount so start using it. They are aware, and I am just saying that now that they are aware that there are funding for First Senatorial District, I do not know if the Mayor would ever have a chance to utilized these funds. I am just kind of...

Speaker Babauta: Let me recognize the other members who wish to speak on this issue. I recognize Representative Tebuteb.

Rep. Tebuteb: Thank you, Mr. Speaker. I am trying to read the good Representative's concern, and I would suggest, Mr. Speaker – he has said some of it which is just to air his concern, and he has used words which is the gesture that the Senate had done on this amendment – seem to be the concern, and he is asking if we could hold on so that he will find out. I am not sure whether it is Senator Crisostimo, Senator San Nicolas or whoever the Senator is other than the Third Senatorial District, who did the amendment. It sounds like it is more of a political safe...then what the intent is. I move that we vote on the bill.

The Chair recognized Representative Joseph Deleon Guerrero.

Rep. Joseph Deleon Guerrero: Thank you, Mr. Speaker. My good colleague from Rota, I sympathize with you. It is unfortunate that this language had to go in here. As you reiterated, it is probably irrelevant, right? But we have to think from this point forward what we can do. As I see it, at this point, we have several choices. We can let it go because it is almost meaningless anyway with that language in there, it does not change the intent of Public Law 14-80, so those programs will go forward, we can reject it, if you want put it on First Reading – you find out that you do not agree with the Senate, we can reject it – I am sorry, I cannot go with that because there are other critical programs here that are waiting for these funds, or we can pass it on First Reading, but passing on First Reading will still bring us back to either accepting or rejecting it. So as I see it, let us extend our condolences to the Mayor, but we need to move forward because there are critical programs. We have to act on this today, Mr. Chairman. Thank you.

Speaker Babauta: I like that comment of enchantment amendment. I recognize Chairman Ogo, recognized.

Rep. Ogo: Mr. Speaker, after further consultation with my colleague from the Second Senatorial District, and understanding the gesture or the comment from Representative Tebuteb and most especially Representative Deleon Guerrero, and knowingly the need for the actual bill request with the Mobile Unit, Mr. Speaker, Representative Deleon Guerrero exacted the actual wordings that I did not say, but that is the only reasoning I guess, so I move to withdraw my motion earlier.

Speaker Babauta: Thank you, Chairman Ogo. It is with that reason that I seated Chairman Aldan by you so that you two can always consult each other.

Rep. Aldan: Mr. Speaker, on Public Law 14-80, the expenditure authority is under the Mayor so we do not have any problems with that, and the resident director.

Speaker Babauta: Thank you for setting the record straight. Are we ready?

Several members voiced, “ready.”

Speaker Babauta: I would call for a voice vote accepting the Senate amendment on this bill. Unless, you guys want to roll call. Okay. Clerk, call the roll.

The Clerk called the roll on the motion to accept the Senate amendments on H. B. No. 15-241, SD1 on First and Final Reading:

Rep. Martin B. Ada	excused
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	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Candido B. Taman	excused
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	excused
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 unanimous consent with 15 members present this afternoon, the House accepted the Senate amendments on H. B. No. 15-241, SD1. Under privilege, I recognize Representative Joseph Deleon Guerrero.

Rep. Joseph Deleon Guerrero: On behalf of the Commonwealth Diabetes Coalition, I thank everyone here. Remember, you can prevent diabetes.

Speaker Babauta: Floor Leader, H. B. No. 15-20, HS1, SD1.

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

The motion was seconded.

**H. B. No. 15-20, HS1, SD1**: A Bill for an Act to account for fixed assets and capital goods purchased by the legislative branch and for other purposes.

Speaker Babauta: Discussion. Clerk, call the roll.

The Clerk called the roll on the motion to pass H. B. No. 15-20, HS1, SD1 on First and Final Reading:

Rep. Martin B. Ada	excused
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	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Candido B. Taman	excused
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	excused
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 15 “yes”, H. B. No. 15-20, HS1, SD1 is hereby accepted by House on Final Reading. Just to remind the members again that as a result of this bill, if the Governor signs it into law that you are no longer authorized to transfer assets of your office to other programs of our government. So no more donations of computer and the likes. The Bureau is authorized under this Act to inventory, and just for the benefit of those members who are departing this term, please be for-warned. Thank you. Next Bill at your disposal.

Floor Leader Florencio Deleon Guerrero: So moved for the passage on First and Final Reading, H. B. No. 15-264.

The motion was seconded.

**H. B. No. 15-264**: A Bill for an Act to require periodic desk audits of the Commonwealth Government by adding a new Section 8126 to Chapter 2 of Part 1 of Division 8 of Title 1 of the Commonwealth Code; and for other purposes.

Speaker Babauta: Discussion. Clerk, call the roll.

The Clerk called the roll on the motion to pass H. B. No. 15-264 on First and Final Reading:

Rep. Martin B. Ada	excused
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	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Candido B. Taman	excused
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	excused

Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	yes
Rep. Ray N. Yumul	yes
Rep. Oscar M. Babauta	yes

Speaker Babauta: Once again, by unanimous consent of the 15 members present, H. B. No. 15-264 passes the House on First and Final Reading. Next bill, Floor Leader.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for the passage on First and Final Reading, H. L. I. No. 15-3, HD1.

The motion was seconded.

**H. L. I. No. 15-3, HD1**: A House Legislative Initiative to amend Article XV, section 1(c)(e) of the Constitution of the Northern Marianas Islands.

Speaker Babauta: Discussion. Clerk, call the roll.

The Clerk called the roll on the motion to pass H. L. I. No. 15-3, HD1 on First and Final Reading:

Rep. Martin B. Ada	excused
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	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Candido B. Taman	excused
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	excused
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 15 “yes”, H. L. I. No. 15-3, HD1 meets the Constitutional test in passing this Initiative in the House of Representatives on First and Final Reading. Proceed, Floor Leader.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for the passage on First and Final Reading, H. B. No. 15-259.

The motion was seconded.

**H. B. No. 15-259**: A Bill for an Act to appropriate \$54,000.00 from the Second Senatorial District Solid Waste Management Fund; and for other purposes.

Speaker Babauta: Discussion. I recognize Chairman Aldan.

Rep. Aldan: Thank you, Mr. Speaker. I have a short amendment, Mr. Speaker.

Speaker Babauta: Proceed.

Rep. Aldan: On page 1, line 18, after the word, “appropriation”, insert, “notwithstanding any provision of the law”.

The oral floor amendment offered by Chairman Aldan was seconded and carried by voice vote.

Speaker Babauta: The motion is carried. Ready for the question?

Several members voiced, “ready.”

Speaker Babauta: Clerk, call the roll.

The Clerk called the roll on the motion to pass H. B. No. 15-259, HD1 on First and Final Reading:

Rep. Martin B. Ada	excused
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	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Candido B. Taman	excused
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	excused
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 15 “yes”, H. B. No. 15-259, HD1 passes the House on First and Final Reading. Next bill, Floor Leader.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for the passage on First and Final Reading, H. B. No. 15-266.

The motion was seconded.

**H. B. No. 15-266**: A Bill for an Act to allow the Commonwealth Judiciary’s Marshals Office to deliver juror summons by amending 7 CMC § 3109; and for other purposes.

Speaker Babauta: Discussion. I recognize Representative Dela Cruz.

Rep. Dela Cruz: Thank you, Mr. Speaker. I think the intent of the bill is good. You know, when we first came into the 15<sup>th</sup> Legislature, we had a somewhat of a seminar with the Judiciary, and one of the concern that they had was the limited number of marshals at the court, and up until now, I think they are still lacking marshals to perform the duties. I am just wondering whether by having the marshals deliver summons in place of DPS, will the court be able to perform their duties as needed? That is the only concern that I have.

The Chair recognized Representative Yumul.

Rep. Yumul: Thank you, Mr. Speaker. It is really simple. Public Safety still has the primary overall providing summons out. The problem that the courts are having is that when they have a jury pool come in and they have exhausted everyone, but then they have a list of “no shows”, instead of attempting to call DPS up to go bring these people in, it is a lot simpler for them to just send the marshals out to bring in few more people in so that they can brought forward for potential jurors. So it is not meant to take over DPS’ role in providing summons, but it is just to augment when needed. Thank you.

The Chair recognized Chairman Dela Cruz.

Rep. Dela Cruz: I guess what I am trying to allude to is whether the Judiciary has a fair number of marshals to take on this additional duty.

Rep. Yumul: Mr. Speaker, I yield to Representative Kaipat.

The Chair recognized Chairwoman Kaipat.

Rep. Kaipat: Mr. Speaker, the Judiciary is asking for this bill. They are the ones who are asking for this bill. All it does is gives them the flexibility. They still are, and as Representative Yumul said, they still are going to rely primarily on the Police Department, but in those circumstances where it is more practical for them to use the marshals, this bill will allow them the flexibility to do that. That is all. It is not replacing or anything, and if anything, in these times of budgetary constraints, it is the smartest thing to do, and that is to give everyone the flexibility to help out. Thank you.

Rep. Dela Cruz: Yes, I guess that answered...I was merely trying to find out who was requesting. Thank you, Mr. Speaker.

Speaker Babauta: Again, if I may just clarify a little bit. Constantly, the Superior Court had annually requested for an additional court security, and that would include marshals that would relief permanently the DPS personnel to serve the community as far as public safety is concerned, and allow the court to use its own personnel to serve summons and warrants. So, this is a temporary sort of relief because DPS at times would negate or impede on the issuance of summons because of lack of personnel. This is an augmentation allowing them to carry forth those required service of the Superior Court. Ready. Clerk, call the roll.

The Clerk called the roll on the motion to pass H. B. No. 15-266 on First and Final Reading:

Rep. Martin B. Ada	excused
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	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Candido B. Taman	excused
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	excused
Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	yes
Rep. Ray N. Yumul	yes
Rep. Oscar M. Babauta	yes

Speaker Babauta: Again, by unanimous consent of 15 members voting “yes”, H. B. No. 15-266 passes the House on First and Final Reading. Floor Leader, next bill.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for the passage on First and Final Reading, H. B. No. 15-252.

The motion was seconded.

**H. B. No. 15-252**: A Bill for an Act to add a new subsection 8143(d) under Title 4, Division 8, Chapter 1, Article 4 to prohibit the Commonwealth Utilities Corporation from charging more than one month's security deposit per residential customer and to establish a trust fund for these deposits; and for other purposes.

Speaker Babauta: Discussion. Clerk, call the roll.

The Clerk called the roll on the motion to pass H. B. No. 15-252 on First and Final Reading:

Rep. Martin B. Ada	excused
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	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Candido B. Taman	excused
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	excused
Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	yes



Rep. Palacios: Actually I read the – this is referring back to what we just passed. I was wondering as to what happened, why was this legislation – why does it keep getting vetoed?

Speaker Babauta: Well, the last time that it was vetoed for the record of our House, remember when there was a questionable precedential issue in the 13<sup>th</sup> Legislature whether our Chairman is the President or former Senator Adriano was the President – it is one of those bills that were – yes. Okay. Floor Leader, continue.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for the passage on First and Final Reading, H. B. No. 15-257.

The motion was seconded.

**H. B. No. 15-257**: A Bill for an Act to amend 6 CMC § 2208 by adding a new subsection(g); and for other purposes.

Speaker Babauta: Discussion. Clerk, call the roll.

The Clerk called the roll on the motion to pass H. B. No. 15-257 on First and Final Reading:

Rep. Martin B. Ada	excused
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	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Candido B. Taman	excused
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	excused
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 15 “yes”, H. B. No. 15-257 passes the House on First and Final Reading. Floor Leader, next bill.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for the passage on First and Final Reading, H. B. No. 15-244, HD1.

The motion was seconded.

**H. B. No. 15-244, HD1:** A Bill for an Act To require the Commonwealth Utilities Corporation to establish a one year payment plan for residential consumers with outstanding balances; and for other purposes.

Speaker Babauta: Discussion. Clerk, call the roll.

The Clerk called the roll on the motion to pass H. B. No. 15-244, HD1 on First and Final Reading:

Rep. Martin B. Ada	excused
Rep. Edwin P. Aldan	yes
Rep. Francisco S. Dela Cruz	yes
Rep. Florencio T. Deleon Guerrero	yes
Rep. Joseph P. Deleon Guerrero	yes
Mr. Speaker, before I cast my vote, I do not have the HD1 version, but if it is just a matter of...	
<u>Speaker Babauta:</u> That is what I thought also...	
<u>Rep. Joseph Deleon Guerrero:</u> From “shall” to “may”, and I believe the letter was changed to “(i)”, and if that is the only amendment that was made then my vote is, yes.	
<u>Rep. Yumul:</u> The “(h)” stays.	
<u>Rep. Joseph Deleon Guerrero:</u> But the “shall” goes?	
<u>Rep. Yumul:</u> The “shall” was changed to “may.”	
<u>Rep. Joseph Deleon Guerrero:</u> My vote is, yes, Mr. Speaker.	
Rep. Jacinta M. Kaipat	abstained
Rep. Jesus SN. Lizama	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes
Rep. Justo S. Quitugua	yes
Mr. Speaker, I see that probably CUC will experience somehow cash flows as a result of this bill, but if it is going to help our consumers who really need the extra help, I will vote, yes for the bill.	
Rep. Benjamin B. Seman	yes
Rep. Candido B. Taman	excused
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	excused
Rep. Stanley T. Torres	yes
Mr. Speaker, may I change my vote from “conflict” to “yes.”	
<u>Speaker Babauta:</u> You are now being separated with your litigation, am I correct? Or you are still...?	
<u>Rep. Torres:</u> It does not matter because that is what I am fighting for.	
<u>Speaker Babauta:</u> Okay.	
<u>Rep. Torres:</u> I am voting for the people.	
<u>Speaker Babauta:</u> For the record of the House, I will leave it to the distinguished member to decide. Clerk, take note of Representative Torres’ vote.	
Rep. Absalon V. Waki, Jr.	no
Mr. Speaker, I am going to be voting “no” on the bill, only because I believe that we should leave it in their hands to work it out on the finances with the consumer, and I do not really want to tap – micromanage the way they manage their departments, so my vote will be, no.	
Rep. Ray N. Yumul	yes
Rep. Oscar M. Babauta	no

Speaker Babauta: By a vote of 12 “yes”, H. B. No. 15-244...

Rep. Yumul: Mr. Speaker, if I may? I would like to thank the members that voted for this bill.

Speaker Babauta: May I first call the vote.

Rep. Yumul: Sure.

Speaker Babauta: H. B. No. 15-244, HD1 passes the House on First and Final Reading. You are now recognized.

Rep. Yumul: Thank you. Again, I would like to thank the members that voted for this bill. This is very helpful – to those that did not vote, of course, I appreciate your concern. This does not give the customers any right whatsoever to circumvent any existing agreement that we have with CUC, and if they are in default with those agreements, this would not wipe that away. It just gives the opportunity for those that are just cut up with the economic situation to take advantage and work with CUC on a payment plan that is based on their financial need. CUC still has that prerogative to decide the extent of the payment plan up to one year based on your financial ability to pay. So it is not one year, but up to one year. Thank you.

Speaker Babauta: I recognize the Floor Leader for the next.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for the passage on First and Final Reading, H. B. No.15-232.

The motion was seconded.

**H. B. No. 15-232**: A Bill for an Act to amend 3 CMC § 4437(h) to clarify that the privilege of nonresident workers owning a business is limited to those nonresident worker owned-businesses that were established on or before July 28, 1987, and to require nonresident worker business owners to change their status to foreign investors; and for other purposes.

Speaker Babauta: Discussion on the motion. I recognize Chairwoman Kaipat.

Rep. Kaipat: Thank you, Mr. Speaker. If we are talking about the nonresident workers owning businesses, is that what we are talking about?

Speaker Babauta: Correct.

Rep. Kaipat: Okay. I respectfully request that we not take any action on this. As you all know, we are going to be meeting tomorrow for a very thorough slide presentation on the Nonresident Workers Act. So please hold off on it.

Speaker Babauta: To shorten your plea, I assume that the gentlemen in this Chamber are humbly hiding to your request to wait for the discussion tomorrow.

Rep. Kaipat: Thank you.

Speaker Babauta: Minority Leader, is that okay with all of us.

Rep. Palacios: Yes, had this gone through First Reading already?

Speaker Babauta: Not yet. The Committee Report was just adopted yesterday.

Rep. Kaipat: We had already incorporated this into...

Rep. Palacios: I hope we have extensively – you know – let us just do First Reading on this.

Rep. Kaipat: If you are unsatisfied with the presentation, you are free to ask all the questions. It is not a final thing. We are giving the presentation so that we can hear from all of you. So tomorrow is the appropriate time...

Rep. Palacios: Certainly, one of the issues also that we need to be very aware of especially in the legislative process, I certainly would have the opportunity tomorrow to look and see whether H. B. No. 15-232 is intact in H. B. No. 15-38. Let me just raise my concern because that is a very comprehensive piece of legislation, and...

Rep. Kaipat: Let me just ease your concerns. I believe that my office has transmitted electronically the latest version of H. B. No. 15-38 to all of you. So you are more than welcome to take a look at it, and see if you still have concerns.

Rep. Palacios: My concern is not necessarily whether it is intact right now, but my concern is that when you have a – this is just in the years that I experienced in the legislature, where we have such a large volume of issues in one legislation, and it goes to the upper House, it takes a long time, and the potentials believe me is real. The potential might run into some glitches, and therefore, a lot of the individual issues that we could have taken care of would have also gotten stuck. That is a concern of mine.

Rep. Kaipat: Let me address you that – as you know, there was a memo that went out from the Speaker and the Senate President urging all members of the Senate and this House to get together here tomorrow. So any issue or points of contention should be worked out in here, and that is really the purpose of requesting the Joint meeting tomorrow so that it would ensure – and you are a member of this JGO and Task Force – you know that this a very complex complete overhaul of this Act, and that is why I requested that Joint presentation tomorrow so that whatever issues that the Senate may have, we can address it here tomorrow, and hopefully that would ensure smoother passage of this bill.

Rep. Palacios: You are correct, but what I am saying is that, I would like to have this on First Reading only. It is not even passing the bill. This is a concern that has been raised numerous times, even the Department of Commerce licensing folks are alerting us of this situation, and even the three year exit legislation that Representative Tenorio had introduced. I agree that we will sit down tomorrow, but that does not really – I mean, when we pass this – it runs into delay in the Senate, and we would have all these other issues still outstanding. That is my concern of mine. We will see where it goes, but we will take it on First Reading only.

Speaker Babauta: Very good. That is the reason why the Senate President and I issued a memo for a joint meeting so that both Houses have a chance to review the draft before the House takes action on it.

Rep. Torres: What time is that?

Speaker Babauta: The memo that I called for a joint meeting was for 9:00 a.m. in the House Chamber.

Rep. Kaipat: Mr. Speaker, if I may. I just want to assure Representative Palacios that the House Legal Counsel did take his bill as we worked on the comprehensive bill, as we did with all the other bills, and you are properly noted throughout in terms of the bills that everyone wanted to introduce. That is why I am saying that you now have access to the bill as it stands as of now, as of today, and you are more than welcome to review. My understanding is that we went beyond what your bill intends to do. Now, if you are not satisfied, tomorrow would be a time for us to hear about that also. That is all I am saying.

Rep. Palacios: It is a concern and you have to have a mutual understanding and a collaboration on the issues, but I am leery of the processes that goes through sometimes. Sometimes a comprehensive legislation get stock. I mean, that is what I am trying to get to. That is all. I hope it does not.

Rep. Kaipat: And that is why we are having the Senate here tomorrow so we can all sit in the same room and see the same presentation.

Speaker Babauta: Floor Leader, restate your motion for First Reading only.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for First Reading only on H. B. No. 15-232.

There being no further discussions, H. B. No. 15-232 was passed on First Reading through a voice vote.

Speaker Babauta: The motion is carried. I would be gladly to accept two more bills before we allow our Bureau staff to secure their office. Proceed, Floor Leader.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for the passage of H. B. No. 15-258 on First and Final Reading.

The motion was seconded.

**H. B. No. 15-258**: A Bill for an Act to amend 1 CMC §7407, and for other purposes.

Speaker Babauta: Discussion. Clerk, call the roll.

The Clerk called the roll on the motion to pass H. B. No. 15-258 on First and Final Reading:

Rep. Martin B. Ada	excused
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	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Candido B. Taman	excused
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	excused
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 15 “yes”, H. B. No. 15-258 passes the House on First and Final Reading. Last bill, Floor Leader.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for the passage on First and Final Reading, H. B. NO. 15-42.

The motion was seconded.

**H. B. No. 15-42: A BILL FOR AN ACT TO REQUIRE LEGISLATIVE APPROVAL FOR THE FUNDING OF ANY CAPITAL IMPROVEMENT PROJECT FROM FEDERAL FINANCIAL ASSISTANCE RECEIVED PURSUANT TO THE COVENANT OR PURSUANT TO THE IMPACT AID FOR THE COMPACT OF FREE ASSOCIATION OR THROUGH A SPECIAL APPROPRIATION.**

Speaker Babauta: Discussion. Clerk, call the roll.

The Clerk called the roll on the motion to pass H. B. NO. 15-42 on First and Final Reading:

Rep. Martin B. Ada	excused
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	no
Rep. Jesus SN. Lizama	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Candido B. Taman	excused
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	excused
Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	no
Rep. Ray N. Yumul	yes
Rep. Oscar M. Babauta	abstained

I would have to abstain on this bill because the former Governor Babauta have initiate a new 7-year 702 Funding that requires the form of 702 funds starting from 2004 in the form of a grant. So, whether or not this bill, if it becomes law, is really a bill that would help achieve its

intent that we do not know because the agreement had been executed by the Federal Government and the CNMI Government.

Speaker Babauta: By a vote of 12 “yes”, H. B. NO. 15-42 passes the House on First and Final Reading. I recognize the Minority Leader.

Rep. Palacios: Mr. Speaker, I decided not to discuss this so that I can see a vote, but I was confident that it was going to pass so I did not want to muddle the water, but there is a history to this piece of legislation. As you know, Mr. Speaker, as the Floor Leader of the 14<sup>th</sup> Legislature, and several members who were members of the 14<sup>th</sup> Legislature – our present Governor authored the same legislation in the 14<sup>th</sup> Legislature...

Speaker Babauta: It was vetoed.

Rep. Palacios: Subsequently, it was passed in the Senate by a unanimous vote also in the Senate, and then Governor Babauta vetoed it. The House of Representatives overrode that veto of Governor Babauta in the 14<sup>th</sup> Legislature. I am pretty sure that Representative Waki was in the Chamber when that override process went on. I know that the issue that Governor Babauta then tried to use a justification was that the 702 money was now defined as a grant, but that is not the case. I, in voting to override that veto, I could not believe that in reading the appropriations act of the 110<sup>th</sup> Congress, it specifically says that consistent with the Covenant to establish political union with the United States and the Commonwealth of the Northern Mariana Islands – these funds under Section 702 is hereby appropriated. Now, in our Covenant, those funds are local funds. They are not Federal grant. There is no way that we can redefine it as grant just because we have a new 7-year plan. It is still Covenant funds negotiated by our forefathers and the U.S. Those are still covenant funds. We had several legal counsels look at the issue. There are legislative journals if any of the new members are interested in the 14<sup>th</sup> Legislature, the journal is there, and you would be able to get the feel of then Speaker Fitial’s sentiment of this particular issue, because he was a member of the Covenant negotiating team. Thank you.

Speaker Babauta: Thank you.

Rep. Joseph Deleon Guerrero: Point of clarification, Mr. Speaker.

Speaker Babauta: State your point.

Rep. Joseph Deleon Guerrero: I just want to clarify. I recalled – regarding the comments of Representative Palacios, I recalled that we wrote to the Department of Interior, and I just want to find out, I seem to recall their response that they were going to leave it to – that was an internal issue within the Covenant. It was a local issue.

Speaker Babauta: Yes, that was done by – we asked that through a request in the 14<sup>th</sup> Legislature, but I am not too familiar on the exact respond.

Rep. Joseph Deleon Guerrero: So if their official position was that it was our decision, then here we are making the decision, so I think that we are correct in trying to clarify that.

Speaker Babauta: Okay.

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

Speaker Babauta: That is the same time where it comes the new policy of meeting the threshold of half a million. Anyway, at least that is clarified primarily to our new members. Floor Leader, recognized.

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

Speaker Babauta: Floor Leader, would you take up H. B. NO. 15-185, HD1 before we recess?

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

The motion was seconded.

**H. B. No. 15-185, HD1: A BILL FOR AN ACT TO AMEND 4 CMC § 51203 TO REQUIRE BUSINESSES TO POST A NOTICE REGARDING THE SALES RECEIPT ACT 2002 WITHIN THEIR BUSINESS ESTABLISHMENT; AND FOR OTHER PURPOSES.**

Speaker Babauta: Discussion. I recognize the Minority Leader.

Rep. Palacios: Mr. Speaker, I remembered when this legislation was introduced, you asked whether the size of the signage was going to be sufficient, and I remembered the Clerk putting up a piece of paper with the size font that is required. I do not think that it is sufficient. It is very small. I think we should change that to make it larger.

The Chair recognized Representative Yumul.

Rep. Yumul: Thank you. On behalf of my good Chairman who is excused for today, on page 2, line 9, it says that, "A provision printed in a size equal to at least 20-point type." We are not saying that it is 20-point. We are just saying that minimum is 20-point depending on the retail establishment. We cannot demand that they put in a big poster and take up valuable floor space, but we are just saying that it should be at least 20-point, but at the same time, starting on line 24 specifies that it must be open in a conspicuous place within close proximity of the cash register. So basically, it should be right in your face as you come up to the register whether it is on big print or in small print. It will be there. So it should be enough to notify or alert the customer. Thank you.

Speaker Babauta: Since you are well versed with print, I personally put my trust on those 20-point. Ready. Clerk, call the roll.

The Clerk called the roll on the motion to pass H. B. NO. 15-185, HD1 on First and Final Reading:

Rep. Martin B. Ada	excused
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	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Candido B. Taman	excused
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	excused
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 15 “yes”, H. B. NO. 15-185, HD1 passes the House on First and Final Reading. I now recognize the Floor Leader for the next motion.

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

The motion was seconded.

Speaker Babauta: The motion is undebatable, and I thank all of you for a great day. I wish also to thank on behalf of the members, Vice President and Senator Pete P. Reyes, for taping this footage of this session. Thank you.

#### MISCELLANEOUS

None

#### ANNOUNCEMENTS

None

The House adjourned at 4:23 p.m.

Respectfully submitted,

Vicky T. Guerrero, Journal Clerk  
House of Representatives

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### APPEARANCE OF LOCAL BILLS

#### Second appearance

H. L. B. NO. 15-62: A Local Appropriation Bill for an Act to appropriate \$30,000.00 from Saipan Local Law 15-12, Section 2(f); and for other purposes. (Rep. Candido B. Taman)

H. L. B. NO. 15-63: A Local Appropriation Bill for an Act to appropriate \$88,000.00 from the local license fees collected for pachinko slot machines and poker machines in the First Senatorial District; and for other purposes. (Rep. Crispin M. Ogo)

H. L. B. NO. 15-64: A Local Appropriation Bill to establish a local fee on car rental and scooter rental in the Second Senatorial District and to create the Tinian Tourism and Beautification Fund; and for other purposes.

**Third Appearance:**

H. L. B. No. 15-60: A Local Appropriation Bill for an Act for the Third Senatorial District to reappropriates \$50,000.00 from Saipan Local Law 15-12, Section 2(f); and for other purposes. (Rep. Justo S. Quitugua)

H. L. B. No. 15-61: A Local Appropriation Bill for an Act to appropriate \$54,000.00 from the local license fees collected for pachinko slot machines and poker machines in the Second Senatorial District; and for other purposes. (Rep. Edwin P. Aldan)